THE BUDGET OF THE UNITED STATES GOVERNMENT

FISCAL YEAR 1969

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A NOTE ON THE FORMAT OF THE BUDGET

Data relating to the budget for 1969 are published in a group of five documents. *The Budget of the United States Government, 1969*, is presented in a compact volume containing the Budget Message of the President and other significant data to place before the Congress the President's budgetary recommendations. This volume contains the facts and figures that most users of the budget would normally need or desire.

The Budget of the United States Government, 1969—Appendix contains the text of appropriation estimates proposed for the consideration of Congress together with specific supporting information on the various appropriations and funds, as well as supplementary schedules required by law.

The Budget of the United States Government, 1969—The District of Columbia contains the estimates for the municipal government of the District of Columbia.

A pamphlet type of publication, *The Budget in Brief, 1969*, is available for those who wish a more concise and less technical presentation than any of the foregoing three official volumes. A second pamphlet type of publication, *Special Analyses, Budget of the United States, 1969*, contains thirteen special analyses of significant aspects of the Federal budget, including those printed in the compact volume.

Budget documents for fiscal year 1969 are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (Paper covers only.)

1. The Budget of the United States Government, 1969 ($1.75).
2. The Budget of the United States Government, 1969—Appendix ($6.00).
3. The Budget of the United States Government, 1969—The District of Columbia (to be issued later).
4. The Budget in Brief, 1969 (35 cents).
5. Special Analyses, Budget of the United States, 1969 (70 cents).

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1968

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GENERAL NOTES

1. The estimates in the budget cover requirements under existing legislation and under legislation which is proposed for enactment by Congress.
2. Unless otherwise indicated, all references to years in this volume are to fiscal years ending June 30.
3. Details in the tables and charts may not add to the totals because of rounding.

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PART 1

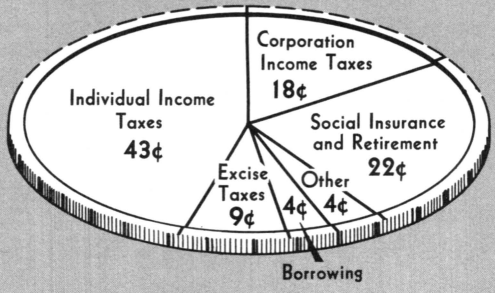
THE BUDGET MESSAGE OF THE PRESIDENT

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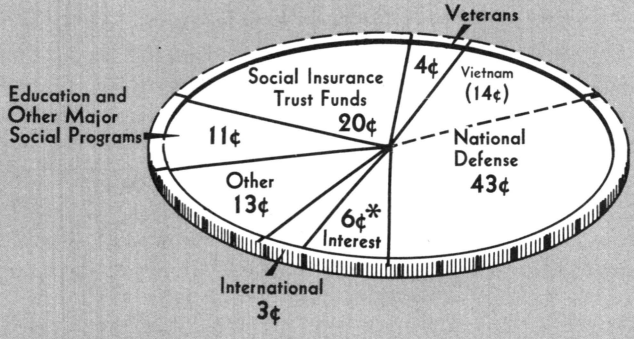
THE GOVERNMENT DOLLAR

Fiscal Year 1969 Estimate

Where it comes from . . .



Where it goes . . .



*Excludes Interest Paid to Trust Funds

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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

The budget I send you today reflects a series of difficult choices. They are choices we cannot avoid. How we make the choices will affect our future as a strong, responsible, and compassionate people.

We now possess the strongest military capability that any nation has ever had. Domestically, we have enjoyed an unparalleled period of economic advance. Nevertheless, we are confronted by a number of problems which demand our energies and determination.

Abroad we face the challenge of an obstinate foe, who is testing our resolve and the worth of our commitment. While we maintain our unremitting search for a just and reasonable peace, we must also continue a determined defense against aggression. This budget provides the funds needed for that defense, and for the maintenance and improvement of our total defense forces. The costs of that defense—even after a thorough review and screening—remain very large.

At home we face equally stubborn foes—poverty, slums and substandard housing, urban blight, polluted air and water, excessively high infant mortality, rising crime rates, and inferior education for too many of our citizens. In recent years, we have come to recognize that these are conquerable ills. We have used our ingenuity to develop means to attack them, and have devoted increasing resources to that effort. We would be derelict in our responsibilities as a great nation if we shrank from pressing forward toward solutions to these problems.

But faced with a costly war abroad and urgent requirements at home, we have had to set priorities. And "priority" is but another word for "choice." We cannot do everything we would wish to do. And so we must choose carefully among the many competing demands on our resources.

After carefully weighing priorities, I am proposing three kinds of actions:

- *First*, I have carefully examined the broad range of defense and civilian needs, and am proposing the *selective expansion* of existing programs or the inauguration of new programs only as necessary to meet those urgent requirements whose fulfillment we cannot delay.
- *Second*, I am proposing *delays and deferments* in existing programs, wherever this can be done without sacrificing vital national objectives.

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- *Third*, I am proposing *basic changes, reforms, or reductions* designed to lower the budgetary cost of a number of Federal programs which, in their present form, no longer effectively meet the needs of today.

Federal programs bring important benefits to all segments of the Nation. This is why they were proposed and enacted in the first place. Setting priorities among them, proposing reductions in some places and fundamental reforms in others, is a difficult and a painful task. But it is also a duty. I ask the Congress and the American people to help me carry out that duty.

Even after a rigorous screening of priorities, however, the cost of meeting our most pressing defense and civilian requirements cannot be responsibly financed without a temporary tax increase. I requested such an increase a year ago. On the basis of changed fiscal conditions, I revised my request in a special message to the Congress last August. I am renewing that request now.

There is no question that as a nation we are strong enough, we are intelligent enough, we are productive enough to carry out our responsibilities and take advantage of our opportunities. Our *ability* to act as a great nation is not at issue. It is our *will* that is being tested.

Are we willing to tax our incomes an additional penny on the dollar to finance the cost of Vietnam responsibly? Are we willing to take the necessary steps to preserve a stable economy at home and the soundness of the dollar abroad?

One way or the other we will be taxed. We can choose to accept the arbitrary and capricious tax levied by inflation, and high interest rates, and the likelihood of a deteriorating balance of payments, and the threat of an economic bust at the end of the boom.

Or, we can choose the path of responsibility. We can adopt a reasoned and moderate approach to our fiscal needs. We can apportion the fiscal burden equitably and rationally through the tax measures I am proposing.

The question, in short, is whether we can match our will and determination to our responsibilities and our capacity.

BUDGET SUMMARY

I am presenting my 1969 budget under the new unified budget concept unanimously recommended by the bipartisan Commission on Budget Concepts I appointed last year. Among the many changes recommended by the Commission and incorporated in this year's budget presentation, two stand out:

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- *First*, the total budget includes the receipts and expenditures of the *trust funds*, which were excluded from the traditional "administrative budget" concept. Because some $47 billion of trust funds are included in the new budget concept, its *totals* are much larger than those in the old administrative budget.
- *Second*, when the Federal Government makes a repayable *loan*, the effect on the economy is very different than when it spends money for a missile, a dam, or a grant program. A loan is an exchange of financial assets. Unlike other outlays, it does not directly add to the income of the recipient. Consequently, the Commission on Budget Concepts recommended that the budget identify and distinguish "expenditures" from "lending," and, for purposes of evaluating economic impact, show a separate calculation of the surplus or deficit based on expenditure totals alone. My budget presentation follows this significant recommendation.

This budget carries a special section showing the relationship between the new and the old concepts.

The 1969 budget proposes outlays of $186.1 billion, of which:

- $182.8 billion is spending.
- $3.3 billion is net lending.

Including the effects of the tax increase I am proposing, revenues in fiscal year 1969 are estimated at $178.1 billion.

On the new budget basis, the overall deficit of $8.0 billion anticipated in 1969 compares with an estimated deficit of $19.8 billion in 1968. Thus, the reduction in the deficit is estimated to be $11.8 billion.

A better measure of the direct impact of the Federal budget on the Nation's income and output is given by the *expenditure account* (which excludes the lending programs of the Federal Government). The expenditure deficit in fiscal year 1969 is estimated at $4.7 billion, a reduction of $9.3 billion from 1968.

Between 1968 and 1969 the normal growth in revenues—associated with rising incomes and business activity—is expected to be $11.5 billion. This more than covers the rise in budget outlays between the two years—estimated at $10.4 billion. Consequently, all of the revenues from the proposed surcharge and the speedup in corporate tax payments will be applied towards reducing the budget deficit.

To carry forward the proposals in the budget, I am requesting new budget authority of $201.7 billion for 1969, of which $141.5 billion will have to be provided through appropriation bills or similar action during the current session of Congress. The remainder will become available under existing law without current congressional action, including the social insurance trust funds and interest on the public debt.

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SUMMARY OF THE BUDGET AND FINANCIAL PLAN

[Fiscal years. In billions]

Description	1967 actual	1968 estimate	1969 estimate
Budget authority (largely appropriations):			
Previously enacted	$135.4	$125.1	
Proposed for current action by Congress		3.3	$141.5
Becoming available without current action by Congress	58.7	69.9	73.1
Deductions for interfund and intragovernmental transactions and applicable receipts	−11.5	−11.8	−12.9
Total, budget authority	182.6	186.5	201.7
Receipts, expenditures, and net lending:			
Expenditure account:			
Receipts	149.6	155.8	178.1
Expenditures (excludes net lending)	153.2	169.9	182.8
Expenditure deficit (−)	−3.6	−14.0	−4.7
Loan account:			
Loan disbursements	17.8	20.9	20.4
Loan repayments	−12.6	−15.1	−17.1
Net lending	5.2	5.8	3.3
Total budget:			
Receipts	149.6	155.8	178.1
Outlays (expenditures and net lending)	158.4	175.6	186.1
Budget deficit (−)	−8.8	−19.8	−8.0
Budget financing:			
Borrowing from the public	3.6	20.8	8.0
Reduction of cash balances, etc	5.3	−1.0	*
Total, budget financing	8.8	19.8	8.0
Outstanding debt, end of year:	*1966 actual*		
Gross amount outstanding	329.5	341.3	370.0	387.2
Held by the public	265.6	269.2	290.0	298.0

*Less than $50 million.

FISCAL PROGRAM FOR 1969

Economic background.—The overall fiscal policy for 1969 has been designed to achieve four major goals:

- Continuation of sustained growth in jobs and real income for the American people.
- Lessening of inflationary pressures.

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- Improvement in the U.S. balance of payments.
- Reduction in Federal borrowing, aimed at reducing the upward pressure on interest rates.

In March, the American economy will achieve a new milestone as it enters its eighth year of sustained expansion. No prior period in our history has been marked by an expansion of such long duration. Each month that we continue to move ahead creates its own new record. And this record translates into jobs, incomes, and rising living standards for the American people.

During the past 4 years, the continued expansion has resulted in:

- the creation of 7 and a half million new jobs;
- an increase of 21% in national output;
- a rise of 18.8% in per capita income after taxes and after adjustment for price change;
- a rise of 12% in output per man-hour in the private sector of the economy;
- a decline of 6½ million in the number of people living in poverty; and
- a rate of unemployment which, for the past 2 years, has averaged less than 4% of the labor force and now stands at 3.7%.

Many factors contributed to this unparalleled achievement. But chief among them was the flexible use of fiscal policy—particularly the tax reductions and reforms of 1962, 1964, and 1965. A lagging economy was set in motion and sustained in expansion through these actions.

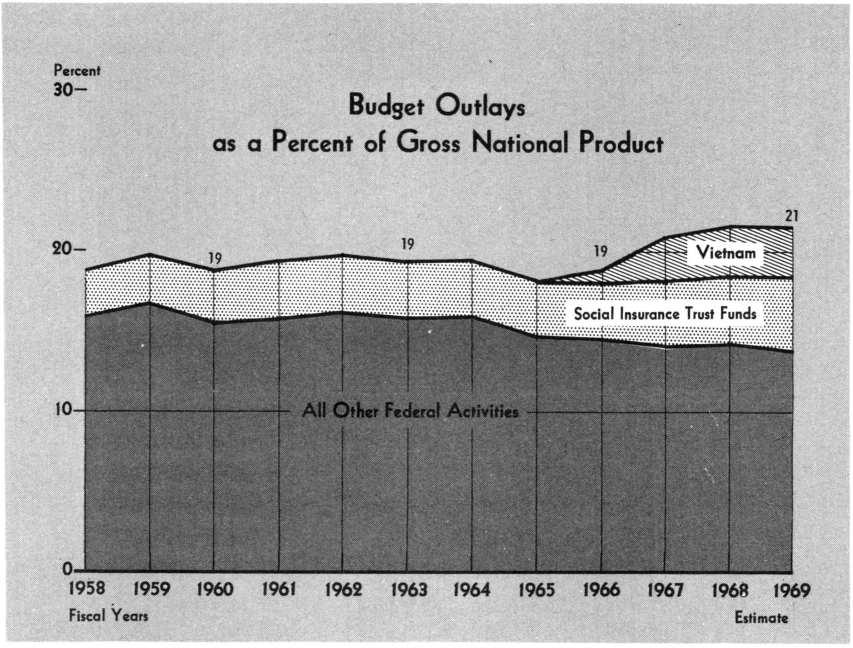
Between calendar years 1961 and 1965, economic growth was accompanied by a remarkable degree of price stability. Wholesale industrial prices rose by about one-half of 1% per year. The annual increase in consumer prices was about 1⅓%.

Since 1965, however, our economic achievements have been marred by an accelerated rate of price increases. Although these increases have not been as great as those in many other industrial countries, the consumer price index in the past 2 years has risen at an annual rate of 2.9%, and wholesale industrial prices at an annual rate of 1.8%.

Interest rates on loans and securities of all types have advanced sharply, first in 1966, and then after a short period of decline, again in 1967. Our balance of payments deficit—which had been reduced from $3.9 billion in 1960 to $1.4 billion in 1966—took a sharp turn for the worse in 1967.

The problems of rising prices and interest rates, and a worsening balance of payments, arise from many causes. And their correction will require a variety of measures. But central to any attack upon them is a fiscal policy which—through a combination of expenditure control and tax increase—sharply reduces the inappropriate stimulus of a large Federal budget deficit in today's vigorous economy.

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We are now spending approximately $25 billion annually to support our efforts in Vietnam—in the 4 fiscal years, 1966 through 1969 combined, we will have spent more than $75 billion. Our annual expenditure for this purpose amounts to about 3% of gross national product. Other outlays, exclusive of social insurance trust funds, have been *declining* as a share of the Nation's income and output in recent years. It is not the rise in regular budget outlays which requires a tax increase, but the cost of Vietnam.

BUDGET OUTLAYS AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

[Fiscal years]

	Average 1958–1960 actual	1965 actual	1968 estimate	1969 estimate
Total outlays:				
Vietnam	----------	*	3.1%	3.0%
Social insurance trust funds	3.0%	3.4%	4.2	4.4
Other outlays	16.0	14.6	14.2	13.9

*Less than 0.05%.

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The tax increase I am requesting is in the same form as the one I recommended last year—a temporary 10% surcharge on individual and corporation income taxes. I again strongly urge its early approval by the Congress, with an effective date of January 1, 1968, for corporations and April 1, 1968, for individuals.

With enactment of the tax measures proposed in this budget—the surcharge, extension of excises, and the acceleration of corporate tax collections—the total budget deficit can be cut by more than half between 1968 and 1969. Without the tax measures, the deficit in 1969 would remain close to $20 billion for the second year in a row. In an economy already moving strongly upward, such a deficit in 1969 would clearly add sharply to inflationary pressures.

Inflation robs the purchasing power of those living on fixed incomes. It is a regressive tax which strikes hardest at those least able to afford it—the poor and the elderly.

By raising the price at which we must sell in foreign markets, inflation also causes our export industries to suffer and our imports to increase more rapidly. Perhaps even more importantly, failure to take decisive fiscal action to reduce our budget deficit would raise strong doubts throughout the world about America's willingness to keep its financial house in order.

Finally, unless we take action to reduce the budget deficit significantly, Federal borrowing is likely to be so large as to drive up interest rates and reduce the availability of credit, especially to home buyers, small businessmen, and State and local governments.

Revenues.—The $178.1 billion in estimated revenues for fiscal year 1969 includes $12.9 billion from the tax measures I am proposing—the temporary income tax surcharge, the extension of present excise tax rates, and the speedup in corporation tax payments.

As I have repeatedly noted, the temporary surcharge represents a modest addition to our current tax bills. It would spread most equitably and fairly the cost of the commitments we must meet. It would exempt entirely from increased taxation about 17 million Americans whose low incomes place them within the first two tax brackets. It would not be haphazard and capricious like the tax of inflation. In terms of the income of individuals subject to the surcharge, the tax increase would average about one additional penny on the dollar. And, unlike inflation, it can be removed promptly if no longer warranted by our unusual outlays in Southeast Asia.

I am also proposing that the telephone excise tax of 10% and the automobile excise tax of 7% be extended at these rates beyond April

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BUDGET RECEIPTS

[Fiscal years. In billions]

Source	1967 actual	1968 estimate	1969 estimate
Individual income taxes	$61.5	$67.7	$80.9
Corporation income taxes	34.0	31.3	34.3
Excise taxes	13.7	13.8	14.7
Employment taxes	27.8	29.7	34.2
All other receipts	12.6	13.3	14.1
Total	149.6	155.8	178.1
Under existing law	149.6	152.8	165.0
Under proposed legislation:			
Tax measures		3.0	12.9
User charges			.3

1, 1968, instead of dropping to 1% and 2%, respectively, as provided in present law. In addition, the Congress should enact the proposals made last year to modify the provisions for current payment of the corporate income tax so that they correspond to the current payment provisions applicable to individuals.

An estimated $4.4 billion of the increase in revenues in 1969 will come from employment taxes which finance social security and other trust fund programs. Under the recent amendments to the Social Security Act, the annual wages on which each employee's social security taxes are paid rose from $6,600 to $7,800 as of January 1, 1968, and the combined employer-employee payroll tax will increase from 8.8% to 9.6% on January 1, 1969.

I am also recommending a number of new and increased user charges for programs in which the services provided by the Federal Government yield direct benefits to specific individuals and businesses. These charges—notably in the field of transportation—will, and should, shift the burden of financing from the general taxpayer to those who benefit directly, and make the provision of these services dependent upon the willingness of the user to pay for them.

Outlays.—The $186.1 billion in total budget outlays for 1969 represents an increase of $10.4 billion from the current fiscal year. Almost all of this increase is accounted for by rising outlays for defense and for relatively fixed charges under present laws.

Of the total $10.4 billion increase:

- $3.3 billion is for national defense;
- $4.2 billion is for the Federal Government's social insurance programs (chiefly social security and Medicare);

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- $1.6 billion is for the second step of the civilian and military pay increase enacted last year; and
- $1.3 billion is for other relatively fixed charges (interest, public assistance, veterans pensions, etc.).

CONTROLLABILITY OF BUDGET OUTLAYS

[Fiscal years. In billions]

Type of controllability	1967 actual	1968 estimate	1969 estimate	Change, 1968 to 1969
National defense	**$70.1**	**$76.5**	**$79.8**	**+$3.3**
Relatively uncontrollable civilian programs:				
Open-ended programs and fixed costs:				
Social security, Medicare, and other social insurance trust funds	30.3	34.3	38.5	+4.2
Interest	12.5	13.5	14.4	+.9
Civilian and military pay increase	----	----	1.6	+1.6
Veterans pensions, compensation, and insurance	4.9	5.1	5.2	+.1
Public assistance grants	4.2	5.2	5.7	+.5
Farm price supports (Commodity Credit Corporation)	1.7	2.8	2.9	+.1
Postal operations	.8	.7	.3	−.4
Legislative and judiciary	.3	.4	.4	*
Other	2.4	2.7	2.8	+.1
Subtotal, relatively uncontrollable civilian programs	**57.1**	**64.7**	**71.8**	**+7.1**
Relatively controllable civilian programs, including outlays from prior year contracts and obligations	**35.2**	**39.0**	**39.5**	**+.5**
Undistributed intragovernmental payments (−)	−4.0	−4.6	−5.0	−.5
Total budget outlays	**158.4**	**175.6**	**186.1**	**+10.4**

*Less than $50 million.

Outlays in relatively controllable civilian programs are estimated to rise by $0.5 billion from 1968 to 1969. This rise is more than accounted for by an increase of $1½ to $2 billion in payments on prior contracts and obligations. On the other hand, budget outlays by the Federal National Mortgage Association trust fund are scheduled to decline. All other outlays in relatively controllable civilian programs will be essentially unchanged from 1968 to 1969.

Within this relatively stable total, however, there are a large number of individual increases and decreases. Tight budgeting does not mean an indiscriminate "hold-the-line" on all programs. Rather, it

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implies a rigorous application of priorities, providing increases where needs are urgent and returns high, slowing the growth of programs with less urgent priority, and reducing outlays where requirements have decreased or programs have become outmoded.

In the application of this priority system, my budget provides selective increases for a number of urgent domestic programs, particularly:

- manpower training;
- Model Cities;
- programs to control the rising crime rate;
- family planning and health care for mothers and infants;
- air and water pollution control; and
- research in better methods of education, and assistance in increasing the supply of qualified teachers.

These and the other selected programs for which I am recommending increases, respond to the most urgent needs of our Nation today—the basic problems of poverty, crime, and the quality of our environment. I urge the Congress to give them the most careful consideration. We can ignore these problems only at grave risk of harm to the fabric of our society.

BUDGET OUTLAYS

[Fiscal years. In billions]

Description	1967 actual	1968 estimate	1969 estimate	Change, 1968 to 1969
National defense	$70.1	$76.5	$79.8	+$3.3
Social security, Medicare, and other social insurance trust funds	30.3	34.3	38.5	+4.2
Other major social programs:				
Education	4.0	4.5	4.7	+.2
Health (excluding Medicare)	3.4	4.4	4.9	+.5
Labor and manpower	1.1	1.3	1.5	+.2
Economic opportunity programs	1.5	1.9	2.0	+.1
Welfare	3.9	4.6	4.9	+.3
Urban community development, and low and moderate income housing	1.1	2.0	2.3	+.4
Regional development	.2	.4	.5	+.1
Interest	12.5	13.5	14.4	+.9
Civilian and military pay increase	----------	----------	1.6	+1.6
All other	34.2	36.9	36.0	−.8
Undistributed intragovernmental payments (−)	−4.0	−4.6	−5.0	−.5
Total budget outlays	158.4	175.6	186.1	+10.4

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At the same time as I propose selected increases, I have taken other steps to hold budget totals to the minimum consistent with the national security and well-being. My budget provides for:

- *the cutback of controllable programs in 1968* which the Congress enacted upon my recommendation;
- *reductions, deferrals, and program reforms*, which would reduce program levels in a variety of Federal activities by $2.9 billion in 1969;
- a determined effort to *slow the pace of federally financed construction* programs as much as possible consistent with orderly government and sound practices;
- a *careful review of all budget requests* to insure that increases are recommended only in case of high priority programs.

Budget authority.—Before Federal agencies can spend or lend funds, the Congress must enact authority for them to incur financial obligations and make the payments required to meet these obligations. Most of this authority is provided in the form of *appropriations.*

For fiscal year 1969, a total of $201.7 billion of such authority is proposed:

- New obligational authority of $197.1 billion for expenditure account programs, and
- Lending authority of $4.6 billion for loan account programs.

Not all of this authority will be fully obligated or spent in 1969; some of it is needed to provide the authority for major procurement, construction, loan contracts, and other large-scale activities in which obligations made in one year result in outlays over a period of years.

Of the total budget authority recommended for 1969, the Congress would have to act on $141.5 billion during the current session. The remaining authority will become available under existing law without further action by the Congress. Such authority consists chiefly of trust fund programs (under which the revenues of the special taxes and other specific receipts financing the programs are automatically appropriated) and interest on the public debt.

The authority for 1969 which the Congress is being asked to enact is $13.1 billion greater than the current estimate for 1968, but only $6.1 billion higher than the amount enacted 2 years ago. Current action by the Congress to provide budget authority varies widely from year to year because in several large programs—highways, TVA electric power construction, and the special assistance functions of the Department of Housing and Urban Development, for example—budget authority is

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BUDGET AUTHORITY

[Fiscal years. In billions]

Description	1967 actual	1968 estimate	1969 estimate
Available through current action by the Congress:			
Previously enacted	$135.4	$125.1	----------
Proposed in this budget	----------	----------	$138.4
To be requested separately:			
For supplemental requirements under present law	----------	3.0	*
Upon enactment of proposed legislation	----------	.2	.9
Allowances:			
Civilian and military pay increase	----------	----------	1.6
Contingencies	----------	.2	.6
Subtotal, available through current action by the Congress	135.4	128.4	141.5
Available without current action by the Congress (permanent authorizations):			
Trust funds	41.7	50.1	54.0
Interest on the public debt	13.4	14.4	15.2
Other	3.6	5.4	3.9
Interfund and intragovernmental transactions (−)	−6.6	−7.4	−8.2
Applicable receipts from the public (−)	−4.9	−4.4	−4.6
Total budget authority	182.6	186.5	201.7

*Less than $50 million.

provided in 1 year to cover a number of succeeding years. In fiscal year 1968, there is a considerable decline in the amount of such multiyear authority.

Of the $15.2 billion increase in total budget authority in 1969, $6.2 billion is for the Department of Defense and military assistance program, $3.9 billion is available for trust funds, $0.9 billion is for interest on the public debt, and $1.6 billion for the military and civilan pay raises effective July 1, 1968.

The remaining increase in budget authority totals $2.6 billion.

Major increases in this remainder are:

- $586 million for public assistance and payments to the Medicare trust fund.
- $597 million for foreign economic assistance, to meet minimal development needs, primarily in Latin America and Asia, following the reductions in this program last year.
- $442 million for Federal manpower activities of civilian agencies.
- $163 million for the Office of Economic Opportunity (apart from its manpower activities).
- $245 million for the Atomic Energy Commission, largely associated with the new Sentinel antiballistic missile system.

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- $688 million for the Model Cities program.

Major decreases from 1968 to 1969 include:

- $401 million for construction grant programs of the Office of Education.
- $254 million for the Post Office, reflecting the postal rate increase enacted in 1967.
- $204 million for health construction grants.
- $218 million for the National Aeronautics and Space Administration, because requirements for the Apollo program are declining.
- $81 million for certain Corps of Engineers construction activities.

This budget includes for fiscal year 1968 $3.4 billion in supplemental appropriations recommended for enactment this year, along with the related outlays. Of this total, $1.1 billion represents the current year's cost of the pay raise for Federal personnel, over and above amounts the agencies have been able to absorb. The other major supplemental requirement is $1.6 billion for the Department of Health, Education, and Welfare, largely for welfare payments and medical assistance, and for the Government's payments to the health insurance trust fund.

BUDGET PROGRAM REDUCTIONS AND REFORMS

In this budget I am recommending two kinds of measures to reduce Federal outlays.

First, I am proposing certain reductions which primarily reflect the stringent nature of the 1969 budget. I am, for example, recommending a temporary reduction in certain construction programs, not because they have outlived their usefulness, but because a deferral of this construction is appropriate in a period when we must relieve inflationary pressures by reducing the deficit.

These reductions reflect a cut in existing program levels in terms of obligations, commitments, or contracts, which can be accomplished without substantially altering the character of the affected program. Such reductions are estimated to bring 1969 programs some $1.6 billion below 1968 appropriated levels.

Second, I am recommending long-run reforms and modifications to eliminate certain programs or make them more effective. As the economic and social profile of the Nation changes, Federal programs must also change—or run the risk of being inappropriate, ineffective, and irrelevant.

Under the reform proposals, the program level of older outmoded activities would be reduced, or, in certain cases, charges for benefits would be imposed or substantially increased. These proposed reforms are estimated to reduce the 1969 budgetary burden for these programs

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by $1.2 billion below the prior year's levels. The corresponding amount for 1970 is estimated at $1.4 billion.

Change will not be easy. Many revisions will require legislation, for which I seek congressional support and approval. Many of these programs have lived long lives and recipients have become accustomed to enjoying their benefits. Nevertheless, today's priorities demand change—no matter how difficult it may be.

The expenditure savings from these reductions and reforms will not all occur in 1969, but will be spread over several years. These proposals, shown in the accompanying table, will touch nearly every major agency in the Federal Government.

BUDGET PROGRAM REDUCTIONS AND REFORMS

[Fiscal years. In millions]

Agency and program	Cuts below 1968 program level, as funded
	1969
BUDGET REDUCTIONS	
Agriculture:	
Farm operating loans	−$50
Rural electrification loans	−45
Forest roads and trails	−29
Sewer and water loans	−22
Water and sewer grants	−3
Watershed protection program	−17
Flood prevention program	−11
Agricultural research	−15
Forest protection and utilization	−2
Great plains conservation program	−2
Other	−1
Subtotal, Agriculture	−197
Commerce:	
Ship construction	−156
Research—Maritime Administration	−7
Subtotal, Commerce	−163
Health, Education, and Welfare:	
College facility grants	−224
Books, equipment, guidance, and testing grants	−120
Health research facilities construction	−29
School aid to federally impacted areas	−17
Medical library construction grants	−10
Subtotal, Health, Education, and Welfare	−400

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BUDGET PROGRAM REDUCTIONS AND REFORMS—Continued

[Fiscal years. In millions]

Agency and program	Cuts below 1968 program level, as funded
	1969
BUDGET REDUCTIONS—Continued	
Housing and Urban Development:	
Grants for basic water and sewer facilities	−$25
Public facility loans	−10
Special assistance for market rate mortgages—Federal National Mortgage Association	−27
Subtotal, Housing and Urban Development	−62
Interior:	
Reclamation program	−27
Indian construction programs	−22
Road programs	−6
Sport fisheries construction	−5
Commercial fisheries construction	−1
Subtotal, Interior	−61
Justice: Elimination of new prison construction	−1
State: Educational exchange	−1
Atomic Energy Commission:	
Production of special nuclear materials	−12
Nuclear rocket program	−10
Space electric power	−8
Civilian application of nuclear explosives (Plowshare)	−6
Subtotal, Atomic Energy Commission	−36
General Services Administration: Construction	−143
National Aeronautics and Space Administration: Manned and unmanned exploration and other programs	−447
National Science Foundation: Institutional science programs	−31
Small Business Administration:	
Business loans	−40
Economic opportunity loans	−25
Investment company loans	−25
Subtotal, Small Business Administration	−90
Total, budget reductions	−1,632

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BUDGET PROGRAM REDUCTIONS AND REFORMS—Continued

[Fiscal years. In millions]

	1969	1970
PROGRAM REFORMS		
Agriculture:		
Agricultural conservation program—limit to practices with long-term benefits	—$120	—$120
Health, Education, and Welfare: School aid to federally impacted areas—tie payments more closely to Federal burden	----------	—100
Housing and Urban Development: Private housing—place greater reliance on the private market (requiring change in statutory interest rate ceilings)	—669	—669
Labor: Institute user charges to recover expenses under Longshoremen and Harbor Workers Compensation Act	—3	—3
Transportation:		
Airway services—increase taxes on users	—40	—55
Waterways—impose tax on users	—7	—14
Highway trucking—increase tax on diesel fuels and apply graduated use tax by weight	—239	—250
Subtotal, Transportation	—286	—319
Veterans Administration:		
Compensation—eliminate statutory payments for cases of arrested tuberculosis	—54	—54
Burial benefits—eliminate duplication with social security	—46	—46
Pensions—count railroad retirement benefits as part of income in setting amount of veterans pension	—7	—7
Subtotal, Veterans Administration	—107	—107
Small Business Administration: Disaster loans—employ more equitable and rigorous criteria	—50	—50
Water Resources Projects of several agencies—raise the interest rate used for evaluating projects	(1)	(1)
Total, program reforms	—1,235	—1,368
Grand total, budget program reductions and reforms, 1969	—2,867	

[1] While no immediate savings are realized, the long-term effect could be substantial.

There have been suggestions for a long-range study of Federal programs, evaluating their effectiveness and proposing reforms. Clearly, more study of potential program reforms is needed. My proposals this year represent a first step on which we can and should act now.

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Throughout the years, it has been easier to discuss the need to restructure older Government programs, than actually to change them. I urge the Congress to take prompt and favorable action in support of these proposals to cull out lower priority programs.

FEDERAL DEBT

On the basis of all revenues and outlays included in the new unified budget, the Federal debt held by the public will increase to an estimated $298 billion on June 30, 1969, from $290 billion at the end of fiscal year 1968. A substantial amount of Federal debt is not held by the public but by Government agencies and trust funds. Federal gross debt—which is the sum of the amount held by the public and within the Government—is estimated at $387.2 billion at the end of fiscal year 1969.

During the past year the Congress substantially revised the permanent statutory debt limit, which applies to concepts used in previous budgets. It also provided for temporary further increases beginning with the fiscal year 1969, to take care of seasonal fluctuations. On the basis of the present fiscal outlook, and assuming enactment of the new tax measures which I have proposed, it should not be necessary to seek revision of the limit during this session of the Congress.

If and when it becomes necessary to revise the statutory limit, some modifications in the scope and nature of the limit may be appropriate, in line with the recommendations of the Commission on Budget Concepts.

FEDERAL DEBT AND BUDGET FINANCING

[End of fiscal years. In billions]

Description	1967 actual	1968 estimate	1969 estimate
Federal debt held by the public	$269.2	$290.0	$298.0
Plus: Debt held by Federal agencies and trust funds	72.2	80.0	89.2
Equals: Gross Federal debt	341.3	370.0	387.2
Of which:			
Treasury debt	322.9	344.1	356.7
Other agency debt	18.5	25.9	30.5
Budget financing:			
Borrowing from the public	3.6	20.8	8.0
Reduction of cash balances, etc	5.3	−1.0	*
Total budget financing	8.8	19.8	8.0
Total budget deficit	−8.8	−19.8	−8.0

* Less than $50 million.

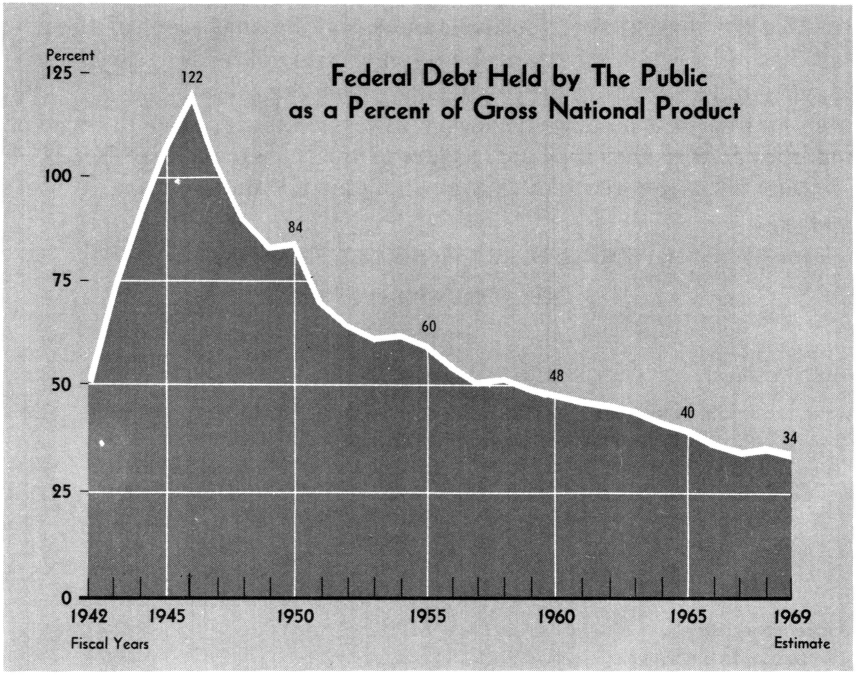
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Under the revised concepts presented in this budget, the Federal debt includes a wider range of Federal securities than the direct obligations of the Treasury Department, which have formerly been regarded as the public debt. Under the new concept, the debt includes:

- Direct obligations of the Treasury;
- Securities issued by other Federal agencies; and
- Certificates of participation in assets of Federal agencies issued by the Export-Import Bank and by the Federal National Mortgage Association for itself and as trustee for several other agencies.

In total, agency obligations other than Treasury securities will amount to an estimated $25.9 billion on June 30, 1968, and will increase to $30.5 billion by June 30, 1969.

Increases in borrowing from the public represent the primary means of financing the budget deficit. Lesser amounts are available from time to time by drawing down the Treasury's cash balances or from a portion of the seigniorage on the Government's minting operations.



PROGRAM HIGHLIGHTS

The budget covers all the expenses which can be reasonably anticipated in the coming year. To assure that the total takes into account the inevitable uncertainties in estimating for a future period, $2.2

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billion in new obligational authority and $2.0 billion in expenditures have been included as special allowances for 1969. These allowances provide for: (1) civilian and military pay increases required by law, and (2) unforeseen contingencies and the possible costs of new programs for which definite estimates cannot be made at the present time.

The Government's program and budget for 1969 are outlined briefly in the table and sections that follow.

BUDGET OUTLAYS

[Fiscal years. In billions]

Function	1967 actual	1968 estimate	1969 estimate
Expenditures:			
National defense	$70.1	$76.5	$79.8
Excluding special Vietnam	(50.0)	(52.0)	(54.0)
International affairs and finance	4.1	4.3	4.5
Excluding special Vietnam	(3.7)	(3.9)	(4.0)
Space research and technology	5.4	4.8	4.6
Agriculture and agricultural resources	3.2	4.4	4.5
Natural resources	2.1	2.4	2.5
Commerce and transportation	7.3	7.7	8.0
Housing and community development	.6	.7	1.4
Health, labor, and welfare	39.5	46.4	51.9
Education	3.6	4.2	4.4
Veterans benefits and services	6.4	6.8	7.1
Interest	12.5	13.5	14.4
General government	2.5	2.6	2.8
Allowances:			
Civilian and military pay increase	----------	----------	1.6
Contingencies	----------	.1	.4
Undistributed intragovernmental payments:			
Government contribution for employee retirement (—)	—1.7	—1.9	—2.0
Interest received by trust funds (—)	—2.3	—2.7	—3.0
Total expenditures	153.2	169.9	182.8
Total expenditures, excluding special Vietnam	(132.7)	(144.9)	(156.5)
Net Lending:			
International affairs and finance	.5	.7	.7
Agriculture and agricultural resources	1.2	.9	1.1
Housing and community development	1.7	3.3	1.4
All other	1.7	.9	.1
Total net lending	5.2	5.8	3.3
Total outlays	158.4	175.6	186.1
Total outlays, excluding special Vietnam	(137.9)	(150.6)	(159.8)

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National defense.—In a world of shrinking distances, our own peace and security is bound up with the destiny of other nations. The defense budget for 1969 reflects our resolve to preserve the independence of Vietnam and to provide the forces essential for safeguarding our national security and international obligations.

Since 1961, excluding those forces added because of operations in Vietnam, we have increased our military capability in every essential category. Our accomplishments include:

- A 45% increase in the number of combat-assigned Army divisions—from 11 to 16;
- A 62% increase in the funds for general ship construction and conversion to modernize the fleet;
- A 200% increase in the number of guided-missile surface ships;
- A 20% increase in the number of Air Force tactical fighter and attack aircraft, and a 100% increase in the total payload capability of all fighter and attack aircraft—Air Force, Navy, and Marine Corps;
- A 400% increase in our fixed-wing airlift capability—an increase which will reach 1,000% in the 1970's with the introduction of the mammoth C–5A transport; and
- A 185% increase in the number of nuclear weapons in the strategic alert forces.

While we stand ready to enter meaningful discussions with the Soviet Union on the limitation of strategic forces, it is necessary to assure that our defense capabilities remain equal to any challenge or threat. I am therefore recommending funds in this budget which will:

- Maintain our decisive strategic deterrent by: continuing to convert our strategic missile force to the more effective Minuteman III and Poseidon; equipping those missiles with multiple, independently targeted warheads and aids to help them penetrate enemy defenses; and modernizing our manned bomber force with additional FB–111 aircraft and improved short range attack missiles.
- Proceed with procurement of the Sentinel missile defense system to meet the threat posed by the emerging Chinese nuclear capability. In addition, we will begin a revamping of our air defenses.
- Augment the firepower, mobility, and readiness of our general purpose forces by improving their air defenses, buying new fixed-wing aircraft and helicopters, and procuring other new weapon systems. We will also replenish munitions, supplies, and equipment consumed in Vietnam.

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- Improve further our airlift-sealift capability by additional purchases of the giant C–5A aircraft and initial procurement of the fast deployment logistics ship.
- Continue the vigorous research and development effort which constitutes the Nation's investment in our future national security.

To accomplish these improvements, to meet all of our requirements in Vietnam, and to meet the full year's cost of the October 1967 civilian and military pay raise will require an increase of $3.3 billion in outlays for national defense in 1969.

We can and will meet all of our essential defense requirements. But we intend to insure that our defense dollars are spent as efficiently and effectively as possible. At my request, the Department of Defense will continue its searching review to reduce costs and to defer or stretch out all programs in which economies can be effected without reducing overall defense readiness.

International affairs and finance.—Through its international programs, the United States seeks to promote a peaceful world community in which all nations can devote their energies toward improving the lives of their citizens. We share with all governments, particularly those of the developed nations, responsibility for making progress toward these goals.

The task is long, hard, and often frustrating. But we must not shrink from the work of peace. We must continue because we are a Nation founded on the ideals of humanitarian justice and liberty for all men. We must continue because we do not wish our children to inherit a world in which two-thirds of the people are underfed, diseased, and poorly educated.

The $2.5 billion in new obligational authority requested for 1969 for the economic assistance program is essential to the success of our efforts. Most of our assistance is provided in concert with other industrialized nations, some of whom devote a larger proportion of their economic resources to this purpose than we do.

Our assistance, even when combined with the growing contribution of other industrial nations, cannot itself guarantee the economic growth of developing nations. But it can provide the crucial margin of difference between success and failure for those countries which are undertaking the arduous task of economic development. Since outside aid cannot substitute for effective self-help, we will continue to direct our economic assistance to those countries willing to help themselves.

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The 1969 economic assistance program will continue the trend toward increasing concentration on improved agriculture, education, health, and family planning. The economic aid program I am proposing will:

- Accelerate growth in Latin America by modernizing agriculture and expanding education, and help lay the foundations for a Common Market, as agreed at Punta del Este last April.
- Support India's recovery from recession and drought, and assist Pakistan's drive toward self-sufficiency in food.
- Promote progress in the villages of Southeast Asia by helping them build schools, roads, and farms.

More than 90% of our AID expenditures in 1969 will be for purchases made in the United States, and I have directed intensified efforts to increase this percentage.

Upon completion of negotiations now in progress, I shall recommend legislation to authorize a U.S. contribution to a multilateral replenishment of the resources of the International Development Association, which is managed by the World Bank. I shall also request an increase in our subscription to the callable capital of the Inter-American Development Bank (IDB); this action will enlarge the borrowing and lending capacity of this vital Alliance for Progress institution without requiring expenditure of U.S. Government funds. These resources, together with our proposed contributions to the IDB's Fund for Special Operations and the Asian Development Bank, will permit us to provide effective support for sound development projects while we share the financial burden with other donors. Our contributions will include adequate balance of payments safeguards.

To assure sufficient food supplies for the developing countries, I am proposing extension of the Food for Freedom program beyond its expiration date of December 31, 1968.

The Export-Import Bank will continue to assist the growth of U.S. exports, so essential to our balance of payments. I will propose legislation to establish a new Export Expansion Program to guarantee, insure, and make direct loans for U.S. exports which do not qualify for Bank financing under existing criteria.

Space research and technology.—This Nation's leadership in advanced technology was challenged 10 years ago by Sputnik and again 7 years ago by the first Soviet manned flight. We responded to these challenges with energy and imagination. We decided to create a national capability to operate in space. We established as a principal goal the development of launch vehicles and spacecraft large enough to transport men to the moon. We joined the strengths of our univer-

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sities, industry, and government to accomplish this goal, to expand our knowledge of space, and to attain a leading position in aeronautics and space technology.

Our continuing stream of progress has been marked by many dramatic successes and by only a few tragic setbacks. The Mercury and Gemini programs have clearly demonstrated our progress in manned space flight. The recent, highly successful launch of the huge Saturn V rocket emphasizes the great strides we have made in creating a large launch vehicle capability. We will resume manned flight tests of the Apollo spacecraft this year, and proceed toward the manned lunar expedition.

To meet our most urgent national needs in some areas requires us to reduce spending in others. New obligational authority requested for the National Aeronautics and Space Administration in this budget is about $220 million below the 1968 amount. Expenditures will be $230 million below 1968, $850 million below 1967, and over $1.3 billion less than in 1966. This reduction reflects our progress beyond the costly research and development phases of the manned lunar mission, as well as the immediate need to postpone spending for new projects wherever possible.

Based on a careful examination of priorities, the 1969 budget provides increases in some areas to prepare for important advances in future years, while deferring other less urgent, new projects. The production of our large Saturn-class space boosters is continued but at a reduced rate. The development of a nuclear rocket engine to increase the capability of our Saturn V launch vehicle is also continued, but at a smaller size and thrust than originally planned, to reduce development cost.

We will not abandon the field of planetary exploration. I am recommending development of a new spacecraft for launch in 1973 to orbit and land on Mars. This new Mars mission will cost much less than half the Voyager program included in last year's budget. Although the scientific result of this new mission will be less than that of the Voyager, it will still provide extremely valuable data and serve as a building block for planetary exploration systems of the future.

Agriculture and agricultural resources.—In recent years, Federal agricultural commodity programs have succeeded in adjusting farm production to domestic and export needs. Wheat acreage was increased in 1967 to permit additional food aid for developing countries faced with low crop production. Cotton acreage will be increased in 1968 since surplus cotton stocks have been eliminated.

The commodity programs have helped raise incomes for many of our

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farmers. However, many poorer families living in rural areas benefit little from these programs. The combination of rapidly rising farm productivity and more slowly growing demand for farm products has left many rural people with low incomes. The result has been a massive migration to the cities, limited job opportunities for people remaining in rural areas, and widespread rural poverty.

Rising farm income plays a major role in improving economic conditions in rural areas. But other measures are needed:

- The Secretary of Agriculture is working with other Federal agencies and local groups to help more rural people participate in Federal programs that provide increased economic opportunities and improved living conditions.
- Legislation now before the Congress should be enacted to aid the establishment of multicounty area development districts. These districts would provide a broad base for planning and coordinating the development of public services and facilities in rural areas.
- Capital needs of Rural Electrification Administration borrowers to provide necessary electric power and telephone facilities in rural areas continue to expand. Legislation should be enacted to establish a cooperative bank for the telephone loan program and to permit the use of revolving funds for both the electric and telephone programs.

The Wholesome Meat Act of 1967 provides a new guarantee of safety for the American consumer. Under this act it will be possible to bring the same assurance of wholesomeness for meat sold in intrastate commerce as for meat now inspected under the Federal system.

Natural resources.—Federal programs to protect and develop our natural resources help strengthen our economic base and provide recreational opportunity for an expanding population.

The 1969 budget calls for deferral of some lower priority resource activities. But adequate provision has been made to:

- Protect our forests, conserve our fish and wildlife, and develop our mineral resources;
- Acquire new recreation areas;
- Clean up the Nation's water; and
- Continue water resource development.

Construction costs have been rising sharply in recent years—by 5% in 1966 and 6% in 1967. To reduce the impact of Federal construction activities on the economy, I am recommending that ongoing water resource projects be continued at minimum rates. In many cases this will require a delay in present construction schedules. New water re-

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source development projects of the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture, which had been recommended for starting in 1968 or had been added by the Congress, will be started over the 2-year period, 1968 and 1969. A small number of additional projects will be proposed for starting in 1969.

The Water Resources Council is developing a more appropriate interest rate to be applied in formulating and evaluating water projects. The revised rate will be related to the average estimated current cost to the Treasury of long-term borrowing. It will be higher than the rate now in use for project evaluation. The new rate will be applied to future projects in order to assure the most effective use of Federal funds in the development of the Nation's water resources.

Legislation to establish a National Water Commission is already before the Congress and is essential if we are to deal more effectively with the Nation's critical water problems.

We must also take steps to safeguard our scenic and historic areas and anticipate the resource needs of future generations. Legislation has been proposed and should be enacted promptly to authorize:

- The Redwoods National Park in northern California;
- The North Cascades National Park and National Recreation Area in the State of Washington;
- The Apostle Islands National Lakeshore in Wisconsin;
- A National Scenic Rivers System;
- A Nationwide System of Trails; and
- The Central Arizona Project.

I also recommend legislation to:

- Augment the revenues of the Land and Water Conservation Fund by use of part of the mineral leasing receipts from the Outer Continental Shelf; and
- Establish a Federal-State system for regulation of surface mining operations.

Commerce and transportation.—Many of the Nation's most urgent needs can be secured only with the dividends provided by continued economic growth. In addition to its overall fiscal policy, the Federal Government contributes to this growth in a variety of ways. For example, we:

- Provide aid to American businesses, and stimulate increased competition;
- Assist depressed areas of the Nation to share the fruits of prosperity; and
- Encourage safe and efficient systems of transportation and communication.

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These are our long-standing goals, which require a slightly different emphasis each year to focus our efforts on the emerging needs of a rapidly changing society. The budget for 1969 is responsive to this need by:

- Encouraging private business to create job opportunities for those living in blighted urban areas;
- Enhancing the well-being of seriously depressed regions by helping selected communities take better advantage of existing Federal grant programs;
- Strengthening centers of potential economic growth within depressed regions to reduce excessive migration to larger urban centers where job opportunities often are not available;
- Improving our balance of payments, by increasing assistance to businesses to expand their exports and by attracting more tourists to the United States; and
- Providing improved statistics to aid business, labor, and government in sustaining economic growth.

Our economic growth and well-being rely heavily on fast, efficient movement of goods and people. The 1969 budget provides for continuing development of a prototype civil supersonic transport, for further tests of high-speed ground transportation, and for an expanded research program to stimulate innovation in our congested urban transportation systems.

I have directed the Secretary of Transportation to develop recommendations for providing and financing the facilities and services required to meet the long-term needs of the Nation's rapidly growing air transportation network.

I am also proposing a broad program of transportation user charges to apply the test of the marketplace to these activities, and to relieve the general taxpayer of some of the burden of financing special benefits for certain individuals and industries.

While we prepare for the future, we cannot overlook the urgent demands of the present. Safety will continue to receive high priority in the 1969 budget program. We must attack the tragic toll of traffic fatalities on the Nation's highways and equip our airways to handle increased air traffic safely and efficiently.

Housing and community development.—Most Americans lead a comfortable life, in comfortable homes and comfortable surroundings. But millions of families are still crowded into housing unfit to live in, located in squalid surroundings, and burdened with wornout facilities and inadequate services. Without some assistance and the development of new techniques, our private economy cannot now

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provide good housing at costs these families can afford. Our cities cannot afford all the essential facilities and services. The Federal Government must continue and expand its assistance.

I propose to the Congress that we launch a program, in cooperation with private industry and labor, to build 6 million new housing units for low- and middle-income families over the next 10 years.

Under existing legislation and the new measures I will propose, we can begin this program in fiscal year 1969 with 300,000 housing units.

Federal aids for State and local services, especially those for education, health, manpower training, and basic income support are, to a large extent, directed at needy families. In addition, housing and community development programs are aimed more specifically at improving their surroundings. This budget provides:

- $1 billion for the 63 Model Cities now planning their programs to concentrate assistance to some 3.7 million people living in the most blighted areas of these cities, and for approximately 70 cities expected to start their planning in the late spring.
- $1.4 billion of advance funding for the urban renewal program for 1970, allowing the communities to start planning their action programs now.

To provide decent housing for all Americans, the housing industry must be able to compete on equal terms with other sectors for needed resources. However, in the past 2 years, housing has been at a disadvantage in competing for investment funds. The tax increase I have proposed will help solve this problem. In addition, specific steps to overcome the competitive disadvantage are being proposed to the Congress, including:

- Authority to lift the ceiling on interest rates for FHA and VA mortgages, which currently discourages savers from investing in mortgages.
- An orderly transfer of ownership of the Government's activities in the secondary mortgage market to private hands, so that private capital can be raised and mortgages purchased as required by market conditions.

Despite substantial progress, our urban problems remain complex. Their solutions will be difficult. Our understanding of the basic nature of the problems and of the correct solutions is deficient. To remedy this deficiency, the 1969 budget provides for a doubling of the general research funds available to the Department of Housing and Urban Development.

Detailed recommendations to augment our efforts to solve housing and urban problems will be presented in a separate message to the Congress.

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Health, labor, and welfare.—Programs that help develop our most valuable resource—our people—are essential to the long-run growth and vitality of the Nation. No society can flourish unless its people have opportunities for jobs and the skills to perform them, receive adequate health care, and are free from the fear of basic economic insecurity. The 1969 budget will permit us to further these objectives.

Outlays for these programs are estimated at $51.4 billion, of which over 75% will be provided through trust funds which are largely self-financed.

Health.—Since 1963, Federal outlays for health have increased six-fold—from $1.7 billion to $10.7 billion. Medicare has provided insurance coverage against hospital and doctors' bills for nearly all older Americans. Under Medicaid, medical assistance has been extended to 8.5 million needy individuals. The number of medical and dental schools has been significantly increased, new mental retardation clinics and mental health centers are providing services, and infant mortality has been reduced.

But our job is far from complete. This budget will reinforce our partnership with State and local governments in attacking health problems; speed research findings to victims of heart, cancer, stroke, and related diseases; intensify the attack on air pollution; expand health care for mothers and children; and increase voluntary family planning services.

To broaden and supplement these efforts, I will propose legislation to:

- Attack the problem of infant mortality by providing, for families which cannot afford it, access to health services from prenatal care for the mother through the child's first year.
- Increase the supply of health manpower.
- Establish more effective leadership and an improved personnel system for the health activities of the Department of Health, Education, and Welfare.

Labor and manpower.—The opportunity to work in a meaningful job is a fundamental right in our society. This opportunity is denied those who are ill-equipped through lack of education and job skills, and those who are handicapped by the effects of discrimination and a slum environment.

The 1969 budget provides for a wide range of manpower programs which will enable 1.3 million Americans to start on the road to economic self-sufficiency and individual dignity. Another 230,000 disabled Americans will be restored to productive employment through the vocational rehabilitation program.

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The Concentrated Employment Program, which brings together a wide range of manpower and related services in selected geographic areas, will be expanded to an additional 70 areas—35 of them rural. This will bring to 146 the number of the Nation's most severe unemployment areas which will be served by this intensive effort.

Major increases are also planned in programs to enlist private employers in training and employing the hard-core unemployed. State and local manpower planning will be strengthened, and manpower activities in the Department of Labor have been restructured to improve delivery of manpower services.

Legislation will be proposed to:

- Update the unemployment insurance program by extending coverage, raising benefit levels for unemployed workers, increasing the length of benefits under certain circumstances, correcting abuses, and providing for services which would increase the workers' employability.
- Reduce threats to the health and safety of workers through a comprehensive Federal-State program and assure workmen's compensation benefits to uranium miners who contract lung cancer.

Economic opportunity programs.—Poverty in the midst of plenty casts an ugly shadow on our society. We have a commitment to remove that shadow.

We know that poverty cannot be eradicated overnight. But we must persist in our efforts to help those oppressed by poverty—whether they live in blighted urban areas or in impoverished rural counties. Work and training programs are being expanded and increasingly aimed at helping the poor. In addition, this budget will enable the Office of Economic Opportunity to provide:

- Improved planning capability of local Community Action Agencies.
- Services for a full academic year to 202,000 children through Head Start and a summer program for 450,000 children to remove basic disadvantages suffered by poor children on entering school.
- Head Start Follow Through to help 79,000 children retain the gains provided by the Head Start program.
- Assistance to make a college education possible for 31,000 deprived but talented youths through the Upward Bound program.
- Comprehensive family health services for the poor through nearly 50 neighborhood health centers.

New approaches are being tested through cooperation among Federal agencies in multipurpose neighborhood center demonstration projects in 14 cities. These centers will develop service systems to render assistance more effectively to those in need.

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Although the task is great and the problem complex, we have, in recent years, made substantial strides in reducing poverty. Between 1963 and 1967, the number of people living in poverty fell from over 35 million to less than 29 million, and from 19% of our population to under 15%. But 29 million poor people are still far too many.

In addition to programs of the Office of Economic Opportunity, various other Federal programs provide assistance to help reduce the number of those living in poverty.

FEDERAL AID TO THE POOR [1]

[Fiscal years. In billions]

Category	1960 actual	1963 actual	1967 actual	1968 estimate	1969 estimate
Education	$0.1	$0.1	$2.0	$2.3	$2.5
Work and training	(2)	(2)	1.0	1.2	1.6
Health	.6	.9	3.2	4.1	4.7
Cash benefit payments	8.3	10.4	12.8	14.6	15.9
Other social welfare and economic services	.5	1.0	2.0	2.4	2.9
Total	9.5	12.5	21.1	24.6	27.7

[1] Figures represent new obligational authority for Federal funds and expenditures in the case of trust funds.
[2] Less than $50 million.

Social security and public assistance.—The 1967 Social Security Amendments represent a major stride toward improving the incomes of 24 million of our people—the aged, the permanently disabled, and survivors or dependents. These beneficiaries are fortunate enough to have been covered by social insurance.

Other, less fortunate members of our society must depend on welfare. To assist those welfare recipients who cannot find work because of a lack of training and responsibility for dependent children at home, this budget provides $100 million for training and $35 million for child care services.

The transition from welfare recipient to wage earner will also be eased by the recent amendments which provide an incentive to work by exempting a certain portion of earnings from consideration of continued eligibility for assistance.

Despite periodic revisions, much of the welfare system is outmoded and in need of change. Accordingly, I have appointed a commission to make a comprehensive review of existing welfare and related programs and to recommend whatever measures are necessary to provide

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a more equitable and effective system of assistance to needy people.

The budget includes funds under proposed legislation to expand the food stamp program of the Department of Agriculture. About three million low-income people will have better diets under this program by the end of fiscal year 1969.

Education.—As a nation we are committed to develop the skills and talents of all our citizens. The Federal Government is playing an increasingly important role in this effort.

The 90th Congress added the Education Professions Development Act of 1967 to the historic laws enacted in 1965 providing Federal aid to education—the Elementary and Secondary Education Act, the Higher Education Act, and the National Foundation on the Arts and Humanities Act. We now have basic legislation to improve education at all levels. Our task is to use these tools wisely and imaginatively, directing them to the areas of greatest need or potential.

For 1969, I propose that the Federal Government continue in its determination to help make high-quality education available to all of America's young people. The budget includes:

- $1.2 billion in grants for improving the elementary and secondary education of over 9 million children from low-income families;
- An expanded Teacher Corps;
- Increased grants for schooling of children with physical and mental handicaps which hinder learning for 1 child in 10;
- A new program to better the achievement of children whose native language is not English; and
- More than two million grants, loans, and part-time work opportunities for college students, including benefits under the GI bill.

America's children must be prepared for the challenges of the future. To help them meet these challenges, we must explore the ways students learn and improve the ways teachers teach through:

- Increases in education research, demonstrations, and curriculum development, including an experiment in model schools in the District of Columbia;
- A new $30 million program to prevent dropouts; and
- Innovations in training for the education profession through new patterns of operation and new ties among colleges and universities, States, and local schools.

In order to meet these urgent requirements within a stringent overall budget, several programs have been reduced or deferred, including grants for construction of academic facilities and purchase of school equipment.

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I intend to propose legislation this year to:

- Improve Federal support to higher education by providing greater flexibility in administering student aid, providing counseling and tutoring for disadvantaged students, and encouraging schools to share libraries, computers, and other resources.
- Support innovative projects in vocational education, particularly to aid the disadvantaged.
- Provide advance financing for the newly authorized Corporation for Public Broadcasting.

Veterans benefits and services.—Historically, this Nation has provided special benefits for the men and women who have served in the Armed Forces in times of national danger.

In 1969, special emphasis will be given to programs designed to help newly discharged veterans find satisfactory employment or to improve their career opportunities through vocational or academic training programs. For men and women still on active military duty, the budget provides for legislation to increase protection under the Servicemen's Group Life Insurance program and for expanded counseling and civilian job-training opportunities in the closing months of military service.

In addition to assistance in the development of veterans' career potential, this budget will also permit the continuation and improvement of the traditional programs of compensation, pensions, and medical care. Veterans hospitals will receive new medical services and improved nursing staffing. Applied medical research and medical education will be expanded.

Legislation should be enacted to relate veterans pension payments more closely to individual needs and provide better protection against loss of income. Studies are now underway to seek improvements in other veteran benefit programs.

General government.—Rising crime rates are a major concern of the American people.

I am determined that the Federal Government do everything properly within its power to assist our States and localities in controlling crime. I have directed Federal agencies to intensify their efforts to destroy organized crime. The budget reflects expansions in both direct Federal action and Federal assistance to State and local governments.

Although the main responsibility for combating crime must rest with our State and local governments, the Federal Government can effectively aid this effort by:

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- Encouraging modernization of law enforcement, corrections, and court systems;
- Assisting law enforcement agencies throughout the country to improve and expand the exchange of information; and
- Assisting in recruiting and training law enforcement personnel.

With the Law Enforcement Assistance Act of 1965, a start was made toward more effective Federal-State-local cooperation. Last year I proposed the "Safe Streets and Crime Control Act" to expand on this promising beginning. We will renew our efforts to secure the enactment of this legislation so that an expanded effort against crime can go forward.

The Federal Government's ability to take direct action has been strengthened by the Prisoner Rehabilitation Act of 1965, the Bail Reform Act of 1966, and the Narcotic Addict Rehabilitation Act of 1966. The budget supports these and other measures in an accelerated drive against crime.

Legislation is also needed to provide support for efforts to prevent, treat, and control juvenile delinquency. Such legislation is now pending before the Congress and should be enacted promptly.

The efforts of this Administration to bring home rule to the District of Columbia are well known. I am confident that the Mayor and the Council, by their actions and with community support, will prepare the way toward the goal of local self-government. Voting representation in the Congress is an additional necessity if District citizens are to participate fully in our democratic processes. I am again recommending that the authorized Federal payment to the District of Columbia be established equal to 25% of District revenues, so that the Federal Government will be contributing its fair share toward the needs of the Nation's capital.

NEW BUDGET CONCEPTS

In my budget message last year, I called for a thorough and objective review of budgetary concepts by a bipartisan group of informed individuals with a background in budgetary matters. I stated my hope that this group would recommend an approach to budgetary presentation which would assist both public and congressional understanding of this vital document.

In March of 1967, a Commission on Budget Concepts was established to make such a review and report its recommendations to me. The Commission consisted of 16 distinguished Americans, including the chairmen and ranking minority members of the Appropriations

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Committees of the Congress, as well as top Government financial officials and eminently qualified private citizens.

This budget puts into effect most of the major recommendations in the Commission's report, which was presented to me on October 10, 1967. These include:

- A single *unified budget statement* to replace the three concepts previously used.
- *Comprehensive coverage* in the budget of all programs of the Federal Government and its agencies, including some $47 billion of trust funds as well as Federal funds.
- *Division between an expenditure account and a loan account*, using the former as a measure of economic impact for fiscal policy purposes.
- *Offsetting against related expenditures those receipts of the Government* which are market-oriented in character, rather than based on the Government's sovereign power to tax and regulate.
- *Highlighting action required of the Congress* on the budget and relating that action more closely to outlays.
- *Treating sales of participation certificates*, which had previously been considered as an offset to Government expenditures, as a means of financing the deficit.

Several other changes recommended by the Commission for adoption in future years are now under preparation for later application.

It is my hope that the far-reaching proposals made by the Commission, and their adoption for this budget, will serve the desired purposes of improving public understanding of the Federal budget and overcoming many of the inadequacies of the concepts formerly used.

PLANNING-PROGRAMING-BUDGETING SYSTEM

To improve the process by which Federal programs are planned and the Federal budget prepared, the Government is continuing to develop the Planning-Programing-Budgeting (PPB) system which has now completed its second year of operation. This system provides information and analysis to relate the programs we undertake to the ends they are to achieve, and to choose the most efficient ways of using our resources to reach our goals.

This year the program budgets developed under the system have been employed as the framework within which program costs and accomplishments were reviewed. As a result, the different programs now stand in a clearer relationship to each other and to their objectives.

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The system is also providing comparisons of the cost and effectiveness of alternative ways to achieve our objectives. For example:

- The Department of Health, Education, and Welfare has analyzed the effectiveness of the cooperative Federal-State *vocational rehabilitation* program. This study indicated that the increase in lifetime incomes of participants is many times the rehabilitation cost, confirming previous judgments that this program merits high priority.
- In the area of non-service-connected *veterans pensions*, a series of studies was done to compare various benefit formulas from the point of view of their cost, the equity with which they treat beneficiaries, and the extent to which they protect beneficiaries against large loss of pensions from small increases in other income. These studies have shown the need for legislation, provided for in this budget, that would relate pension payments more closely to the needs of the beneficiaries.
- Through the program evaluation system in the *Economic Development Administration* of the Department of Commerce, the number of jobs expected to result from proposed development projects in depressed areas has been estimated in relation to the extent of poverty and unemployment prevailing in the areas and to the costs of creating the jobs. This has assisted EDA in judging the most effective distribution of its resources among proposed projects.

We will extend the application of PPB during the next year, and strengthen it where it has already been introduced. In particular, we will continue to improve measures of the effectiveness of programs and to develop better alternatives.

IMPROVING GOVERNMENT MANAGEMENT

In recent years, the Federal Government has undertaken a number of vital new programs to improve America's urban and rural communities and enhance the way of life of all of our people.

To attain the full benefits of these programs, it is essential that they be made workable at the point of impact—whether it be the individual citizen, a State or local government, a university, or any of the other institutions involved in efforts to carry out our national goals. Effective and economical management is also essential to ensure that each tax dollar buys a full dollar's worth of essential services.

Government organization.—In the past 4 years, we have undertaken more fundamental reforms in managing the Government than, perhaps, at any other time in our history. We have witnessed such

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major advances as the creation of two new cabinet agencies—the Departments of Transportation and of Housing and Urban Development. Significant reorganizations have taken place in other programs, among them the Public Health Service, the Community Relations Service, the Federal Water Pollution Control Administration, and the Bureau of Customs.

New strides were made last year by:

- Providing the District of Columbia with a modern governmental organization, replacing the obsolete three-member Board of Commissioners with a single chief executive and a nine-member council to exercise quasi-legislative functions.
- Creating the Social and Rehabilitation Service in the Department of Health, Education, and Welfare to unify the administration of related income support and social service and rehabilitation programs.
- Reorganizing the Bureau of the Budget to enhance its ability to help coordinate Federal programs and provide additional staff services for the solution of interagency and intergovernmental problems.

A key tool in improving Government organization is the President's authority to transmit reorganization plans to the Congress. That authority is scheduled to expire on December 31, 1968. Legislation is being proposed to extend the authority for an additional 4 years to help ensure the continued ability of the President to reshape programs and organizational structures to meet changing needs and circumstances.

The problems we face in the administration of new, comprehensive attacks on social problems often involve a number of agencies—as in the new Model Cities program. These problems cannot be solved simply by shifting functions between agencies. Heavy emphasis is therefore being given to improving both the formal and informal methods used to ensure that agencies work together effectively on related programs.

An example of the efforts being made in interagency cooperation is the program involving the Office of Economic Opportunity and the Departments of Labor, Housing and Urban Development, and Health, Education, and Welfare to aid 14 cities in the establishment of pilot neighborhood centers to provide comprehensive services to residents in low-income neighborhoods.

Federal-State-local cooperation.—The need for cooperation and coordination between the partners in our federal system has also

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increased. The problems of managing many of our most important new programs are intensified by their intergovernmental character.

At the Federal level we must do what we can to assist our partners. We must assure that our programs are designed and administered in such a way as to mesh with State and local patterns of organization and operation to the maximum extent possible. We must ensure that Federal programs promote State and local initiative and action. To that end, we have taken a number of actions in the past year alone:

- Developed and put into operation a system through which State and local chief executives have the opportunity—often not previously available to them—to have a voice in developing Federal regulations and administrative procedures.
- Established procedures to improve Federal-State coordination in the designation of development planning districts.
- Provided an opportunity for areawide planning agencies to comment on proposed applications for specific grants that would affect the orderly development of their metropolitan areas.
- Taken initial steps to shorten processing time on applications under many vital grant programs by 50%.

Improvement is a continuous process, as it must be to meet the needs of a dynamic and rapidly changing society. We must prepare now to meet the public service needs of our people in the seventies. One of the prerequisites to satisfying the awesome demands of the future is a corps of competent, well-trained public servants. Enactment of the pending Intergovernmental Manpower Act will provide a significant stride forward in filling the gap of trained manpower at the State and local levels of Government.

Two additional measures are needed to improve the funding and management of intergovernmental programs significantly:

- *Joint Funding Simplification Act.*—This measure, which was sent to the Congress last year, will simplify and streamline the application, processing, and administration of a number of related grants by managing them as a single, unified project.
- *Funding improvements and consolidation efforts.*—To overcome the serious problems of planning education programs at the State and local level caused by grant delays, I am seeking early appropriations for elementary and secondary education. The amounts which will be available must be known in the spring, if local communities are to be able to use them most effectively in the ensuing school year. I am also proposing to consolidate related grants for college student aid and for vocational education. This consoli-

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dation, coupled with advance funding action similar to that mentioned above, will facilitate advance planning by both the institutions and students.

Further action is underway to determine whether additional consolidations of grant programs are feasible. As proposals are developed, they will be promptly forwarded to the Congress.

Again, as last year, I must stress that State and local governments must help themselves too. Encouraging steps are being taken, but many serious problems of modernization of executive direction and financial systems remain which can only be remedied by those governments and their citizens.

Cost reduction.—I have continued to insist that the executive branch of the Federal Government be operated as economically and efficiently as possible.

Some examples of the actions agencies took in the past year to cut costs are:

- The Department of Defense achieved savings of over $339 million by value engineering. Under this program unnecessary equipment, facilities, procedures, and supplies are eliminated. A good example is the $2.1 million saved by the redesign of an aircraft camera. Performance was improved and unit costs were reduced by about 40%.
- The Manpower Administration of the Department of Labor, through improved work methods, achieved estimated savings of over $19 million.
- All Government agencies, by sharing automatic data processing resources through an exchange program, avoided costs of over $28 million. Redistribution of ADP equipment avoided new procurement of $80 million.
- The National Aeronautics and Space Administration, by utilizing idle, excess, and surplus Government property, avoided expenditures of over $22 million for new equipment or facilities. In addition, NASA saved over $16 million by improving procurement practices.
- A value analysis of the specifications for the computer display channel of the National Airspace System development enabled the Federal Aviation Administration to avoid costs of approximately $12 million.
- The Coast Guard reorganized its search and rescue mission function along the east and gulf coasts, leading to savings estimated at $14.6 million.

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- The Post Office has improved its procurement of transportation to the extent that $107 million was saved in the period from 1965 through 1967.

CONCLUSION

This is a critical and challenging time in our history. It requires sacrifices and hard choices along with the enjoyment of the highest standard of living in the world. No nation has remained great by shedding its resolve or shirking its responsibilities. We have the capacity to meet those responsibilities. The question before us is whether or not our will and determination match that capacity.

In the past 4 years, this Nation has faced formidable challenges. We have confronted them with imagination, courage, and resolution. By acting boldly, we have forced a number of age-old concerns—ignorance, poverty, and disease—to yield stubborn ground.

The rollcall of accomplishments is long. But so is our agenda of unfinished business. Our heritage impels us to steadfast action on those problems of mankind which both gnaw at our conscience and challenge our imagination.

As your President, I have done all in my power to devise a program to meet our responsibilities compassionately and sensibly. The program is embodied in this budget for 1969. I urge active support for its principles and programs.

LYNDON B. JOHNSON.

JANUARY 29, 1968.

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PART 2

SUMMARY TABLES

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EXPLANATION OF PRINCIPLES USED IN COMPILING TABLES

This statement focuses attention on the more significant aspects of the summary tables, highlighting the changes from previous budgets. An explanation of the funding system of the Government (types of funds, types of budget authority, balances of budget authority, and kinds of action requested of Congress) is contained at the beginning of part 5 (pp. 191 to 195). A comparison of certain totals in part 2 with the totals under two older measures—the administrative and consolidated cash budgets—is contained in special analysis A (pp. 464 to 472). A comparison with the Federal sector of the national income accounts appears in special analysis B (pp. 473 to 482).

Coverage of the budget.—The budget covers *all Federal* agencies and programs no matter how funded. It covers both Federal funds and trust funds. Mixed-ownership (Government-private) and nonstock Government corporations are included as trust revolving funds. Two groups of privately owned corporations—the Federal land banks and Federal home loan banks—are excluded from the totals, as is the Federal Reserve System, but are presented as annexed budgets. The municipal government of the District of Columbia is excluded. Moneys held in suspense as deposit funds are also excluded.

In many tables the budget outlays are divided between an *expenditure account* and a *loan account*. Budget authority is also broken between the expenditure account and the loan account in many tables. The portion which permits obligations for expenditure is called *new obligational authority*. The portion which permits obligations in the loan account is called *loan authority*.

Contents of the loan account.—Transactions in the loan account are limited to those affecting the principal amount of loans outstanding and, in a few cases, the unamortized premium or discount where the loan is in the form of a mortgage purchase. Administrative and operating expenses, interest, writeoffs of loans, and other costs and revenues are counted in the expenditure account. Therefore, loan *disbursements* equal checks issued to make loans less writeoffs and losses, and plus recoveries of loans outstanding. Loan *repayments* equal collections on the principal of loans.

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The loan account *excludes* (and the expenditure account includes) lending programs which lack certain characteristics of a normal loan program (for example, nonrecourse loans of the Commodity Credit Corporation, and loans where repayment is contingent upon some future happening, such as the discovery of minerals) and foreign loans not on commercial terms.

Consolidation of funds.—Certain payments between funds are accounted for as expenditures of one fund and as receipts of another in financial statements that relate to the individual funds. When all funds are consolidated into a single schedule as in the budget, the duplication involved in the interfund and intragovernmental transactions must be eliminated. This is generally done by deducting the amounts involved from both the outlays and the budget authority for the agency receiving the payment. However, in a few cases where the payment is in the nature of a transfer of receipts, the deduction is made instead from the agency making payment.

In two situations the interfund and intragovernmental transactions are not deducted from the figures of any agency or function, but appear as special deduct lines in computing total outlays and budget authority. One of these constitutes the Government's payments as employer into trust funds for retirement of its employees. The other consists of the interest receipts of the trust funds. In the latter case, the deduct line on most summary tables includes both the intragovernmental interest receipts and a smaller amount of interest receipts from the public, which are offset because they are proprietary receipts as described in paragraphs below.

Basis for figures.—Receipts and repayments reflect collections. Outlays are stated in terms of checks issued. Where cash is paid in lieu of checks, such payments are counted. The accrual basis is generally used for interest on the public debt; in the case of bonds and notes where interest expense of the Government is reflected in periodic changes in redemption value, the interest expenditure is counted when the redemption value changes.

Offsetting of receipts against expenditures.—All expenditure figures used in the budget are net of the following types of receipts:

- Refunds of previous erroneous expenditures, to the extent that statutes permit the money to be used again without further congressional action.
- Collections of revolving funds, management funds, and trust revolving funds.
- Reimbursements to appropriations where the law permits such reimbursements to be merged with appropriations.

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Other receipts from the public (apart from loan repayments, discussed above) fall into two classes, treated as follows:

- Those that are collected because of the sovereign or other compulsory powers of the Government are reported as budget receipts. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.
- Receipts which arise out of the proprietary activities of the Government—that is, interest, sale of property and products, charges for nonregulatory services, rents and royalties, etc.—are not counted as budget receipts, but are offset against expenditures in total for each agency and for each function. They are offset against new obligational authority in similar amounts. These offsets are shown separately from the individual entries in detailed tables such as those in parts 4 and 5; the offsets have already occurred, line by line, in the summary tables of part 2 (except for tables 5 and 6).

Transactions not counted as receipts or expenditures.—The proceeds from borrowing are not receipts. Repayments of borrowings are not expenditures. These rules are applied whether the borrowing is by the Treasury in the form of public debt, or by individual agencies in the form of agency debt. The sale of certificates representing participation in the ownership of a pool of loans is considered to be borrowing.

Debt instruments issued in lieu of checks, in payment of subscriptions to international lending organizations, are not considered borrowing or an expenditure, but remain a part of the obligated balances until they are cashed, at which time they become an expenditure. These differ only in form, and not in substance, from letters of credit and open-book balances for unpaid obligations.

The Government's deposits with the International Monetary Fund (IMF) are considered similar to cash assets. Therefore the movement of money between the IMF and the Treasury is not in itself considered a receipt or expenditure, borrowing or lending.

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Table 1. **BUDGET SUMMARY** (in billions of dollars)

Description	1966 actual	1967 actual	1968 estimate	1969 estimate
Budget authority:				
Requiring current action by Congress:				
Previously enacted		135.4	125.1	
Proposed in this budget			3.3	141.5
Becoming available without current action by Congress		58.7	69.9	73.1
Deductions for interfund and intragovernmental transactions and applicable receipts		−11.5	−11.8	−12.9
Total, budget authority		182.6	186.5	201.7
Receipts, expenditures, and net lending:				
Expenditure account:				
Receipts		149.6	155.8	178.1
Expenditures (excludes net lending)		153.2	169.9	182.8
Expenditure deficit (−)		−3.6	−14.0	−4.7
Loan account:				
Loan disbursements		17.8	20.9	20.4
Loan repayments		12.6	15.1	17.1
Net lending		5.2	5.8	3.3
Total budget:				
Receipts		149.6	155.8	178.1
Expenditures and net lending		158.4	175.6	186.1
Budget deficit (−)		−8.8	−19.8	−8.0
Budget financing:				
Borrowing from the public		3.6	20.8	8.0
Reduction of cash balances, etc.		5.3	−1.0	*
Total, budget financing		8.8	19.8	8.0
	1966 actual			
Outstanding debt, end of year:				
Gross amount outstanding	329.5	341.3	370.0	387.2
Held by the public	265.6	269.2	290.0	298.0
MEMORANDUM—OUTSTANDING LOANS, END OF YEAR				
Direct loans (in loan account)		34.0	39.8	43.1
Guaranteed and insured loans		99.5	107.1	117.1

*Less than $50 million.

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Table 2. **BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY**

(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Receipts by source:			
Individual income taxes	61,526	67,700	80,900
Corporation income taxes	33,971	31,300	34,300
Employment taxes	27,823	29,730	34,154
Unemployment insurance	3,652	3,660	3,594
Premiums for other insurance and retirement	1,853	2,049	2,275
Excise taxes	13,719	13,848	14,671
Estate and gift taxes	2,978	3,100	3,400
Customs	1,901	2,000	2,070
Other receipts	2,168	2,443	2,744
Total, receipts	149,591	155,830	178,108
Outlays by function:			
National defense	70,092	76,489	79,789
International affairs and finance	4,650	5,046	5,153
Space research and technology	5,423	4,803	4,573
Agriculture and agricultural resources	4,377	5,311	5,609
Natural resources	2,132	2,432	2,490
Commerce and transportation	7,446	7,853	8,121
Housing and community development	2,285	3,954	2,784
Health, labor and welfare	40,084	46,417	51,407
Education	4,047	4,541	4,699
Veterans benefits and services	6,898	7,168	7,342
Interest	12,548	13,535	14,400
General government	2,454	2,578	2,790
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		100	350
Undistributed intragovernmental payments:			
Government contributions for employee retirement	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042
Total, outlays	158,414	175,635	186,062
Budget deficit (−)	**−8,823**	**−19,805**	**−7,954**
Budget authority by function:			
National defense	75,276	75,780	82,317
International affairs and finance	5,115	5,267	5,308
Space research and technology	4,966	4,587	4,369
Agriculture and agricultural resources	5,723	5,833	6,356
Natural resources	3,279	2,502	2,275
Commerce and transportation	9,591	9,283	9,008
Housing and community development	6,924	3,964	4,968
Health, labor, and welfare	48,411	53,149	59,875
Education	5,331	6,675	5,272
Veterans benefits and services	6,959	7,860	7,817
Interest	12,548	13,535	14,400
General government	2,460	2,506	2,654
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		150	550
Undistributed intragovernmental payments	−4,021	−4,590	−5,048
Total, budget authority	182,562	186,499	201,723

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Table 3. BUDGET AUTHORITY AND OUTLAYS BY FUNCTION

(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Expenditure account:						
National defense	75,276	75,780	82,317	70,095	76,491	79,792
International affairs and finance	4,336	4,402	4,700	4,110	4,330	4,478
Space research and technology	4,966	4,587	4,369	5,423	4,803	4,573
Agriculture and agricultural resources	4,318	4,383	5,131	3,156	4,412	4,474
Natural resources	3,262	2,488	2,271	2,113	2,416	2,483
Commerce and transportation	8,653	9,066	8,776	7,308	7,695	7,996
Housing and community development	1,503	1,869	2,833	577	697	1,429
Health, labor and welfare	47,841	53,131	60,413	39,512	46,396	51,945
Education	4,430	4,673	4,585	3,602	4,157	4,364
Veterans benefits and services	6,369	7,305	7,515	6,366	6,798	7,131
Interest	12,548	13,535	14,400	12,548	13,535	14,400
General government	2,463	2,548	2,690	2,452	2,618	2,827
Allowances for:						
Civilian and military pay increase			1,600			1,600
Contingencies		150	550		100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement	−1,735	−1,913	−2,007	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042	−2,287	−2,678	−3,042
Total, new obligational authority and expenditures	171,944	179,325	197,105	153,238	169,856	182,797
Loan account:						
National defense				−3	−2	−4
International affairs and finance	779	865	608	540	716	675
Agriculture and agricultural resources	1,405	1,450	1,225	1,221	899	1,135
Natural resources	17	14	4	19	16	7
Commerce and transportation	938	217	232	138	158	125
Housing and community development	5,421	2,095	2,135	1,708	3,257	1,355
Health, labor and welfare	570	18	−538	572	21	−538
Education	901	2,002	687	445	384	335
Veterans benefits and services	590	555	302	532	370	211
General government	−3	−42	−36	2	−40	−37
Total, loan authority and net lending	10,618	7,174	4,618	5,176	5,779	3,265
Total, budget authority and outlays	182,562	186,499	201,723	158,414	175,635	186,062

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Table 4. BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Expenditure account:						
Legislative Branch	261	272	295	240	274	285
The Judiciary	91	96	103	88	95	102
Executive Office of the President	29	31	33	28	32	33
Funds appropriated to the President	5,407	4,815	6,139	4,851	5,062	5,424
Department of Agriculture	6,707	6,834	6,846	5,292	6,556	6,790
Department of Commerce	970	894	945	717	737	795
Department of Defense—Military	72,287	72,755	79,116	67,466	73,694	76,658
Department of Defense—Civil	1,357	1,358	1,307	1,310	1,378	1,343
Department of Health, Education, and Welfare	41,133	45,568	51,468	34,866	40,787	45,889
Department of Housing and Urban Development	1,421	1,824	2,763	695	985	1,756
Department of the Interior	643	844	847	505	758	911
Department of Justice	406	462	542	409	444	555
Department of Labor	4,578	4,772	4,950	3,247	3,876	3,914
Post Office Department	1,215	1,174	920	1,141	1,087	767
Department of State	402	399	428	419	428	439
Department of Transportation	6,262	6,696	6,525	5,428	5,753	6,282
Treasury Department	13,084	14,456	15,410	13,098	14,461	15,425
Atomic Energy Commission	2,199	2,509	2,755	2,264	2,333	2,546
General Services Administration	116	362	371	134	435	534
National Aeronautics and Space Administration	4,966	4,587	4,369	5,423	4,803	4,573
Veterans Administration	6,339	7,273	7,488	6,357	6,768	7,113
Other independent agencies	6,094	5,782	6,384	3,283	3,598	3,763
Allowances for:						
Civilian and military pay increase	----	----	1,600	----	----	1,600
Contingencies	----	150	550	----	100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement	−1,735	−1,913	−2,007	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042	−2,287	−2,678	−3,042
Total, new obligational authority and expenditures	171,944	179,325	197,105	153,238	169,856	182,797
Loan account:						
Funds appropriated to the President	22	14	4	21	14	*
Department of Agriculture	1,221	965	684	536	150	378
Department of Commerce	70	67	82	21	45	58
Department of Defense—Military				*	*	−1
Department of Defense—Civil				*	*	
Department of Health, Education, and Welfare	507	106	−98	287	72	−119

*Less than $500 thousand.

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Table 4. **BUDGET AUTHORITY AND OUTLAYS BY AGENCY—Continued**

(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Loan account—Continued						
Department of Housing and Urban Development	5,947	3,879	2,579	2,098	3,565	1,460
Department of the Interior	13	19	10	24	21	12
Department of Labor	114	...	−114	114	...	−114
Treasury Department	*	*	*	*	*	*
General Services Administration	−3	−46	−41	−3	−46	−41
Veterans Administration	590	555	302	490	370	268
Other independent agencies	2,136	1,615	1,211	1,587	1,587	1,365
Total, loan authority and net lending	10,618	7,174	4,618	5,176	5,779	3,265
Total budget authority and outlays:						
Legislative Branch	261	272	295	240	274	285
The Judiciary	91	96	103	88	95	102
Executive Office of the President	29	31	33	28	32	33
Funds appropriated to the President	5,428	4,830	6,143	4,872	5,076	5,424
Department of Agriculture	7,928	7,800	7,530	5,828	6,705	7,167
Department of Commerce	1,041	961	1,027	738	782	853
Department of Defense—Military	72,287	72,755	79,116	67,465	73,695	76,657
Department of Defense—Civil	1,357	1,358	1,307	1,310	1,378	1,343
Department of Health, Education, and Welfare	41,640	45,673	51,370	35,153	40,859	45,769
Department of Housing and Urban Development	7,368	5,703	5,342	2,793	4,551	3,216
Department of the Interior	656	863	857	529	779	923
Department of Justice	406	462	542	409	444	555
Department of Labor	4,692	4,772	4,836	3,361	3,876	3,800
Post Office Department	1,215	1,174	920	1,141	1,087	767
Department of State	402	399	428	419	428	439
Department of Transportation	6,262	6,696	6,525	5,428	5,753	6,282
Treasury Department	13,083	14,456	15,410	13,098	14,461	15,425
Atomic Energy Commission	2,199	2,509	2,755	2,264	2,333	2,546
General Services Administration	113	316	330	131	389	493
National Aeronautics and Space Administration	4,966	4,587	4,369	5,423	4,803	4,573
Veterans Administration	6,929	7,828	7,790	6,846	7,139	7,382
Other independent agencies	8,231	7,397	7,595	4,870	5,185	5,127
Allowances for:						
Civilian and military pay increase	...	...	1,600	...	...	1,600
Contingencies	...	150	550	...	100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement	−1,735	−1,913	−2,007	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042	−2,287	−2,678	−3,042
Total, budget authority and outlays	182,562	186,499	201,723	158,414	175,635	186,062

*Less than $500 thousand.

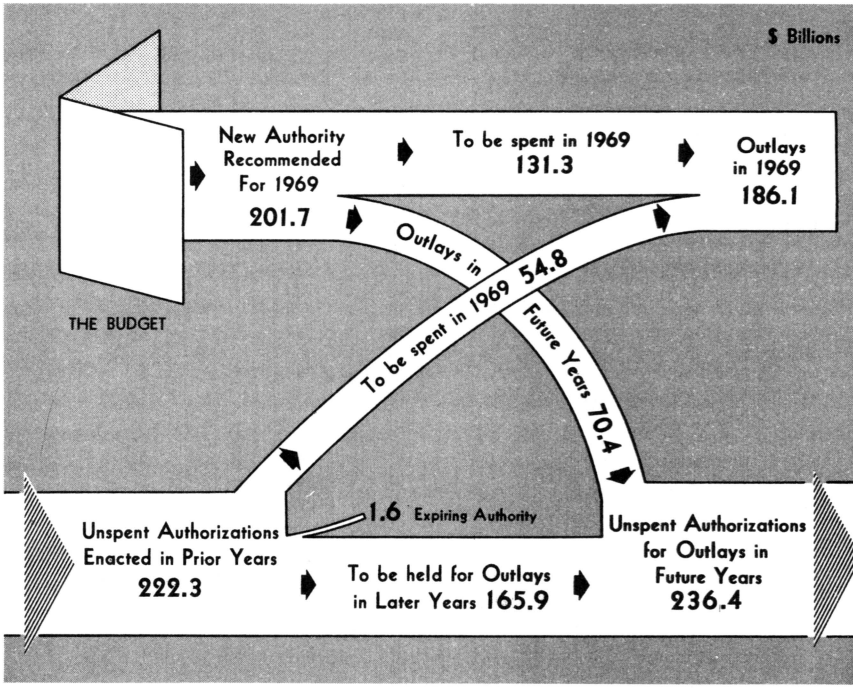
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Table 4. **BUDGET AUTHORITY AND OUTLAYS BY AGENCY—Continued**

(**In millions of dollars**)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
MEMORANDUM						
Portion requiring current action by Congress	135,432	128,400	141,496			
Portion not requiring current action by Congress	58,667	69,944	73,085			
Deductions for:						
Interfund and intragovernmental transactions	−6,589	−7,415	−8,240			
Applicable receipts from the public	−4,948	−4,430	−4,618			
Total, budget authority	182,562	186,499	201,723			

1969 Budget – Relation of Authorizations to Outlays



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

Description	1967 enacted	1968 estimate			1969 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
Legislative Branch	271	277	4	282	306	----	306
The Judiciary	90	94	1	95	101	1	102
Executive Office of the President	29	31	*	31	33	----	33
Funds appropriated to the President	5,112	4,718	10	4,728	5,763	566	6,329
Department of Agriculture	7,734	6,411	52	6,463	7,300	7	7,307
Department of Commerce	873	763	8	771	825	----	825
Department of Defense—Military	71,943	72,112	800	72,912	79,182	75	79,257
Department of Defense—Civil	1,391	1,383	11	1,394	1,345	----	1,345
Department of Health, Education, and Welfare	12,617	12,858	1,604	14,463	15,305	83	15,388
Department of Housing and Urban Development	6,402	3,330	25	3,356	3,387	40	3,427
Department of the Interior	1,586	1,592	29	1,621	1,724	----	1,724
Department of Justice	408	417	47	465	465	80	545
Department of Labor	638	625	29	654	730	11	742
Post Office Department	1,215	962	212	1,174	920	----	920
Department of State	395	389	1	390	418	----	418
Department of Transportation	6,204	1,511	221	1,732	2,736	85	2,821
Treasury Department	931	921	13	934	1,016	----	1,016
Atomic Energy Commission	2,199	2,509	----	2,509	2,755	----	2,755
General Services Administration	656	570	4	574	509	----	509
National Aeronautics and Space Administration	4,968	4,589	----	4,589	4,370	----	4,370
Veterans Administration	6,598	7,499	76	7,575	7,528	9	7,537
Other independent agencies	3,174	1,510	28	1,538	1,642	30	1,672
Allowances for:							
Civilian and military pay increase	----	----	----	----	----	1,600	1,600
Contingencies	----	----	150	150	----	550	550
Total, budget authority requiring current action by Congress	135,432	125,073	3,327	128,400	138,359	3,136	141,496

*Less than $500 thousand.

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Table 6. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

	1967 actual	1968 estimate	1969 estimate
Budget authority requiring current action by Congress:			
Enacted or transmitted herein:			
Appropriations	[1] 122,542	[1] 120,922	[1] 133,960
Authorizations to spend debt receipts	7,742	3,801	2,552
Contract authorizations	5,110	320	1,848
Reappropriations and reauthorizations	38	30	----------
Transmitted separately:			
Appropriations	----------	[1] 3,141	3,051
Contract authorizations	----------	186	85
Total, budget authority requiring current action by Congress (table 5)	135,432	128,400	141,496
Budget authority becoming available without current action by Congress:			
Appropriations	[1] 54,451	[1] 58,517	[1] 64,964
Authorizations to spend debt receipts	1,264	2,819	2,133
Contract authorizations	2,952	8,608	5,989
Offsets in determining totals (table 12):			
Interfund and intragovernmental transactions	−6,589	−7,415	−8,240
Applicable receipts from the public	−4,948	−4,430	−4,618
Total, budget authority for the year (tables 3 and 4)	182,562	186,499	201,723
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 8)	121,228	134,490	140,063
Written off (rescinded, lapsed, etc.)	[2] −1,169	−2,467	−1,550
Carried forward at end of year (table 8)	−134,490	−140,063	−145,672
Application of new authority to prior obligations:			
Budget authority of year, obligated previously	−913	−957	−1,429
Budget authority of subsequent year, obligated currently	957	1,429	1,462
Obligations incurred, net (table 7)	168,175	178,931	194,597
Obligated balances:			
Brought forward at start of year (table 8)	69,387	79,023	82,238
Written off, less restorations, in expired accounts	[3] −208	[3] −87	−65
Deficiency appropriations	83	6	----------
Carried forward at end of year (table 8)	−79,023	−82,238	−90,708
Outlays (expenditures and net lending)	158,414	175,635	186,062
MEMORANDUM			
Outlays out of current authority	158,414	118,883	131,282
Outlays out of prior authority		56,752	54,780
Total, outlays	158,414	175,635	186,062

[1] Excludes appropriations to liquidate contract authorizations: Transmitted separately: 1968, $407 million. All other: 1967, $7,302 million; 1968, $6,556 million; 1969, $7,962 million.
[2] Includes adjustment of −$6 million for deficiencies in annual accounts.
[3] Includes adjustment of −$22 million in 1967 and −$6 million in 1968 for deficiencies in expired accounts.

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Table 7. **OBLIGATIONS INCURRED, NET** (in millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Legislative Branch	235	265	292
The Judiciary	89	95	102
Executive Office of the President	28	31	33
Funds appropriated to the President	3,962	3,737	4,775
Department of Agriculture	5,921	7,138	7,413
Department of Commerce	905	895	885
Department of Defense—Military	72,662	74,322	79,346
Department of Defense—Civil	1,250	1,376	1,412
Department of Health, Education, and Welfare	36,599	42,289	47,342
Department of Housing and Urban Development	3,049	2,133	3,153
Department of the Interior	508	803	895
Department of Justice	400	463	548
Department of Labor	3,484	3,812	3,783
Post Office Department	1,171	1,174	920
Department of State	393	403	429
Department of Transportation	5,368	5,930	6,970
Treasury Department	13,068	14,429	15,341
Atomic Energy Commission	2,272	2,559	3,024
General Services Administration	24	289	396
National Aeronautics and Space Administration	4,984	4,857	4,367
Veterans Administration	7,085	7,183	7,458
Other independent agencies	8,741	9,189	8,611
Allowances for:			
Civilian and military pay increase	----------	----------	1,600
Contingencies	----------	150	550
Undistributed adjustments to amounts above:			
Government contributions, as employer, for retirement	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042
Total, obligations incurred, net	168,175	178,931	194,597

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Table 8. **BALANCES OF BUDGET AUTHORITY (in millions of dollars)**

Description	Start 1967		Start 1968–end 1967		Start 1969–end 1968		End 1969	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative Branch	31	31	25	43	18	40	27	32
The Judiciary	7	-------	8	-------	9	-------	9	-------
Executive Office of the President	5	*	5	*	4	*	4	*
Funds appropriated to the President	7,840	7,510	7,992	7,450	7,422	7,037	8,105	7,054
Department of Agriculture	5,405	912	5,538	2,596	6,025	2,700	6,322	2,348
Department of Commerce	952	260	1,136	369	1,146	176	1,270	180
Department of Defense—Military	26,891	15,781	32,072	15,097	32,889	12,664	35,585	12,310
Department of Defense—Civil	319	169	290	236	325	178	427	45
Department of Health, Education, and Welfare	4,983	23,055	6,402	28,027	7,751	31,688	9,294	35,750
Department of Housing and Urban Development	5,260	9,911	6,331	10,347	5,861	13,678	6,402	15,277
Department of the Interior	667	410	834	440	1,013	374	1,141	238
Department of Justice	37	38	32	37	56	31	102	21
Department of Labor	384	9,572	495	10,782	432	11,741	415	12,794
Post Office Department	547	*	580	*	667	-------	820	-------
Department of State	102	37	82	33	70	15	72	2
Department of Transportation	7,337	2,539	7,271	3,408	7,412	4,108	8,101	3,663
Treasury Department	94	30	100	11	505	3	459	1
Atomic Energy Commission	1,128	394	1,138	319	1,364	270	1,842	-------
General Services Administration	383	277	279	352	179	372	83	306
National Aeronautics and Space Administration	2,261	332	1,820	312	1,877	39	1,672	39
Veterans Administration	812	8,373	1,047	8,126	1,091	8,485	1,140	8,714
Other independent agencies	3,946	41,599	5,545	46,505	6,074	46,462	7,166	46,899
Allowances for: Contingencies	-------	-------	-------	-------	50	-------	250	-------
Total, balances carried forward	69,387	121,228	79,023	134,490	82,238	140,063	90,708	145,672

* Less than $500 thousand.

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Table 9. MEANS OF FINANCING AND OUTSTANDING DEBT
(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
BUDGET FINANCING			
Borrowing from the public:			
Nonbank investors	−1,403		
Commercial banks	405		
Federal Reserve banks	4,549		
Total, borrowing from the public	3,551	20,840	8,000
Other means of financing the budget deficit:			
Seigniorage on coins	813	410	226
Decrease or increase (−) in available cash and monetary assets	4,858	−1,018	173
Increase or decrease (−) in liabilities for:			
Checks outstanding (net of items in transit)	657		
Deposit fund balances	−1,056	−428	−445
Total, other means of financing	5,272	−1,035	−46
Total, budget financing	8,823	19,805	7,954

	1966 actual	1967 actual	1968 estimate	1969 estimate
OUTSTANDING DEBT AT END OF YEAR				
Gross Federal debt:				
Public debt (issued by Treasury)	316,098	322,893	344,094	356,671
Agency debt (issued by agencies)	13,375	18,451	25,899	30,495
Total, gross Federal debt	329,473	341,343	369,993	387,167
Holdings by federally administered funds:				
Public debt	63,697	70,537	77,191	85,573
Agency debt	167	1,647	2,802	3,594
Total, holdings by federally administered funds	63,864	72,184	79,993	89,167
Net, Federal securities held by the public	265,609	269,160	290,000	298,000
COMPARISON OF DEBT WITH PUBLIC DEBT LIMITATION AT END OF YEAR				
Public debt	316,098	322,893	344,094	356,671
Portion of:				
Public debt issued to International Monetary Fund and international lending organizations	3,810	3,328	2,937	2,237
Agency debt subject to limitation on public debt	462	512	4,568	4,632
Public debt not subject to limitation (−)	266	262	255	250
Total, debt subject to public debt limitation, end of year [1]	320,102	326,471	351,344	363,290

[1] The applicable public debt limitations are: $328 billion from July 1, 1965; $330 billion from July 1, 1966; $336 billion from Mar. 2, 1967; and $358 billion from July 1, 1968. The last limitation also covers certificates of participation issued in 1968; in addition, a temporary increase of $7 billion is provided from July 1, 1968, to June 29, 1969, and each year thereafter.

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Table 10. **EMPLOYMENT (FULL-TIME PERMANENT) IN THE EXECUTIVE BRANCH**

Description	As of June		
	1967 actual	1968 estimate	1969 estimate
Defense and Post Office:			
Department of Defense, Military and Military Assistance [1]	1,193,657	1,220,500	[1] 1,223,500
Post Office Department	528,254	550,600	568,400
Subtotal	1,721,911	1,771,100	1,791,900
Civilian agencies other than Post Office:			
Department of Agriculture	85,723	85,800	86,300
Department of Commerce	25,900	26,200	27,000
Department of Defense, Civil [2]	31,980	32,200	32,600
Department of Health, Education, and Welfare	97,792	105,400	108,800
Department of Housing and Urban Development	14,250	14,800	16,200
Department of the Interior	60,606	61,100	63,500
Department of Justice	33,176	33,650	34,200
Department of Labor	9,461	9,700	10,700
Department of State	26,849	26,900	27,000
Agency for International Development	16,713	17,600	18,100
Peace Corps	1,240	1,400	1,600
Department of Transportation	55,187	57,700	59,600
Treasury Department	81,591	82,000	85,500
Atomic Energy Commission	7,013	7,150	7,300
General Services Administration	37,117	38,300	39,700
National Aeronautics and Space Administration	33,726	32,400	32,600
Veterans Administration	150,225	152,100	154,000
Other agencies:			
Selective Service System	7,085	7,200	6,900
Small Business Administration	4,142	4,300	4,700
Tennessee Valley Authority	11,903	12,350	12,700
The Panama Canal	14,571	14,950	15,000
United States Information Agency	11,686	11,650	11,700
Miscellaneous agencies	32,204	33,550	35,100
Subtotal	850,140	868,400	890,800
Allowance for contingencies [3]	----------	2,400	4,800
Total	2,572,051	2,641,900	2,687,500

Note.—The figures for 1968 and 1969 include tentative estimates for employment under appropriations proposed for later transmittal. More detailed information on employment is contained in Special Analysis F on pages 529 to 535.

[1] In addition, there are approximately 42,000 civilian technicians, employed by the various States and the Commonwealth of Puerto Rico, performing operation and maintenance support services for the Army and Air Force National Guard. Legislation is being proposed to convert these technicians to direct Federal employee status in fiscal year 1969. Salaries of these technicians have been and will continue to be paid by the Federal Government.

[2] Employment of the United States Soldiers' Home is included under "Other agencies" and excludes member-employees.

[3] Subject to later distribution.

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PART 3

RECEIPTS

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ANALYSIS OF RECEIPTS

This section of the budget presents the estimates of revenues and discusses the economic assumptions on which the estimates are based. Also included is a discussion of legislative proposals which affect Government revenues.

Current Economic Outlook and Proposed Tax Legislation

The tax system, through its effect on after-tax income, influences how much individuals and businesses buy and save. In this way, Federal tax policy, along with expenditure and monetary policy, affect production, employment, and purchasing power in the Nation. The present economic expansion, the longest in our history, about to enter its eighth year, is due in part to the effective use of tax policy.

In early years of this expansion, the slack existing in the economy demanded that prime attention be given to the question of how to employ fully our physical and human resources. Since late 1965, however, the problem shifted from one of slack and under-utilization of resources to one of maintaining full employment without inflation.

Present levels of prices and interest rates, and the overall rate of economic growth suggest that the economy needs more fiscal restraint.

To complement this budget's stringent policy on controllable outlays, a three-part tax program is being recommended. It is in the same form as proposed last year.

- A temporary 10% surcharge on individual and corporate incomes;
- The acceleration of certain corporate income tax collections;
- A postponement of the reduction in excise rates on automobiles and telephone service, scheduled under existing law for April 1, 1968.

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With these fiscal measures, the inflationary pressures are expected to ease and economic growth continue. Thus, the basic economic assumptions underlying the revenue estimates are:

ECONOMIC ASSUMPTIONS

[Calendar years. In billions]

	1966 actual	1967 preliminary	1968 estimate
Gross national product	$743.3	$785.1	$846
Personal income	584.0	626.3	675
Corporation profits before tax	83.8	80.1	87

Revenue effect of proposed legislation.—The 10% income tax surcharge is proposed to become effective January 1, 1968, for corporations and April 1, 1968, for individuals. Increased tax collections in fiscal 1969 from the surcharge on individuals will average about one extra penny on each dollar of income. In total, the added income tax receipts, including those from the acceleration of corporation income taxes, would be $2.7 billion in fiscal 1968 and $10.2 billion in fiscal 1969. The recommended extension of present automobile and telephone excise tax rates would also prevent the loss of $0.3 billion in 1968 and $2.7 billion in 1969 from reductions scheduled under present law. The surcharges and excise tax extensions will expire on June 30, 1969. Transportation and other user charges are also being recommended, with an estimated increase in revenues of $0.3 billion in 1969.

These revenue proposals would raise budget receipts over their yield under existing law by $3 billion in 1968 and $13.2 billion in 1969. The economic projections on which the tax estimates are based assume enactment of the revenue legislation. If the legislation were not enacted, inflation could push the dollar value of national output and income higher, with the result that the increase in revenues under present laws could be somewhat higher than implied by the above economic assumptions.

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ESTIMATED EFFECT OF PROPOSED LEGISLATION ON BUDGET RECEIPTS

[In millions]

Proposal	Fiscal year 1968	Fiscal year 1969
Income taxes:		
Proposed surcharge:		
Individual income taxes	$930	$6,920
Corporation income taxes	970	2,880
Acceleration of corporation tax payments	800	400
Subtotal, income tax proposals	2,700	10,200
Excise taxes—extension of present rates:		
Automobiles	190	1,500
Telephone service	116	1,160
Subtotal, excise extensions	306	2,660
User charges: [1]		
Transportation:		
Aviation services	----------	40
Waterways	----------	7
Highways—increase diesel fuel tax and apply graduated use tax on heavy trucks	----------	239
Other	----------	11
Subtotal, user charges [1]	----------	297
Total, revenues under proposed legislation	3,006	13,157

[1] Excludes charges which are offset against the expenditures of the programs to which they apply.

Revenue effect of changes in the tax structure.—Two changes in the tax structure are scheduled under existing law:

- automobile and telephone excises would be reduced on April 1, 1968, and
- social security taxes will rise from expansion of the covered wage base (effective January 1, 1968) and a hike in the combined payroll tax rate (effective January 1, 1969).

The proposed tax program, as mentioned above, includes legislation to defer the change in excise taxes. The change in revenue resulting from proposed *changes* in the tax structure, at the projected levels of personal income and business profits, can be calculated as follows:

	1968 estimate	*1969 estimate*
Increase in revenues from proposed legislation (above)	$3.0	$13.2
Changes in revenues under provisions of existing law:		
Reductions (−) of present excise tax rates (proposed for extension)	−0.3	−2.7
Scheduled increases in social security taxes	0.3	3.3
Total, increase in revenues due to proposed changes in tax structure	3.0	13.8

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Analysis of Receipts by Source

Individual income tax receipts are estimated at $80.9 billion in fiscal 1969, $13.2 billion higher than in 1968. Higher personal incomes will account for a little over one-half of the increase and the remainder will result from the 10% surcharge.

BUDGET RECEIPTS BY SOURCE

[In millions]

Description	Actual, 1967	Estimate	
		1968	1969
Individual income taxes	$61,526	$67,700	$80,900
Corporation income taxes	33,971	31,300	34,300
Employment taxes	27,823	29,730	34,154
Unemployment insurance	3,652	3,660	3,594
Premiums for other insurance and retirement	1,853	2,049	2,275
Excise taxes	13,719	13,848	14,671
Estate and gift taxes	2,978	3,100	3,400
Customs	1,901	2,000	2,070
Miscellaneous receipts	2,168	2,443	2,744
Total, budget receipts	149,591	155,830	178,108
MEMORANDUM			
(Excluded above; offset against expenditures)			
Interfund and intragovernmental transactions	6,589	7,415	8,240
Proprietary receipts from the public	4,948	4,430	4,617

Single people who earn up to $1,900 and a married couple with two children who earn $5,000 or less will pay no additional tax. The effect on certain taxpayers is illustrated in the following table:

INCOME TAX OF MARRIED COUPLE WITH TWO CHILDREN

[Calendar years 1963, 1967–69]

Wage income	1963	1967	1968[1]	1969[2]
$3,000	$65	$4	$4	$4
$5,000	420	290	290	290
$7,500	877	686	737	720
$10,000	1,372	1,114	1,198	1,170
$15,000	2,486	2,062	2,217	2,165
$25,000	5,318	4,412	4,743	4,633

Note.—Assumes minimum standard deduction or deductions equal to 10% of income, whichever is greater.

[1] Assumes effective rate of surcharge is 7.5% due to Apr. 1, 1968, effective date.
[2] Assumes effective rate of surcharge is 5% due to termination date of June 30, 1969.

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Corporation income tax receipts are expected to be $34.3 billion in fiscal 1969, up $3 billion over 1968. The increase is due to the expected rise in corporation profits as well as the full year effect of the 10% surcharge.

As part of the continuing effort to put tax collections on a current basis, two further accelerations in corporation tax payments effective in fiscal year 1968, are being proposed:

- The percentage of a corporation's estimated tax for any given calendar year to its final liability will be increased to 80 from 70. The 80% requirement is already applicable to those individuals who are required to pay taxes on the basis of their estimated tax liabilities. Increased revenue from this proposal would be $400 million in fiscal 1968.
- The present exemption on the first $100,000 of corporate tax liability from the requirement of payment on a current estimated basis will be eliminated over a 5-year period. This change would put corporations on the same tax basis as an unincorporated proprietor who now must make estimated tax payments on his entire liability over $40. The revenue increase under this proposal is $400 million in fiscal 1968 and $400 million in 1969.

Employment taxes are expected to yield $34.2 billion in 1969, which is $4.4 billion above 1968. This increase is a result of:

- An expected increase in the number of people (and the dollar volume of payrolls) covered by the social security system, as the economy continues to expand.
- An increase in wages subject to tax from $6,600 to $7,800, effective January 1, 1968, under present law. This increase will have little effect on fiscal year 1968 receipts because most contributors will not reach a $6,600 salary for the year until after June 30.
- An increase in the combined tax rate on employers and employees from 8.8% to 9.6% as of January 1, 1969, under present law. (This includes an increase in the combined tax rate on employers and employees from 1% to 1.2% for health insurance for the aged.)

Excise tax receipts in fiscal 1969 are expected to be $14.7 billion, about $800 million higher than in 1968. Proposed transportation user charges account for around $300 million of this increase. Collections will also increase from excise taxes reflecting increased sales of the products and services involved. The estimates reflect the effect of the legislative proposal to retain, until July 1, 1969, the telephone excise tax at 10% and the automobile excise tax at 7%. Under present law the telephone tax is scheduled to be decreased to 1% on April 1, 1968,

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and be repealed on January 1, 1969. The automobile tax is scheduled to decline to 2% on April 1, 1968, and to 1% on January 1, 1969.

User charges.—Legislation is being proposed in several areas to relieve the general taxpayer of the burden of financing programs that provide special benefits to certain individuals and groups. The user charges program also is being extended by administrative action where legislative authority exists. All present charges are reexamined regularly to assure that they adequately reflect the costs incurred.

In the transportation area, legislation has been proposed to bring the payments by operators of heavy trucks closer to a fair share of highway costs; receipts to the Highway Trust Fund would be augmented by raising the tax on diesel fuel and by increasing the use tax on heavy vehicles according to a scale graduated by weight.

Legislation will be proposed for additional user charges to help cover commercial and general aviation shares of the cost of the Federal airway system, following the completion of systems studies now underway.

A user charge of 2 cents per gallon, increasing to 10 cents per gallon over the next 5 years, is proposed on fuel used by vessels navigating the inland waterways.

Changes in the Receipts Tabular Presentation

Table 11 is different from the tables of budget receipts which have been shown in previous budget documents. It covers both Federal funds and trust funds, and adds to the total of budget receipts on the basis of the general concept recommended by the Commission on Budget Concepts. Thus table 11 includes only *essentially governmental* receipts, and, except for refunds which are shown explicitly, each entry is shown on a net basis. (See the introduction to Part II of this volume and Special Analysis A for discussion of the new budget concepts.)

Some items which in previous years have been included in table 11 as receipts are now shown in table 12. They are of two types:

- *Proprietary receipts from the public.*—These are being treated, as the Commission recommended, as offsets to expenditures.
- *Interfund and intragovernmental transactions.*—These items are payments by one agency or fund of the Federal Government and receipts of another in exactly the same amount. They do not affect the budget deficit, and are excluded from both outlays and receipts.

Seigniorage on silver, which formerly was included as a receipt is now considered as a means of financing rather than as Government income.

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Table 11. **BUDGET RECEIPTS BY SOURCE, NET** (in millions of dollars)

	1967 actual	1968 estimate	1969 estimate
Individual income taxes:			
Withheld	50,521	56,400	67,300
Other	18,850	20,325	23,255
Gross individual income taxes	69,371	76,725	90,555
Refunds	−7,845	−9,025	−9,655
Net individual income taxes	61,526	67,700	80,900
Corporation income taxes	34,918	32,400	35,200
Refunds	−946	−1,100	−900
Net corporation income taxes	33,971	31,300	34,300
Employment taxes (trust funds):			
Federal old-age and survivors insurance [1]	22,354	22,730	25,569
Federal disability insurance [1]	2,269	2,764	3,538
Federal hospital insurance [1]	2,689	3,635	4,390
Railroad retirement accounts	793	866	957
Refunds	−282	−265	−300
Total, employment taxes	27,823	29,730	34,154
Unemployment insurance (trust funds):			
State taxes deposited in Treasury [2]	2,917	2,900	2,800
Federal unemployment tax receipts [2]	595	621	659
Railroad unemployment tax receipts [2]	146	144	142
Refunds	−6	−6	−6
Total, unemployment taxes	3,652	3,660	3,594
Premiums for other insurance and retirement (trust funds):			
Federal supplemental medical insurance	647	714	895
Federal employees retirement funds—employees contributions	1,206	1,335	1,380
Total, premiums for other insurance and retirement	1,853	2,049	2,275
Excise taxes:			
Manufacturers' excise taxes:			
Federal funds:			
Gasoline	31	30	32
Passenger automobiles	1,414	1,545	1,645
Firearms, shells, and cartridges	28	29	30
Fishing rods, creels, etc	10	11	12
Pistols and revolvers	4	5	6
All other, including repealed	−10	2	
Trust funds:			
Gasoline	3,106	3,030	3,128
Automobile trucks, buses, and trailers	525	466	497
Tires, innertubes, and tread rubber	543	527	554
Diesel fuel used on highways [3]	190	198	310
Use-tax on certain vehicles [3]	112	111	255
Truck parts and accessories	69	75	81
Lubricating oils	108	76	78
Total, manufacturers' excise taxes	6,129	6,105	6,628

See footnotes at end of table.

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Table 11. **BUDGET RECEIPTS BY SOURCE, NET (in millions of dollars)—Continued**

	1967 actual	1968 estimate	1969 estimate
Excise taxes:—Continued			
Alcohol taxes:			
Distilled spirits	2,967	3,095	3,220
Beer	941	970	1,000
Rectification tax	25	25	27
Wines	121	130	135
Special taxes in connection with liquor occupations	22	22	22
Total, alcohol tax	4,076	4,242	4,404
Tobacco taxes:			
Cigarettes (small)	2,023	2,115	2,150
Cigars (large)	55	55	55
Cigarette papers and tubes	1	1	1
All other	1	1	1
Total, tobacco taxes	2,080	2,172	2,207
Documents	68	35	----
Retailers' excise tax (repealed)	4	1	----
Miscellaneous excise taxes:			
General and toll telephone and teletype service	1,102	1,180	1,240
Transportation of persons by air	170	204	230
Other aviation user charges	----	----	40
Fuel used on inland waterways	----	----	7
Wagering taxes, including occupational taxes	6	6	6
Sugar tax	104	108	109
Coin-operated gaming devices	17	17	17
Interest equalization tax	20	20	20
Foreign insurance policies	16	19	21
All other miscellaneous excise taxes	7	3	2
Total, miscellaneous excise taxes	1,442	1,557	1,692
Undistributed depositary receipts and unapplied collections	315	----	----
Gross excise taxes	14,114	14,112	14,931
Refunds	−395	−264	−260
Net excise taxes	13,719	13,848	14,671
Estate and gift taxes	3,014	3,140	3,440
Refunds	−36	−40	−40
Net estate and gift taxes	2,978	3,100	3,400
Customs	1,972	2,072	2,142
Refunds	−71	−72	−72
Net customs	1,901	2,000	2,070

See footnotes at end of table.

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Table 11. **BUDGET RECEIPTS BY SOURCE, NET** (in millions of dollars)—**Continued**

	1967 actual	1968 estimate	1969 estimate
Miscellaneous receipts: [4]			
Miscellaneous taxes	36	38	40
Deposit of earnings, Federal Reserve System	1,805	2,175	2,450
Bullion charges	2	46	51
Fees for permits, regulatory and judicial services:			
Immigration, passport, and consular fees	31	33	37
Patent and copyright fees	25	26	27
Registration and filing fees	20	25	29
Fees for legal and judicial services	20	22	23
Migratory bird hunting stamps	5	5	5
Miscellaneous fees for permits, licenses, etc	11	8	14
Total, fees for permits, regulatory and judicial services	112	119	135
Fines, penalties, and forfeitures	173	24	26
War reparations and recoveries under military occupation	36	36	37
Gifts and contributions	4	5	5
Total, miscellaneous receipts	2,168	2,443	2,744
Total, budget receipts	**149,591**	**155,830**	**178,108**
Of which:			
Federal funds	111,779	116,005	133,271
Trust funds	37,812	39,825	44,837

[1] A small part of each of these items comes from the coverage of certain State and municipal employees. These amounts were formerly included in "Deposits by States." The amounts are as follows:

	1967	*1968*	*1969*
Federal old-age and survivors trust fund	1,835	2,033	2,300
Federal disability insurance trust fund	183	243	311
Federal hospital insurance trust fund	206	324	392

[2] "Deposits by States" are State payroll taxes which cover the benefit part of the program. The Federal payroll tax covers administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

[3] These taxes which are usually classified as miscellaneous excise taxes have been included with other highway taxes.

[4] Trust fund amounts in miscellaneous receipts are: 1967, 43; 1968, 47; 1969, 51.

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Table 12. **RECEIPTS OFFSET AGAINST BUDGET AUTHORITY AND OUTLAYS** (in millions of dollars)

	1967 actual	1968 estimate	1969 estimate
INTERFUND AND INTRAGOVERNMENTAL RECEIPTS			
General fund contributions to insurance programs:			
Old-age and survivors insurance	----	----	226
Military service credits, various programs	122	123	123
Supplementary medical insurance	623	739	895
Hospital insurance	327	541	465
Veterans life insurance	7	5	5
Total, general fund contributions to insurance program	1,078	1,407	1,714
Government contributions to employee retirement	1,735	1,913	2,007
Interchange receipts of trust funds:			
Hospital insurance	16	44	55
Railroad retirement	638	566	625
Railroad unemployment insurance	29	29	29
Federal employees' retirement	1	1	1
Total, interchange receipts of trust funds	684	640	710
Miscellaneous governmental receipts: Forfeitures, claims	22	----	10
Miscellaneous proprietary receipts:			
Interest on Government capital in enterprises	676	672	653
Interest received by trust funds	2,268	2,639	3,017
Dividends and other earnings	30	27	27
Charges for services and special benefits	87	102	103
Repayments and advances under temporary extended Unemployment Compensation Act of 1961	8	----	----
Recoveries and refunds	----	15	----
Total, miscellaneous proprietary receipts	3,069	3,455	3,800
Total, interfund and intragovernmental receipts	6,589	7,415	8,240
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Veterans life insurance	500	496	487
Seigniorage	24	16	17
Interest:			
Interest on domestic loans to individuals and private organizations	94	105	112
Interest on foreign loans and deferred foreign collections	184	163	162
Miscellaneous interest collections	40	61	47
Total, interest	319	329	321
Rents:			
Rent on Outer Continental Shelf lands	596	435	420
Rent of land and other real property	33	33	33
Rent of equipment and other personal property	40	41	40
Total, rents	670	508	493

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Table 12. **RECEIPTS OFFSET AGAINST BUDGET AUTHORITY AND OUTLAYS (in millions of dollars)—Continued**

	1967 actual	1968 estimate	1969 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Con.			
Royalties:			
Royalties on Outer Continental Shelf lands	41	65	80
Miscellaneous royalties	148	169	172
Total, royalties	189	234	252
Sale of products:			
Sale of timber and other natural land products	229	247	254
Sale of power and other utilities	249	271	281
Sale of other products	29	33	40
Total, sale of products	507	550	574
Fees and other charges for services and special benefits:			
Admission permits and fees	10	12	13
Business concessions	11	12	12
Charges for administrative and professional services	20	22	23
Charges for communication and transportation services	6	21	5
Other fees and charges	124	141	154
Total, fees and other charges for services and special benefits	172	208	207
Sale of Government property:			
Sale of land and other real property	61	75	68
Sale of equipment and other personal property	1,674	1,391	1,560
Sale of scrap and salvage material	29	31	31
Total, sale of property	1,764	1,499	1,658
Realization upon loans and investments:			
Repayments of investments in Government-owned enterprises	5	4	5
Repayments from States and other public bodies	58	3	3
Repayments of domestic loans to individuals and private organizations	184	195	193
Repayments on foreign loans and deferred foreign collections	377	183	183
Repayments on miscellaneous recoverable costs	38	115	135
Miscellaneous repayments on loans and investments	3	2	2
Total, realization upon loans and investments	665	502	521
Recoveries and refunds:			
Recoveries of excess profits and costs	10	16	16
Recoveries under foreign aid programs	91	33	31
Other recoveries and refunds	38	39	40
Total, recoveries and refunds	139	88	87
Total, proprietary receipts from the public	4,948	4,430	4,617
Total, receipts offset against budget authority and outlays	11,537	11,845	12,857
Of which:			
Federal funds	3,938	3,215	3,135
Trust funds	7,599	8,630	9,722

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Table 12. **RECEIPTS OFFSET AGAINST BUDGET AUTHORITY AND OUTLAYS (in millions of dollars)—Continued**

	1967 actual	1968 estimate	1969 estimate
MEMORANDUM			
These receipts are offset as follows in tables of budget authority and outlays:			
Distributed by agency and function:			
Interfund and intragovernmental payments	2,586	2,864	3,217
Proprietary receipts from the public	4,930	4,391	4,592
Undistributed by agency and function:			
Government contributions to employee retirement	1,735	1,913	2,007
Interest received by trust funds:			
Interfund and intragovernmental receipts	2,268	2,639	3,017
Proprietary receipts from the public	18	39	25
Total	11,537	11,845	12,857

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PART 4

THE FEDERAL PROGRAM BY FUNCTION

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ANALYSIS OF FEDERAL ACTIVITIES BY FUNCTION

This section of the budget presents the major elements of the program recommended for the Federal Government for fiscal year 1969. It describes, for each of 12 major functions served, trends and developments anticipated in existing programs and new programs the Congress is being asked to enact.

In line with the recommendations of the President's Commission on Budget Concepts, the tables and textual presentation in this part of the budget reflect several basic changes from previous years. There are three major departures from past practice:

- All Federal activities designed to serve a particular purpose are consolidated, with Federal funds and self-financed trust funds combined as appropriate into a comprehensive total.
- In each program, "expenditures" and "net lending" are separately identified.
- Receipts from the public arising from market-oriented or business-type activities of the Government are offset against the expenditures for the function to which they relate—thus highlighting the *net* impact on the budget.

In relative terms, the changes being made in accordance with the Commission's report do not significantly alter the functional *totals* that would have been reported on the "consolidated cash" basis previously used in this part of the budget. However, the size of many of the individual *components* and the form of their presentation differ considerably from former budgets.

SUMMARY

In fiscal year 1969, total budget outlays are estimated at $186.1 billion, including $182.8 billion of expenditures and $3.3 billion of net lending. The total compares with overall outlays of $175.6 billion estimated for fiscal year 1968.

Expenditures.—*National defense* programs account for $79.8 billion, or 43.7%, of the estimated 1969 expenditure total. About one-third of defense expenditures are for our operations in Vietnam. Defense expenditures in 1969 are expected to be $3.3 billion higher than in 1968—$1.3 billion of the increase is accounted for by Vietnam, the remainder by other defense programs.

Civilian expenditures are estimated at $103.0 billion in 1969, and account for 56.3% of total expenditures.

- Health, labor and welfare programs ($51.9 billion) make up one-half of total civilian expenditures. The social insurance

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trust funds—chiefly social security, unemployment insurance, and Medicare—account for $39.5 billion of the spending for this category.

- Other major social programs—notably education and housing and community development—represent another $5.8 billion in expenditures.

These three functional categories combined will account for 56% of civilian expenditures in 1969. They will increase by $6.5 billion between 1968 and 1969, accounting for over two-thirds of the overall rise in civilian program spending.

All other expenditures will comprise 24.8% of the estimated total of expenditures and will rise by $3.2 billion in 1969.

BUDGET OUTLAYS

[Fiscal years. In millions]

Function	1967 actual	1968 estimate	1969 estimate
Expenditures:			
National defense	$70,095	$76,491	$79,792
Excluding special Vietnam	(49,961)	(51,960)	(54,008)
International affairs and finance	4,110	4,330	4,478
Excluding special Vietnam	(3,687)	(3,872)	(3,998)
Space research and technology	5,423	4,803	4,573
Agriculture and agricultural resources	3,156	4,412	4,474
Natural resources	2,113	2,416	2,483
Commerce and transportation	7,308	7,695	7,996
Housing and community development	577	697	1,429
Health, labor, and welfare	39,512	46,396	51,945
Education	3,602	4,157	4,364
Veterans benefits and services	6,366	6,798	7,131
Interest	12,548	13,535	14,400
General government	2,452	2,618	2,827
Allowances:			
Civilian and military pay increase	----------	----------	1,600
Contingencies	----------	100	350
Undistributed intragovernmental payments:			
Government contribution for employee retirement (−)	−1,735	−1,913	−2,007
Interest received by trust funds (−)	−2,287	−2,678	−3,042
Total expenditures	153,238	169,856	182,797
Total expenditures, excluding special Vietnam	(132,681)	(144,867)	(156,533)
Net Lending:			
International affairs and finance	540	716	675
Agriculture and agricultural resources	1,221	899	1,135
Housing and community development	1,708	3,257	1,355
All other	1,705	907	99
Total net lending	5,176	5,779	3,265
Total outlays	158,414	175,635	186,062
Total outlays, excluding special Vietnam	(137,857)	(150,646)	(159,798)

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Net lending.—The estimated net lending of $3.3 billion in 1969 represents a reduction of $2.5 billion from 1968. The largest single factor in this decrease is a decline in mortgage purchases under the secondary market operations of the Federal National Mortgage Association. In accordance with the recommendation of the President's Commission on Budget Concepts, the net lending figures do not reflect proceeds from the sales of participation certificates, which are now considered part of the gross Federal debt.

Totals for net lending primarily represent the difference between disbursements and repayments of principal on loans in the loan account. Each functional section with major loan programs includes a table showing the gross disbursements and repayments in these programs. In 1969, 75% of the Government's net lending will help promote housing and agriculture programs.

Adjustments and allowances.—Apart from the outlays estimated in the functional categories, the budget includes several allowances and adjustments. An estimated $2.0 billion in allowances is provided in addition to the functional figures for (1) the second stage of the pay increase enacted in 1967 for military and civilian personnel and (2) unforeseen contingencies and the possible costs of programs on which detailed, specific proposals have not yet been completely formulated.

On the other hand, adjustments are made in arriving at the totals to deduct from the functional figures the contributions of the Government as an employer to Federal employee retirement trust funds, and for the interest received by trust funds on their investments. These adjustments, estimated at $5.0 billion in 1969, are made since the transactions involved occur solely within the Government accounts and do not result in any flow of funds between the public and the Government. The same amounts are deducted from the receipts side of the budget, so that these adjustments do not affect the size of the budget deficit.

NATIONAL DEFENSE

Our defense forces are stronger today than at any point in our history. They are designed to counter all forms of military threat to this Nation and our allies.

This budget provides for all of our essential defense requirements in South Vietnam and elsewhere. Where military and international conditions dictate, vital programs have been expanded. At the same time, stringent standards were applied in the budget review to all proposed outlays. A searching examination was conducted to identify those programs which could be reduced, deferred, or stretched out without reducing overall defense preparedness.

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Substantial economies and management improvements have also been realized through the Defense Department's highly successful Cost Reduction Program. This program will be intensified in 1969 to encourage even greater management improvements.

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Department of Defense—military:				
Military personnel:				
Present programs	$19,787	$21,800	$22,770	$23,014
Proposed legislation			23	23
Operation and maintenance:				
Present programs	19,000	19,800	22,213	22,787
Proposed legislation			47	52
Procurement	19,012	21,470	23,445	23,254
Research, development, test, and evaluation	7,160	7,200	7,800	8,006
Military construction	1,536	1,565	1,450	1,430
Family housing	482	520	570	602
Civil defense	100	93	89	77
Revolving and management funds and other	512	1,402	−1,608	13
Military trust funds	20	10	7	7
Subtotal, Department of Defense—military [3]	67,466	73,694	76,658	79,116
Subtotal, excluding special Vietnam	(47,333)	(49,163)	(50,874)	(54,191)
Military assistance:				
Grants and credit sales:				
Present programs	873	550	519	420
Proposed legislation			6	120
Trust fund [3]	−8	−25	−70	−80
Atomic energy [2 3]	2,264	2,333	2,546	2,755
Defense-related activities:				
Stockpiling of strategic and critical materials	19	19	23	22
Expansion of defense production	−102	22	146	
Selective Service System	58	61	64	64
Emergency preparedness activities	11	12	8	6
Interfund and intragovernmental transactions [3] (−)	(−7)	(−7)	(−7)	(−7)
Applicable receipts from the public [3] (−)	−487	−178	−108	−108
Subtotal, expenditures	70,095	76,491	79,792	82,317
Subtotal, expenditures, excluding special Vietnam	(49,961)	(51,960)	(54,008)	(57,391)
Net Lending	−3	−2	−4	*
Total	70,092	76,489	79,789	82,317
Total, excluding special Vietnam	(49,958)	(51,958)	(54,005)	(57,391)

*Less than $500 thousand.

[1] Compares with new obligational authority (NOA) for 1967 and 1968, as follows:
NOA: 1967, $75,276 million; 1968, $75,780 million.
LA: 1967, less than $500 thousand; 1968, less than $500 thousand.

[2] Includes both Federal funds and trust funds.

[3] Relevant "Interfund and intragovernmental transactions" and "Applicable receipts from the public" have been deducted to arrive at totals.

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Total outlays for national defense programs are estimated to increase in 1969 to $79.8 billion, compared with $76.5 billion in 1968 and $70.1 billion in 1967. In addition to the cost of the military functions of the Department of Defense, these estimates include outlays for atomic energy and for other activities which directly support the defense effort.

Expenditures for the Atomic Energy Commission will rise, primarily as a result of increased activity for the design, underground testing, and production of nuclear weapons.

The combined outlays of the various defense-related activities of agencies other than the Department of Defense and the Atomic Energy Commission will also rise. Outlays for the expansion of defense production will increase in large part due to the use of Defense Production Act authority to stimulate the expansion of copper production in the United States. Small increases will be required for the management of the stockpile of strategic materials and for the activities of the Selective Service System. Outlays for the emergency preparedness activities of the Office of Emergency Planning and the Department of Health, Education, and Welfare are estimated to decline slightly from the 1968 level.

Department of Defense.—Expenditures for the military functions of the Department of Defense are estimated at $76.7 billion in 1969, $3.0 billion more than now estimated for 1968 and $9.2 billion more than in 1967. New obligational authority of $79.1 billion is proposed for the Department, compared with $72.8 billion for the current year. About two-thirds of the expenditures in 1969 will be made from new obligational authority being sought in the budget. The balance will result from obligational authority granted in prior years. The funds requested for 1969 will cover all currently anticipated defense requirements for the fiscal year, including the possibility of a continuation of combat in Vietnam beyond this period. However, plans have been made for an orderly decline in defense production whenever combat ends.

Of the total increase in military expenditures between 1968 and 1969, $1.3 billion is for special Vietnam support, and $1.7 billion is to meet continuing defense requirements. The increase in expenditures aside from Vietnam is principally attributable to increases in military and civilian pay, and selective improvements in our strategic and general purpose forces.

Support of Vietnam.—The following table shows the budget expenditures directly attributable to our effort in Vietnam.

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ESTIMATED EXPENDITURES FOR SPECIAL SUPPORT OF VIETNAM OPERATIONS

[In millions]

Fiscal year	Defense expenditures, excluding Vietnam	Special Vietnam expenditures		
		Defense	Economic assistance [1]	Total
1965	$46,070	$103		$103
1966	48,597	5,812	$282	6,094
1967	47,333	20,133	424	20,557
1968	49,163	24,531	458	24,989
1969	50,874	25,784	480	26,264

[1] These expenditures are part of the International function. For a discussion, see page 95.

Expenditures for special Vietnam support include amounts related to ammunition and supplies consumed in the theater of operations, attrition of aircraft and other equipment, the manpower necessary to support the combat effort, and the support of free world forces in Vietnam.

The scope of our activities in Vietnam is reflected also in the military forces committed in that nation's defense. The following table shows that deployments to Southeast Asia, which are now leveling off, have not been achieved at the expense of forces required for other missions.

TOTAL MILITARY PERSONNEL AND DEPLOYMENTS TO SOUTHEAST ASIA

[In thousands]

Date	Total military personnel	Military personnel in Southeast Asia
June 30, 1964	2,685	21
June 30, 1965	2,653	103
June 30, 1966	3,092	322
June 30, 1967	3,376	529
December 31, 1967, estimate	3,400	568

Active forces.—As shown in the Summary of Active Forces, this budget supports a total strength of approximately 3½ million men and women, a decrease of about 13,000 from 1968.

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SUMMARY OF ACTIVE FORCES

Description	Actual, June 30, 1967	Estimated	
		June 30, 1968	June 30, 1969
Military personnel (in thousands):			
Army	1,442	1,536	1,508
Navy	752	768	795
Marine Corps	285	302	306
Air Force	897	884	868
Total, Department of Defense	3,376	3,490	3,477
Selected military forces:			
Strategic forces:			
Intercontinental ballistic missile squadrons:			
Minuteman	20	20	20
Titan	6	6	6
Polaris submarines/missiles (in commission)	41/656	41/656	41/656
Strategic bomber wings:			
B–52	12	11	10
B–58	2	2	2
Manned fighter interceptor squadrons	28	26	19
Bomarc interceptor missile squadrons	6	6	6
Army air defense missile battalions	18	18	18
General purpose forces:			
Army divisions	17	19	19
Army maneuver battalions	201	212	212
Army aviation units	183	218	234
Army special forces groups	7	7	7
Warships (in commission):			
Attack carriers	15	15	15
Antisubmarine warfare carriers	8	8	8
Nuclear attack submarines	28	36	44
Other	327	320	309
Amphibious assault ships (in commission)	162	157	166
Carrier air groups (attack and antisubmarine)	27	27	25
Marine Corps divisions/aircraft wings	4/3	4/3	4/3
Air Force tactical forces squadrons	126	136	138
Airlift and sealift forces:			
Airlift aircraft squadrons:			
C–130 through C–141	44	44	43
C–124 and C–7	16	14	11
Troopships, cargo ships, and tankers	130	130	130
Addenda:			
Active aircraft inventory (all programs):			
Army	9,490	10,671	11,464
Navy	8,417	8,942	8,606
Air Force [1]	15,017	15,127	15,044
Helicopters included in service aircraft, above	8,902	10,519	12,486
Commissioned ships in fleet (all programs)	931	936	960

[1] Includes aircraft provided for support of allies.

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For planning purposes the resources of the Department of Defense are summarized and reviewed in terms of major mission-oriented programs. The funds required for these programs in 1969 are summarized on the following table in terms of total obligational authority. This financial measure includes the new obligational authority enacted each year by the Congress, plus the obligational authority granted in earlier years which is no longer required for its original purpose and can be used to finance new needs.

SUMMARY OF THE DEPARTMENT OF DEFENSE BUDGET PROGRAM

[Fiscal years. In billions]

Major military programs	Total obligational authority		
	1967 actual	1968 estimate	1969 estimate
Strategic forces	$6.9	$7.9	$9.6
General purpose forces	32.7	32.6	35.2
Intelligence and communications	5.3	5.7	6.3
Airlift and sealift	1.9	1.9	1.8
Guard and Reserve forces	2.7	2.7	3.0
Research and development	4.8	4.6	5.1
Central supply and maintenance	7.1	7.1	7.3
Training, medical, and other general personnel activities	8.5	9.4	9.8
Administration and associated activities	1.5	1.6	1.7
Military assistance funded by Department of Defense	1.6	1.6	2.1
Subtotal	72.9	75.0	81.9
Adjustment for retired pay accrual	−.4	−.3	−.1
Total obligational authority	72.5	74.7	81.8
Of which:			
New obligational authority	72.3	72.8	79.1
Prior year funds	.1	1.8	2.5
Other financial adjustments	.1	.1	.2

Strategic forces.—Our strategic forces constitute a powerful deterrent to nuclear aggression against this Nation and its allies. To deter such aggression, we maintain a varied, reliable, and credible force which can withstand a surprise attack and retaliate with sufficient power to destroy as a viable society any aggressor or combination of aggressors.

At the end of 1968, our strategic offensive forces will include more than 1,050 land-based ICBM's, 41 submarines in commission capable of carrying 656 missiles, and more than 600 manned bombers. The planned defensive forces will include 26 fighter interceptor squadrons, 6 Bomarc interceptor missile squadrons, 18 air defense missile battalions, and extensive warning and control systems.

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While continuing to stand ready to enter meaningful discussions with the Soviet Union on the limitation of strategic forces, we now plan to augment further our formidable strategic capabilities by taking the following actions:

- Provide our Minuteman and Poseidon systems with penetration aids and multiple warheads capable of being directed to separate targets.
- Continue the conversion of submarines from Polaris to Poseidon missiles for an increase in payload of two times, and the conversion of Minuteman I to the improved Minuteman III.
- Procure additional FB–111 manned bombers and improved short range strategic missiles for the FB–111 and some B–52 bombers.
- Proceed with procurement of the Sentinel missile defense system to meet the threat posed by the emerging Chinese nuclear capability.
- Start a revamping of our air defense system to include eventually a new airborne warning and control system and an improved interceptor aircraft.

Total obligational authority of $9.6 billion is requested for this program in 1969, compared with $7.9 billion in 1968. This increase is due primarily to the deployment of Sentinel and large procurements of Minuteman and Poseidon missiles.

General purpose forces.—This Nation relies on powerful and highly-versatile tactical forces to deter a wide range of lesser military threats, against which the use of strategic nuclear power would not be appropriate. Most of our forces are devoted to this mission.

Funds provided in this budget will further augment the firepower, mobility, and readiness of our general purpose forces and replenish the munitions, supplies, and equipment consumed in Vietnam. High production capabilities also assure our readiness to respond rapidly and effectively to unforeseen contingencies. Total obligational authority is estimated to require $35.2 billion in 1969, compared with $32.6 billion in 1968.

The creation of one division from existing units in South Vietnam, together with the formation in fiscal year 1968 of an additional U.S.-based division, will bring our active forces to 19 Army divisions and four Marine Corps divisions, plus supporting elements. The mobility and flexibility of these ground forces will be enhanced by increases in helicopter procurement. Improvements will also be made in our forward air defense systems, in particular for defense against low-altitude aircraft.

Navy general purpose forces will be strengthened by the procurement of a number of new ships and the major conversion or modifica-

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tion of others. Funds are requested in 1969 to procure long lead-time items for our third nuclear attack carrier and for two nuclear guided-missile destroyers. Among the new ships approved for procurement in this budget are two nuclear attack submarines and the first five of a new type of destroyer. Improved reliability and substantial economies in the construction and operation of the new destroyer and missile ships are expected to result from multiyear contracting, and standardized design and production. Amphibious forces will be improved by the procurement of a new type of multipurpose assault ship. When completed, a single ship of this type will combine the troop and cargo carrying, assault, and helicopter-base capabilities now requiring four specialized ships.

Antisubmarine warfare capabilities will be enhanced by the addition of more effective sensors and torpedoes, continued modernization of our land-based air patrol squadrons, and by the development of a new carrier-based aircraft. Air defense of the fleet will benefit from the procurement of the Standard missile—a more reliable, versatile, and faster-reacting weapon than the Tartar and Terrier missiles which it replaces.

Superior air tactics and improved ability to confuse enemy radar have contributed to a lower-than-expected aircraft loss rate in Vietnam. As a consequence, our program for the replacement of aircraft will be lower than anticipated. Procurement for our tactical air forces will include A–7 attack aircraft and advanced F–111 fighters for the Air Force and Navy, the A–6 all-weather bomber for the Navy and Marine Corps, and F–4 fighters for all three Services.

Continued purchase of the smaller A–37 attack aircraft will contribute to the ability of our Special Air Warfare Forces to react quickly to emerging threats. Efforts will also be made to improve further the accuracy of our air-dropped munitions.

Intelligence and communications.—Total obligational authority for these specialized activities will amount to $6.3 billion in 1969 compared with $5.7 billion in 1968. This increase reflects improvements in our advanced command and communications systems. In addition to communications and general space support systems, this category includes intelligence and security functions, weather service, and oceanography.

We are continuing to buy the H–53C helicopter for our rescue and recovery units. This aircraft has greater range and speed, and will survive better under fire than the models it replaces. Our ability to rescue downed combat aircrews should be measurably enhanced.

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Airlift and sealift.—Our demonstrated capacity to move large forces rapidly and to supply them in sustained combat at great distances is designed to permit effective counteraction in the early stages of a conflict. This capacity today is provided by our transport and troop carrier aircraft, troop and cargo ships, and stocks of equipment pre-positioned overseas.

The 1969 budget provides for continued acquisition of the giant C–5A air transport and the procurement of the first four new fast-deployment logistics ships. The latter are large, high-speed vessels which complement our airlift forces with a capability for rapid, large-scale reinforcement by sea.

Our medical evacuation air fleet will be modernized through the procurement of the new C–9A aircraft which will permit the movement of patients more rapidly and in greater comfort over long distances.

Guard and Reserve forces.—To be effective in an emergency, reserve forces must be capable of rapidly reinforcing the regular forces. This requires highly-trained, well-equipped units which complement those of the active forces. To provide this capability, the 1969 budget will provide total obligational authority of $3.0 billion, compared with $2.7 billion in 1968.

This request will provide for a paid drill training strength of 660,000 for the Army, 126,000 for the Navy, 132,000 for the Air Force, and 48,000 for the Marines.

Research and development.—This program supports research activities and finances the development costs of new systems not yet approved for operational use. The cost of systems already approved for procurement are included in appropriate mission-oriented programs. The new Sentinel system, for example, is funded in the Strategic forces program.

Total obligational authority for 1969 is estimated at $5.1 billion, an increase of $0.5 billion over 1968. Scientific research, a critical underpinning to the Nation's defense, will receive increased support this year. To lay the technological and scientific base for future weapon systems, and to shorten development lead-time in the event of a greater-than-expected threat, a wide range of additional exploratory and advanced development effort is being undertaken, particularly in the strategic area.

Major emphasis in 1969 will be placed on further reducing the vulnerability of our retaliatory forces to enemy weapons, and on developing more advanced anti-ballistic missile and strategic surveillance capabilities. The next generation of tactical aircraft—including new fighter aircraft and their weapons, an antisubmarine aircraft, and a light transport—will be in the design or development stage. Improve-

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ments in land combat systems, particularly those applicable to counterinsurgency, will be pursued to improve air and surface mobility, firepower, surveillance, and command and control. Increased effort will also be placed on new capabilities in air defense for our ground and sea forces. Work will be initiated on a new class of escort ships.

Continued development of the orbiting laboratory (MOL) will result in a larger Defense space program in 1969. Satellite communications, improved launch vehicles and rocket engines, and enhanced capabilities for nuclear test detection and early warning of missile launches remain among the other high priority space efforts of the Defense Department.

Central supply and maintenance.—Total obligational authority for this program is estimated at $7.3 billion in 1969, compared with $7.1 billion in 1968. Despite the expansion of logistics support to Vietnam and the rapidly rising expense of maintaining our increasingly complex and sophisticated defense systems, a vigorous attempt has been made to hold down costs in this area through improved management and greater efficiency.

Training, medical, and other general personnel activities.—Among the centrally-administered personnel activities in this program are the operation of general hospitals, basic and specialized training, travel and transportation for permanent change of station, debt-service payments on family housing, and homeowner's assistance. Total obligational authority for these activities will rise to $9.8 billion in 1969, primarily due to increases in pilot training and other specialized training, and the higher medical costs associated with larger military forces.

Special efforts are being made to expand the opportunities of those who serve in the Armed Forces. The Department will continue to seek the elimination of housing discrimination against military personnel and their families. "Project 100,000" will be extended this year. Under this program highly motivated individuals with correctable educational and physical handicaps are enabled to become fully qualified servicemen, and more productive citizens if they choose to return to civilian life. The program provides intensive military instruction, practical training, and medical care, as is available to all members of the Armed Forces.

To complement this program, Project Transition has been initiated to permit personnel leaving the service to prepare themselves more adequately for civilian life. For those who desire assistance, this program seeks to provide counseling, skill enhancement, education, and job placement.

Proposed legislation.—A number of improvements are being sought in compensation arrangements for both civilian and military personnel.

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The budget provides expenditures of $70 million in 1969 to increase travel allowances for military personnel, provide Federal employee status for civilian National Guard technicians, and increase the benefits under Servicemen's Group Life Insurance.

Military assistance.—New obligational authority for military assistance grants, which fell from $728 million in 1967 to $380 million in 1968, will rise to $420 million in 1969. New obligational authority for the direct financing and guarantee of credit sales of military equipment, which fell from $54 million in 1967 to $20 million in 1968, will rise to $120 million in 1969. The increase in new obligational authority for credit sales is required to replace funds previously available from a revolving fund which will terminate on June 30, 1968.

The military assistance trust fund finances cash sales of military equipment and related services to European and other developed nations of the free world. On delivery, payments by the purchasers fully repay charges to the fund.

Atomic energy activities.—Expenditures by the Atomic Energy Commission in 1969 are estimated to be $2.5 billion, $213 million higher than in 1968. A substantial increase in expenditures for the design, testing, and production of nuclear weapons, and smaller increases in other areas, will be partially offset by an estimated further decline in expenditures for procurement of uranium concentrates.

The various activities in AEC's program and the funds devoted to them are shown in the following table:

ATOMIC ENERGY COMMISSION PROGRAM

[Fiscal years. In millions]

Program	1967 actual	1968 estimate	1969 estimate
Procurement and production of raw and special nuclear materials	$542	$491	$489
Military applications	849	1,012	1,281
Space applications	159	132	143
Central station nuclear power development	127	163	258
Other civilian applications	26	34	32
Basic research in the physical and biomedical sciences	444	421	555
Nuclear science and technology support	139	132	174
General support	131	123	136
Total program funding	2,417	2,508	3,068
Carryover funds and other adjustments	−218	1	−313
New obligational authority	2,199	2,509	2,755

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Nuclear materials.—Costs for the procurement of raw uranium concentrates will decline further in 1969, reflecting a decrease in the unit cost of the Government's purchases. Because of a further reduction in plutonium requirements for military purposes, two of the nine operating production reactors will be shut down in the latter half of fiscal year 1968.

Military applications.—The primary military applications of atomic energy comprise the nuclear weapons program and the naval reactors program. Largely as a result of the recent decision to deploy the Sentinel anti-ballistic missile system, expenditures in the weapons program will increase substantially above 1968. Additional funds will be needed for the development and full-scale underground testing of nuclear weapons, as well as for construction of facilities to produce the nuclear warheads for the Sentinel and other advanced weapons systems. The cost of the facilities for the production of advanced weapons is now tentatively estimated at $285 million. However, uncertainties regarding scope of the facilities could cause a change in the present estimate.

Central station nuclear power development.—The principal element of AEC's program in this area is the effort to develop an economic fast breeder reactor, which promises to produce more fissionable nuclear material than is consumed in the process of producing power. This long-term program will be intensified further in 1969.

Basic research.—AEC's far-reaching program of basic research in the physical and biomedical sciences will be marked in 1969 by the start of construction of a 200 billion electron volt (Bev) proton accelerator which is already being designed. This facility, to be located 30 miles west of Chicago, is now estimated to cost $250 million excluding supporting research equipment. It will accelerate protons to extremely high energy levels and will be used on the frontiers of basic research in high energy physics.

INTERNATIONAL AFFAIRS AND FINANCE

The fundamental objective of our international programs is a peaceful world community in which all peoples can progress toward fuller, more satisfying lives. Patience, determination, and understanding are required as we pursue this objective through our diplomatic, financial, and cultural relations with other nations.

Our foreign assistance efforts this year again affirm our commitment to cooperate with other advanced nations in supporting economic and social progress for the less fortunate two-thirds of mankind. The tasks of economic development cannot be completed quickly or

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INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Conduct of foreign affairs:				
Department of State [2]	$321	$337	$355	$350
U.S. Arms Control and Disarmament Agency	10	9	10	10
Tariff Commission	3	4	4	4
Foreign Claims Settlement Commission [2 3]	21	200	1	1
Department of Justice (trust funds)	2	4	53	----
Treasury Department (trust funds)	8	5	6	5
Economic and financial programs:				
Agency for International Development:				
Development loans	662	625	670	765
Technical cooperation [2]	224	203	216	238
Alliance for Progress	511	465	516	625
Supporting assistance	587	602	621	595
Contingencies and other	334	313	310	280
Applicable receipts from the public (−) [3]	−51	−63	−69	−69
Subtotal, Agency for International Development [2 3]	2,268	2,145	2,264	2,434
Subtotal, excluding special Vietnam	(1,844)	(1,687)	(1,784)	(1,954)
International financial institutions:				
Present programs	170	223	200	320
Proposed legislation	----	----	10	446
Export-Import Bank	−104	−144	−110	----
Peace Corps [2 3]	112	108	110	113
Other [2]	20	21	20	11
Food for Freedom	1,452	1,315	1,444	918
Foreign information and exchange activities:				
United States Information Agency [2 3]	185	187	194	179
Department of State and other [2]	59	68	61	54
Applicable receipts from the public (−) [3]	−417	−153	−144	−144
Subtotal, expenditures	4,110	4,330	4,478	4,700
Subtotal, expenditures, excluding special Vietnam	(3,687)	(3,872)	(3,998)	(4,220)
Net Lending: **Economic and financial programs:**				
Export-Import Bank:				
Present programs	540	716	660	608
Proposed legislation	----	----	15	----
Subtotal, net lending	540	716	675	608
Total	4,650	5,046	5,153	5,308
Total, excluding special Vietnam	(4,227)	(4,588)	(4,673)	(4,828)

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $4,336 million; 1968, $4,402 million.
LA: 1967, $779 million; 1968, $865 million.

[2] Includes both Federal funds and trust funds.

[3] Relevant "Interfund and intragovernmental transactions" and "Applicable receipts from the public" have been deducted to arrive at totals.

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without sacrifice. Our assistance can only be a catalyst and supplement to the self-help actions which the developing nations themselves must undertake. In 1969, more than 90% of our development lending will be undertaken in concert with other developed nations or within a regional or multilateral framework.

CREDIT PROGRAMS—INTERNATIONAL AFFAIRS AND FINANCE[1]

[Fiscal years. In millions]

Program or agency	1967 actual	1968 estimate	1969 estimate
Economic and financial programs:			
Export-Import Bank:			
Commitments	($2,661)	($2,111)	($2,440)
Disbursements	1,167	1,645	1,680
Repayments	627	929	1,005
Net lending	540	716	675

[1] Excluding credit programs in the expenditure account.

Total outlays for international affairs and finance are expected to be $5.2 billion in 1969, $107 million more than in 1968. Higher expenditures for Food for Freedom shipments and economic assistance will be largely offset by substantial decreases in (1) expenditures of the Foreign Claims Settlement Commission reflecting final settlement of World War II claims in 1968 and (2) net lending by the Export-Import Bank.

Agency for International Development.—The Agency for International Development administers our economic assistance programs through three principal instruments:

- *Long-term, dollar repayable development loans* provide the capital assistance for projects and imports necessary for economic growth.
- *Technical assistance grants* contribute to the development of the human and institutional resources required for effective long-term development.
- *Supporting assistance loans and grants* are provided in a limited number of countries to strengthen political stability and security in order to maintain an environment in which economic and social progress are possible.

AID loans to foreign countries are classified in the budget as expenditures rather than net lending, consistent with the recommendations of the President's Commission on Budget Concepts.

Total expenditures of the Agency for International Development are estimated to rise by $119 million in 1969. Efforts to minimize the

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effect of these assistance programs on the U.S. balance of payments have been successful and will be intensified. More than 90% of AID expenditures in 1969 will be for purchases of U.S. goods and services. Special measures are being taken to insure that exports financed with AID support do not substitute for U.S. commercial exports. Thus, AID helps to promote the long-term growth of markets for U.S. exports by stimulating new trade patterns and opportunities.

The AID budget program is summarized in the table below in terms of total obligational authority. This includes primarily new obligational authority granted each year by the Congress, plus the obligational authority becoming available each year from loan repayments and recoveries of prior year obligations.

SUMMARY OF THE AID BUDGET PROGRAM

[Fiscal years. In millions]

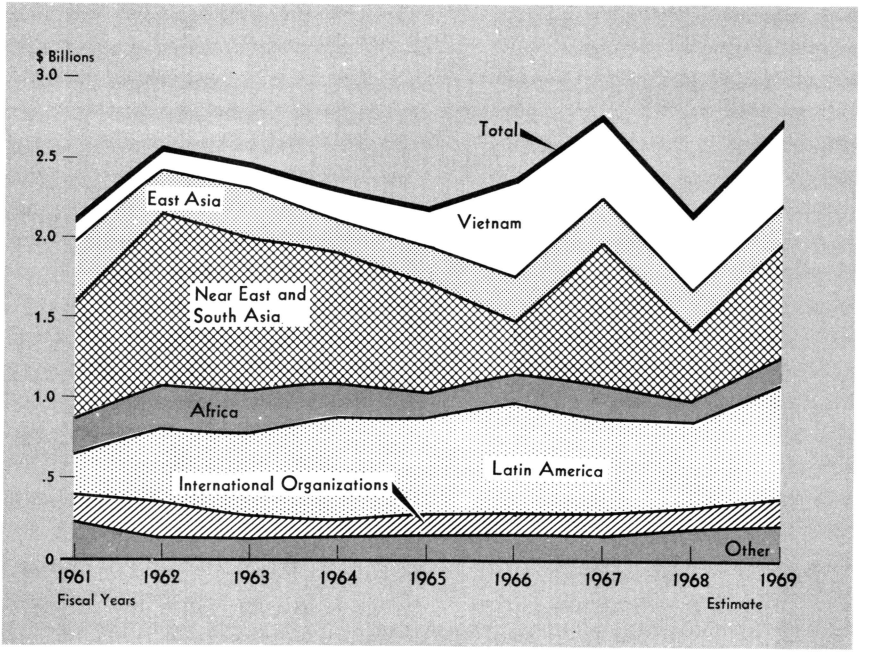
Major assistance programs	Total obligational authority (Federal funds)		
	1967 actual	1968 estimate	1969 estimate
East Asia (excluding Vietnam)	$276	$209	$277
Vietnam	495	470	480
Near East and South Asia	[2] 893	467	706
Africa	203	140	179
Latin America (Alliance for Progress)	585	538	708
Contributions to international organizations	144	135	154
Contingency fund (unallocated)	----------	44	50
General support	140	138	152
Total obligational authority [1]	2,735	2,141	2,706
Of which:			
New obligational authority [1]	2,143	1,895	2,500
Prior year and other funds	592	245	206

[1] Excludes trust funds not requiring congressional action.
[2] Includes $320 million of 1966 funds, which were available to support 1967 programs in India and Pakistan because aid to those countries was suspended during the Kashmir crisis.

East Asia (excluding Vietnam).—In 1969, some $277 million is planned for the East Asia program, about the same as in 1967, but $68 million higher than in 1968. Most of the increase is for the U.S. share of a multilateral stabilization and development program in Indonesia, which is recovering from a long period economic mismanagement. In Korea, further economic progress permits us to continue shifting our aid from supporting assistance to development lending. Increased technical cooperation funds will support new regional initiatives in Southeast Asia, primarily to improve education and agriculture.

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Agency for International Development – Program Trends



Vietnam.—Economic and social progress in Vietnam are absolutely essential to the stability and security of Southeast Asia. In 1969 the Commercial Import Program will help control inflation by providing foreign exchange to pay for imports needed to meet the requirements of the Vietnamese economy. Assistance will be given the rural citizens of that strife-torn country to build in safety their homes, farms and schools. Total obligational authority in 1969 is estimated at $480 million, an increase of $10 million above 1968.

Near East and South Asia.—The development assistance program will increase from $467 million in 1968 to $706 million in 1969. Most of the increase is for our share of assistance given through international consortia to India and Pakistan. This aid will help speed India's recovery from 2 years of recession by providing over $200 million for the purchase of fertilizer to help expand farm production and by supporting India's import liberalization program undertaken last year. The increase will also help maintain Pakistan's progress toward sustained economic growth.

Africa.—In 1969, our assistance to Africa will (1) concentrate lending and technical assistance in those countries making significant progress toward economic growth; (2) seek to foster increased cooperation with other industrial countries and multilateral organiza-

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tions such as the World Bank and the new African Development Bank in providing high priority assistance, especially in agriculture, health, and education; and (3) encourage and support viable regional programs in these areas. Total obligational authority in 1969 will be $39 million above the 1968 level.

Latin America.—In 1969, financial assistance for the Alliance for Progress will be increased by $170 million to carry out the decisions reached by the American Presidents at Punta del Este in April 1967. Included in the Declaration of the Presidents were commitments to increase agricultural productivity, promote education, encourage science and technology, and provide support for economic integration. We have pledged to assist the Latin American nations in these efforts to advance the pace of change in our hemisphere. Our aid is closely related to the recipients' self-help actions and to the programs of other donors through the Inter-American Committee on the Alliance for Progress (CIAP).

The term "foreign assistance" generally applies to both economic and military assistance, as authorized by the Foreign Assistance Act. The following table summarizes total expenditures and new obligational authority for both programs. Military assistance is discussed under the heading of National Defense.

FOREIGN ASSISTANCE TOTALS

[Fiscal years. In millions]

	Expenditures (Federal funds)			New obligational authority		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 recommended
Economic assistance [1]	$2,315	$2,205	$2,330	$2,143	$1,895	$2,500
Military assistance [1]	873	550	525	782	400	540
Total	3,188	2,755	2,855	2,925	2,295	3,040

[1] Excludes trust funds not requiring congressional action and deduction of applicable receipts.

Other economic and financial programs.—The United States promotes economic growth abroad through various activities in addition to loans and grants provided by AID. Prominent among these are U.S. contributions to international financial institutions which provide additional resources to support economic development. These institutions are important instruments for mobilizing capital and coordinating economic assistance. A table summarizing the new obligational authority required to fulfill our contributions to these institutions for 1967–1969 follows:

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INTERNATIONAL FINANCIAL INSTITUTIONS

[Fiscal years. In millions]

Institutions	New obligational authority		
	1967 actual	1968 estimate	1969 estimate
Inter-American Development Bank:			
Fund for Special Operations	$250	$300	$300
Ordinary capital			[1] 206
Asian Development Bank (ordinary capital)			20
International Development Association	104	104	[1] 240
Total	354	404	766

[1] Proposed for separate transmittal.

Through its Fund for Special Operations, the Inter-American Development Bank (IDB) provides long-term loans at low interest rates for economic and social development projects in Latin America. Increased emphasis will be given to multinational transportation, communication, and power projects which promote greater regional economic integration. The ordinary capital of the IDB finances development projects for borrowers capable of meeting more nearly commercial terms. Authorizing legislation will be sought for a $412 million increase in the U.S. subscription to the Bank's callable capital, with the first installment of $206 million to be requested in 1969. The availability of callable capital makes it possible for the Bank to raise funds in private markets without requiring Federal expenditures.

The Asian Development Bank, financed by subscriptions from 19 members from that region and 13 nonregional members, provides loans and technical assistance to the developing countries of Asia. The $20 million subscription requested for 1969 is the third of five installments. Legislation is pending in Congress to authorize a U.S. contribution to a multilateral special fund for the Bank primarily for use in Southeast Asia.

The International Development Association (IDA), an affiliate of the World Bank, provides long-term loans to developing nations throughout the world, repayable on easy terms. Its resources will be exhausted during 1968. Upon completion of negotiations between IDA and donor nations, legislation will be sought to authorize a new U.S. contribution. A 1969 appropriation is proposed for separate transmittal.

The Export-Import Bank supports the growth of U.S. exports through its direct loan, insurance and guarantee programs. Net lending by the Bank is expected to decrease from $716 million in 1968 to $675 million in 1969, reflecting higher repayments of principal on loans made in prior years. These increased repayments will help reduce the

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U.S. balance of payments deficit. By the end of 1969, the Bank's insurance and guarantee programs will protect $2.7 billion of U.S. exports against both commercial and political risks.

Transactions of the Bank which are classified as expenditures include guarantee and insurance costs, interest paid, and other expenses. In 1969, receipts of the Bank, primarily from interest received on loans, will exceed expenditures by $110 million, $34 million less than in 1968. Legislation is now before Congress to extend the life of the Bank which is due to expire on June 30, 1968.

The Peace Corps will continue to provide Americans with expanded opportunities for significant service abroad. By August 31, 1969, there will be over 15,000 volunteers in training or overseas. During 1969 volunteers are expected to be active in about 60 countries working alongside the peoples of these nations in a variety of projects:

- 41% will participate in education programs, with a growing number involved in teacher training.
- 23% will be working to modernize agricultural production and marketing.
- 14% will be engaged in improving health conditions.

Food for Freedom.—The principles embodied in the 1966 amendments to the Agricultural Trade Development and Assistance Act (commonly called Public Law 480) will continue to be applied in 1969:

- All sales agreements specify commitment for self-help activities by recipient countries.
- An increasing proportion of food shipments is being paid for in dollars or local currency convertible to dollars. This proportion is expected to increase from 17% in 1967 to more than 50% in 1969.
- Food aid and dollar aid are being closely linked in the development and negotiation of agreements to assure most effective use of both types of resources.
- The emphasis in donation programs is on child feeding and food-for-work projects, which are oriented to development purposes.

Although efforts to expand food production in the developing countries have been substantially increased, the full impact of these measures on output will take time to be felt. Larger shipments of U.S. agricultural commodities are needed to help fill the gap between supply and demand in the short run. Accordingly, Food for Freedom expenditures will rise by an estimated $129 million in 1969 to a total of $1.4 billion. About two-thirds of these expenditures will be under sales agreements; the rest will be for a donation program, administered in part through private voluntary agencies.

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Legislation will be proposed to extend the Food for Freedom program beyond its expiration date of December 31, 1968.

Foreign information and exchange activities.—The 1969 budget provides for an increase in U.S. Information Agency activities in Latin America and Europe. Greater emphasis will be placed on programs designed to reach audiences outside the major cities, particularly youth groups at universities. A major new radio facility in the Philippines will be completed during the year, and work will continue on the new facility in Greece scheduled for completion in the spring of 1971. The recommended new obligational authority for 1969 provides for three exhibits in the Soviet Union as part of a new cultural exchange agreement.

Expenditures in fiscal year 1969 for the educational and exchange activities of the Department of State are estimated at $52 million. These expenditures will support programs to exchange leaders, professors, scholars, teachers, and students with other countries of the world.

SPACE RESEARCH AND TECHNOLOGY

New obligational authority of $4.4 billion is recommended for the National Aeronautics and Space Administration in 1969, a decrease of $218 million. This is 5% less than the current year and $597 million less than 1967. Expenditures for 1969 are estimated to be $4.6 billion, a $230 million decrease from the current year.

SPACE RESEARCH AND TECHNOLOGY

[Fiscal years. In millions]

	Expenditures			Recommended NOA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Manned space flight:				
Manned lunar landing	$3,587	$3,028	$2,571	$2,362
Extended manned flight	62	138	422	463
Space sciences	674	563	498	479
Space applications	122	135	147	148
Space technology	440	420	425	410
Aircraft technology	89	113	120	131
Supporting activities [2]	452	411	394	378
Applicable receipts from the public (—)	—2	—4	—3	—3
Total	5,423	4,803	4,573	4,369

[1] Compares with new obligational authority (NOA) for 1967 and 1968, as follows: 1967, $4,966 million; 1968, $4,587 million.

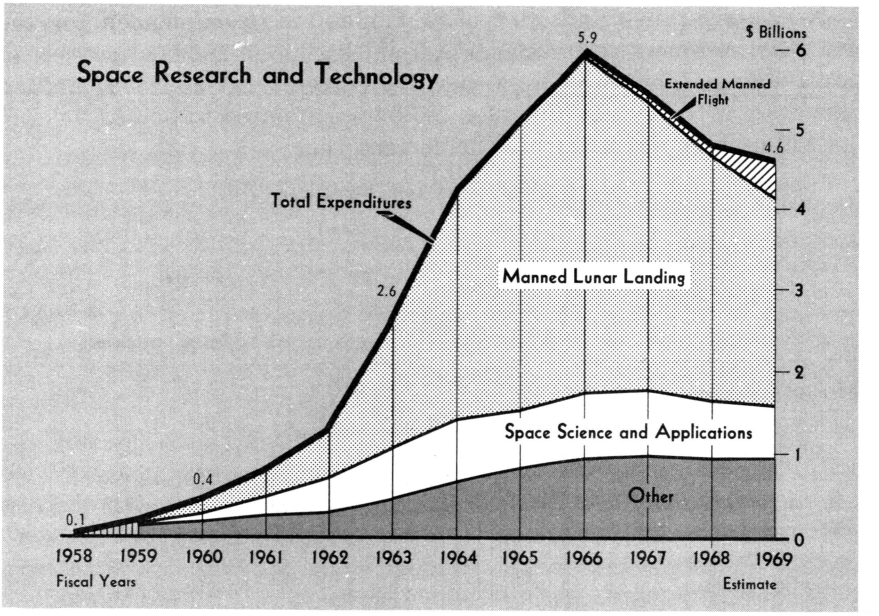
[2] Includes both Federal funds and trust funds.

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Manned space flight.—The Apollo program is creating a large space booster capability and moving rapidly toward achievement of a manned expedition to the moon in this decade. Modifications to the Apollo spacecraft required by the tragic fire last January are being made and manned flight tests of the Saturn IB will resume this year. The flight last November of the first Saturn V launch vehicle was a dramatic success. The first manned flight using this massive rocket will occur this year if scheduled unmanned flights are successful. Five manned Apollo flights of the Saturn V are scheduled for calendar year 1969, one of which may well be the first manned landing on the moon.

Expenditures for the Apollo program will decline by over $450 million in 1969 as the primary effort moves past the costly developmental phases to operational use of the systems.

In the Apollo Applications program, 1969 funds will support production and modification of a limited number of Apollo systems for use in scientific and developmental programs, and preparations for flights in 1970 and beyond. Multiple rendezvous techniques and re-use of systems left in orbit will reduce the cost of this successor manned



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space flight activity. The ability of astronauts to remain in space for long periods of time will be systematically investigated, and engineering and scientific experiments will be undertaken in earth orbit. Funds are provided for a limited effort to prepare for additional exploratory flights to the moon after 1969. To support the Apollo Applications program, new obligational authority will increase by $186 million in 1969.

Space sciences.—The unmanned lunar flights of the Surveyor and Orbiter spacecraft will be completed in 1968. Following the successful pattern of unmanned lunar flights, a series of orbiters and probes for planetary exploration will be under development in 1969. Mariner missions to Mars will be in preparation for launch in 1969 and 1971. A second-generation planetary spacecraft is again proposed for development, starting in 1969. The Voyager has been replaced by a smaller spacecraft for launch on Titan III rockets in 1973 to permit further exploration of Mars at much less than the original Voyager would have cost. Space flight programs for the advancement of astronomy, geophysics, and bio-science will also continue in 1969.

Space applications.—Increased funds in 1969 will be devoted to expanding those fields in which space systems can be applied for direct economic benefit. Satellites are now in operation as components of communications, navigation, and weather forecasting systems. The budget provides for enlarging an aircraft program with other Federal agencies to provide techniques and instruments for remote measurement of earth resources. Detailed studies will be undertaken on proposed satellite systems for acquiring data on earth resources in the future.

Space technology.—Advanced research and technology work on which future missions must be based will continue in 1969. The program to develop a nuclear rocket engine for eventual use on the Saturn V accounts for most of the increase in funds from 1968.

Aircraft technology.—Technology originally developed for space programs is now being applied to the improvement of aircraft. Increased efforts will be devoted to improvements in a broad range of technical areas related to aeronautics, including noise reduction and aircraft capable of vertical or short takeoff and landing.

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AGRICULTURE AND AGRICULTURAL RESOURCES

Federal agricultural programs are designed to support and enlarge the contribution of our farm and rural economy to the Nation's overall economic prosperity.

American agriculture possesses an unparalleled productive capacity. Today, one farmer feeds and clothes more than three times as many people as he sustained a quarter of a century ago. However, many rural people have benefited little from this progress, and some have suffered as a result of it. Because of the rapid advance of productivity in agriculture and the slower growth in demand for farm products, employment opportunities in farming have been greatly reduced. As a result, large numbers of farm families, unable to make the transition to new occupations and to a new environment, are living in poverty.

The recommendations in this budget for manpower development programs will strengthen employment and training services in rural areas. Other budget programs will improve health services and educational opportunities for rural people. The Department of Agriculture will provide increased assistance for low income rural housing and for public facilities in rural areas. The Department will also continue to encourage coordinated planning and administration of public investment through multicounty area development districts. These districts would provide a broader economic base for many rural areas to attract more private investment and to provide more adequate public services.

Budget outlays for agriculture and agricultural resources are estimated at $5.6 billion in 1969, an increase of $298 million over 1968. Despite rising outlays for annual commodity programs and net lending estimated for 1969, the overall increase has been held to a minimum by reductions in other programs.

Agricultural expenditures in 1969, largely for price support and related programs, are estimated at $4.5 billion, while loan programs, largely for rural electrification and telephone systems and for rural housing and farm operations, will result in net lending of $1.1 billion.

Farm income stabilization.—Expenditures for price support and related programs are estimated to increase by $72 million to $2.8 billion in 1969. The largest part of these expenditures is for direct payments to farmers participating in the annual commodity programs. These programs help to stabilize farm income and commodity prices by adjusting supplies of farm commodities to demand. Direct payments to farmers fluctuate over time primarily with the need to divert agricultural land in order to bring commodity output into balance with domestic and export demand.

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AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Farm income stabilization:				
Price support and related programs	$1,652	$2,703	$2,775	$3,275
Conservation reserve, cropland conversion, and cropland adjustment programs	196	211	200	195
Removal of surplus agricultural commodities	145	175	178	407
National Wool Act	35	64	63	64
Sugar Act	82	86	87	82
Other [2]	157	190	156	156
Subtotal, farm income stabilization	2,267	3,428	3,459	4,178
Financing rural electrification and rural telephones	12	13	13	13
Agricultural land and water resources:				
Soil Conservation Service—conservation operations [2]	111	115	117	117
Agricultural conservation program payments (including CCC loans)	216	217	203	100
Other	26	30	30	25
Financing farming and rural housing:				
Farm Credit Administration [2]	−21	−48	−64	
Farmers Home Administration and other [2]	11	74	96	92
Research and other agricultural services:				
Present programs [2]	570	623	675	661
Proposed legislation for inspection fees			−13	−13
Interfund and intragovernmental transactions (−)	−5	−5	−6	−6
Applicable receipts from the public (−)	−32	−34	−36	−36
Subtotal, expenditures	3,156	4,412	4,474	5,131
Net Lending:				
Farm income stabilization	262	−29	24	24
Financing rural electrification and rural telephones [3]	232	279	360	234
Financing farming and rural housing:				
Farm Credit Administration (trust funds)	671	749	771	541
Farmers Home Administration and other [2]	56	−100	−20	426
Subtotal, net lending	1,221	899	1,135	1,225
Total	4,377	5,311	5,609	6,356

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $4,318 million; 1968, $4,383 million.
LA: 1967, $1,405 million; 1968, $1,450 million.

[2] Includes both Federal funds and trust funds.

[3] Figures for 1968 and 1969 reflect legislative proposals to establish a cooperative telephone bank, and revolving funds for the electric and telephone programs of REA.

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CREDIT PROGRAMS—AGRICULTURE AND AGRICULTURAL RESOURCES[1]

[Fiscal years. In millions]

Program or agency	1967 actual	1968 estimate	1969 estimate
Farm income stabilization: Commodity Credit Corporation:			
Disbursements	$277	$161	$220
Repayments	−15	−190	−196
Net lending	262	−29	24
Financing rural electrification and rural telephones: Rural Electrification Administration:			
Commitments	(472)	(470)	(470)
Disbursements	412	470	550
Repayments	−180	−192	−190
Net lending	232	279	360
Financing farming and rural housing:			
Farmers Home Administration and other:			
Disbursements	1,245	1,426	1,352
Repayments	−1,188	−1,526	−1,372
Net lending	56	−100	−20
Farm Credit Administration (trust funds):			
Banks for cooperatives:			
Disbursements	1,815	2,101	2,370
Repayments	−1,622	−1,852	−2,132
Net lending	193	249	238
Federal intermediate credit banks:			
Disbursements	6,999	8,349	9,481
Repayments	−6,520	−7,849	−8,948
Net lending	478	500	533
Total, net lending	1,221	899	1,135

[1] Excluding credit programs in the expenditure account.

Higher expenditures in 1969 will result from larger feed grain payments and lower sales from the Commodity Credit Corporation's stock of cotton. These increases will be partially offset by lower loans for feed grains, tobacco and wheat and increased sales of CCC-owned wheat and feed grain stocks.

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The following table provides information on all the operations of the Commodity Credit Corporation, including the Food for Freedom program which was discussed earlier under international affairs and finance.

COMMODITY CREDIT CORPORATION OUTLAYS

[Fiscal years. In millions]

Program	1967 actual	1968 estimate	1969 estimate
Agriculture and agricultural resources:			
Price support operations:			
Wheat certificates issued	$652	$725	$742
Feed grain payments	1,340	960	1,415
Cotton payments	813	865	755
Other price support operations	2,935	3,356	3,133
Receipts and adjustments	−4,088	−3,203	−3,269
Subtotal, expenditures, price support operations	1,652	2,703	2,775
Other expenditure activities	62	92	61
Net lending	262	−29	24
Subtotal, expenditures and net lending	1,976	2,766	2,860
International affairs and finance:			
Food for Freedom:			
Gross expenditures	1,671	1,701	1,791
Receipts and reimbursements	−219	−386	−347
Subtotal, expenditures	1,452	1,315	1,444
Total outlays	3,427	4,080	4,304

Financing rural electrification and rural telephones.—Continued financial assistance will be provided through the Rural Electrification Administration to help distribute electric power and supply improved telephone service to rural areas. The previous table on credit programs shows the magnitude of the REA loan programs. Electric and telephone loan commitments will be maintained at about the 1968 level.

Legislation is recommended to establish a cooperative bank for the telephone loan program and revolving funds for both the REA electric and telephone loan programs. This legislation will assist in meeting the growing capital needs of REA borrowers.

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Agricultural land and water resources.—Expenditures in 1969 for technical assistance and other conservation operations of the Soil Conservation Service will continue at about the same level as in 1968. Work will proceed on 34 authorized resource conservation and development projects and will begin on 10 other projects for which plans will be completed in 1969.

New obligational authority of $100 million is recommended for the 1969 agricultural conservation program year. Fiscal year 1969 expenditures, however, will be $203 million since they are based on the 1968 congressional authorization. The proposed program level will provide the cost-sharing assistance necessary to continue long-term practices that prevent irreparable damage to land resources and that would not be applied without Federal assistance.

Financing farming and rural housing.—Loans of the Farm Credit Administration through the Federal intermediate credit banks and the banks for cooperatives are primarily to help finance agricultural production and marketing.

In 1969, the Farmers Home Administration will continue its em-

FARMERS HOME ADMINISTRATION

Direct and Insured Loan Commitments [1]

[Fiscal years. In millions]

Program elements	1967 actual	1968 estimate	1969 estimate
Improving farm income:			
Farm operating loans	$300	$275	$250
Farm ownership loans	260	205	280
Soil and water loans	23	55	33
Emergency loans	95	64	64
Community development services	2	4	3
Improving housing:			
Loans to individuals with above moderate incomes	48	50	40
Loans to individuals with low to moderate incomes	380	421	407
Farm labor housing loans	4	15	15
Rental housing loans	5	16	25
Very low income housing repair loans	3	3	18
Public facilities and business expansion: Water and sewer loans	175	130	135
Resource protection: Watershed protection loans	6	5	3
Recreation, wildlife and natural beauty: Recreation loans	28	30	30
Total loan commitments	1,327	1,275	1,306
Direct	505	458	436
Insured	822	817	870

[1] Represents obligations of direct loans and approvals of insured loans.

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phasis on helping low-income people in rural areas. To do this, FHA has three major types of loan programs: Those to improve farm income, those to provide housing for rural families, and those to provide public facilities for rural communities.

Wherever possible, grants for planning of water and sewer facilities will be made within the framework of a multicounty area development district.

Research and other agricultural services.—Expenditures are estimated to increase by $39 million in 1969, of which $20 million will be used to carry out the Wholesome Meat Act of 1967. This amount will permit financial and technical assistance to help the States establish more effective intrastate meat inspection systems. Similar legislation will be proposed to strengthen Federal and State poultry inspection programs.

Extension Service expenditures in 1969 will be $8 million higher than the 1968 level, and research expenditures will be increased by $9 million, as work originally authorized by Congress for 1968 is performed in 1969.

To help improve agricultural statistics, a comprehensive review will be made of the entire crop and livestock statistical program, including data needs and possible sources.

NATURAL RESOURCES

Programs for the conservation and development of natural resources help to maintain the Nation's economic growth and to meet the needs of a growing population. Total budget outlays for natural resource programs are estimated at $2.5 billion in 1969, an increase of $58 million over 1968. The requested new budget authority for 1969, however, is $2.3 billion, which is $227 million below that of 1968, as lower priority resource development activities are being deferred or delayed.

Land and water resources.—As in previous years, the largest part of estimated expenditures for natural resources in 1969 will be for land and water resource programs. These amounts will permit continuing construction of water resource projects started in previous years, construction of power supply and transmission facilities, and various programs for water pollution control and water resources research.

Because of the critical water problems found in many regions of the Nation, it is essential that legislation to establish a National Water Commission be enacted without delay so that new approaches for water programs and policies can be explored.

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NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Land and water resources:				
Corps of Engineers [2]	$1,301	$1,341	$1,313	$1,283
Department of the Interior:				
Bureau of Reclamation [2]	300	291	299	288
Power marketing agencies [2]	133	147	153	151
Federal Water Pollution Control Administration	130	190	248	326
Office of Saline Water [2]	17	31	41	30
Office of Water Resources Research	6	9	11	13
Bureau of Indian Affairs	106	113	112	113
Bureau of Land Management [2]	87	83	76	76
Tennessee Valley Authority	102	109	150	50
Soil Conservation Service—watershed projects	108	106	93	61
International Boundary and Water Commission	27	22	15	9
Federal Power Commission and other [2]	17	22	25	24
Subtotal, land and water resources	2,335	2,465	2,536	2,424
Forest resources:				
Forest Service [2]	461	495	470	486
Bureau of Land Management	21	22	22	22
Recreational resources:				
Bureau of Outdoor Recreation [2]	68	105	160	134
National Park Service and other [2]	126	140	148	110
Fish and wildlife resources [2]	136	153	158	158
Mineral resources:				
Bureau of Land Management	48	50	50	50
Bureau of Mines and other [2]	73	83	80	76
General resource surveys and administration [2]	275	250	239	191
Interfund and intragovernmental transactions (−)	−22	*	−1	−1
Applicable receipts from the public (−)	−1,410	−1,348	−1,381	−1,381
Subtotal, expenditures	2,113	2,416	2,483	2,271
Net Lending:				
Land and water resources	18	15	6	4
Other	1	1	1	
Subtotal, net lending	19	16	7	4
Total	2,132	2,432	2,490	2,275

*Less than $500 thousand.

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $3,262 million; 1968, $2,488 million.
LA: 1967, $17 million; 1968, $14 million.

[2] Includes both Federal funds and trust funds.

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Water and related power developments.—The budget provides for continuing construction of ongoing water resource projects at minimum rates. While no ongoing projects will be stopped in 1968 or 1969, actions taken in the current fiscal year and the stringent budget recommendations for 1969 will, in many cases, delay completion schedules.

Construction of new projects of the Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service, planned for starting in 1968, including those added by the Congress, will instead be initiated over the 2-year period, 1968 and 1969. In addition, the budget provides new obligational authority in 1969 for the Corps of Engineers to begin construction or undertake land acquistion for 10 projects, and for the Bureau of Reclamation to initiate one project. Both agencies will continue advance planning on projects which could be started in future years.

Legislation was recommended last year which would provide relief for the critical water problems in the Central Arizona area by substituting thermal power arrangements in place of proposed hydroelectric dams in scenic segments of the Colorado River Gorge. Congress should move promptly to complete action on that legislation.

Financial assistance by the Soil Conservation Service for watershed protection projects will continue in 1969 at a minimum level. New obligational authority is recommended to start construction on five additional projects in 1969. With the stretchout of 1968 project starts, a total of 30 starts are now planned for 1968 and 55 for 1969.

The interest rate now being used by Federal agencies in formulating and evaluating proposed water resource projects is significantly lower than the cost of borrowing by the Treasury. To improve the evaluation and selection of projects, administrative action is underway to relate this rate more closely to the average estimated current cost to the Treasury of long-term borrowing. The new interest rate, which will be higher than the rate now being used, will be applied in preparing future project evaluation reports.

The Bureau of Reclamation and the power marketing agencies of the Department of the Interior will continue to provide essential facilities for reliable electrical services to the public in areas where the Federal Government provides a substantial portion of the required power demands. The Bureau of Reclamation will proceed with construction on the Third Powerhouse at Grand Coulee Dam, and the Bonneville Power Administration will continue construction on its major transmission grid in the Northwest.

Legislation is again recommended to permit the Bonneville, Southeastern, and Southwestern Power Administrations to use revenues

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from the sale of power to finance capital outlays and operating costs, on a basis consistent with other business enterprise activities of the Federal Government. Under the new budget concepts applied in the 1969 budget, the proposed revolving fund legislation will have no effect on total budget expenditures, since these revenues are being deducted from expenditures as part of applicable receipts from the public.

The activities of the Tennessee Valley Authority in 1969 are estimated to result in net expenditures of $150 million. These activities are financed in part through power proceeds and the sale of revenue bonds and in part by appropriations. The following table shows the gross activities of the Authority and receipts from power operations and other activities:

TENNESSEE VALLEY AUTHORITY

[Fiscal years. In millions]

Program	1967 actual	1968 estimate	1969 estimate
Obligations:			
Power operations	$259	$261	$287
Other program operations	46	47	47
Capital outlays for power supply and transmission system facilities	223	213	241
Other capital outlays	53	40	32
Total obligations	581	561	607
Receipts:			
Power operations	−354	−395	−410
Other receipts	−26	−27	−27
Adjustment for change in obligated balance	−99	−31	−20
Expenditures	102	109	150

In 1969, the Tennessee Valley Authority will continue construction of a $392 million nuclear powerplant and a $325 million coal-fired powerplant. These facilities are needed to meet increased power demands in the coming years.

Legislation has been proposed to provide the Federal Power Commission with adequate authority to encourage and coordinate comprehensive planning of the Nation's electrical power systems by both public and private utilities. The legislation is essential to achieve improved electrical power system reliability and minimize future risk of extensive power failures.

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Water quality and research.—High priority is being given to programs to improve water quality for public water supplies, recreation, fish and wildlife, and industrial use. The budget includes new obligational authority of $225 million in 1969 for grants to communities to assist in the construction of waste treatment facilities.

A total of $32 million has been included in the budgets of Federal agencies for water pollution control projects at Federal facilities in order to comply with Federal and State pollution control standards. New obligational authority is also recommended to increase research and demonstration activities to improve water pollution control. Progress is being made in approving water quality standards developed by the States under the Water Quality Act of 1965.

Research to find new sources of water for the Nation will also continue. Of particular importance are the efforts of the Office of Saline Water to find lower-cost desalting methods and the Bureau of Reclamation's program to determine the feasibility of augmenting natural precipitation by artificial means.

Public domain and Indian lands.—Expenditures of $76 million are estimated in 1969 for the Bureau of Land Management to manage the public domain lands. Mineral leasing activities on Federal lands, including the Outer Continental Shelf, result in large receipts to the Federal Government. Oil and gas production from federally owned lands now represents more than 12% of the Nation's oil and gas production. The Bureau of Land Management and the Geological Survey will improve leasing and management practices relating to the valuable resources of the Outer Continental Shelf.

New obligational authority of $113 million is recommended for the Bureau of Indian Affairs to build schools for Indian children and to improve the well-being of Indian people. Funds are included to initiate a kindergarten program in Federal Indian schools and to start construction of seven new schools for Indian children. New obligational authority is also recommended to provide increased assistance for job training, housing, and expansion of industrial activities on or near reservations. Legislation has been proposed to increase the authorization to extend direct loans to Indians for farming and business purposes, and to authorize guarantees of private loans. Other programs to improve the health and education of Indians are included in other related functional sections of the budget.

Forest resources.—Federal forest lands provide a large part of the Nation's timber supply and provide recreational activities, including hunting and fishing, for millions of visitors each year. In addition, these lands supply watershed protection and grazing for livestock.

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The Forest Service and the Bureau of Land Management have been engaged in a joint analysis of their timber sales policies and procedures. After appropriate consultation with interested groups, these agencies intend to put into effect by July 1, 1968, an essentially uniform timber appraisal system within a framework for achieving fair market value returns to the Federal Government from the sale of public timber resources.

The Forest Service has also undertaken to improve the management of recreational resources in the national forests. A modern data system is being developed on recreational capacity, visitor days, and facility investments. When fully operational, this system will help forest managers to estimate more accurately future requirements for outdoor recreation and improve decisions on recreation investments to assure the optimal economic return.

Recreational resources.—The number of visitors to national parks and other Federal recreation areas—one indication of the demand for outdoor recreational resources—continues to expand at a rapid rate. Rising land prices, however, make it more and more costly to acquire recreation areas.

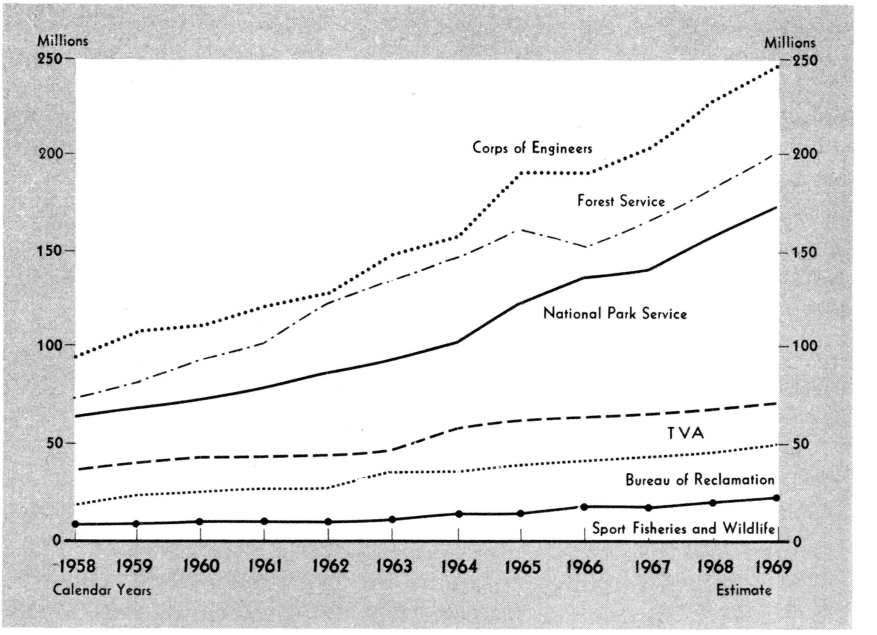
The 1969 budget gives increased emphasis to the acquisition of recreation lands in newly-authorized Federal areas. New obligational authority of $130 million is recommended for the Land and Water Conservation Fund in 1969, an increase of $11 million over 1968. This amount will permit needed additions of Federal areas and provide for grants of $65 million to the States for acquisition and development of their recreation areas. In view of rising land prices, greater emphasis is to be placed on the use of grant funds for acquiring land in authorized areas rather than developing existing areas.

Because revenues expected to be available to the Land and Water Conservation Fund over the next few years will fall far short of requirements consistent with an adequate recreation program, legislation is being recommended to authorize the use of mineral receipts from the Outer Continental Shelf to augment the Fund up to a level of $200 million a year for 5 years.

Legislation has been recommended to establish a National Scenic Rivers System and a Nationwide System of Trails. Legislation has also been proposed to authorize the Redwoods National Park in northern California, a National Park and a National Recreation Area in the North Cascades region in the State of Washington, and the Apostle Islands National Lakeshore in Wisconsin.

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Visitors to Federal Recreation Areas



Mineral resources and fish and wildlife.—Research programs conducted by the Bureau of Mines and the Office of Coal Research will continue to aid industry in the development and use of mineral resources. Emphasis is being given to research on the abatement of air and water pollution and other harmful environmental effects from the use of fossil fuels. A new research program will be initiated in 1969 to seek major improvements in the technology of underground mining and tunneling.

The Department of the Interior will conduct research in 1969 on techniques for concentrating shale oil underground, proceed with title clearance on Federal lands, and appraise oil shale resources.

Strip mining operations have left ugly scars on millions of acres of lands, and resulted in serious pollution from acid drainage and sediment. Legislation will be proposed to establish a Federal-State system for regulation of surface mining operations.

The budget provides for expanded research to accelerate development of the technology to produce low-cost fish protein concentrate.

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General resource surveys.—The topographic mapping program of the Geological Survey is undergoing a major shift in emphasis to help solve the mapping problems of our cities. Over half of some 3,000 existing urban area maps are obsolete. In 1969, emphasis will be given to mapping areas in cities of over 250,000 population which are either unmapped or require resurveying, and to a special "interim" revision program for existing urban area maps.

Since conventional revision methods are costly and time-consuming, the Geological Survey has developed a special photogrammetric technique for updating only major changes in buildings, highways, and other physical structures in urban areas. With this technique, called interim revision, topographic maps can be produced at low cost within 1 year.

COMMERCE AND TRANSPORTATION

Federal programs for commerce and transportation are aimed primarily at promoting consistent and healthy growth of the Nation's economy.

Total outlays for these programs are estimated at $8.1 billion in 1969, $268 million more than in 1968. Sizable increases are anticipated for air transportation programs, including further progress on the development of a civilian supersonic transport. Regional economic development efforts and Coast Guard activities will also be augmented. These increases will be partially offset by a decline in the size of the postal deficit, reflecting postal rate increases.

Advancement of business.—Business assistance programs contribute to the general welfare of all citizens as consumers as well as to the progress of individual businesses. In addition, these programs increasingly seek to enlist the active participation of the business community in the solution of deep-seated social and economic problems, such as hard-core unemployment and regional economic imbalance. Similarly, technological and financial assistance for small businesses is being brought to bear on stubborn urban and rural economic problems.

Expenditures for the various activities aimed at the advancement of business are estimated at $153 million in 1969, compared with $160 million in 1968. The decrease is largely the result of increased receipts for the Federal Deposit Insurance Corporation and lesser expenditures for small business assistance. Net lending will total $67 million in 1969, compared with $114 million in 1968.

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COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Advancement of business:				
Export promotion [2]	$18	$20	$29	$32
Small business assistance	75	60	43	13
Physical environment [2]	176	168	177	178
Physical standards	38	31	29	29
Promotion of technology [2]	54	57	59	61
Economic and demographic statistics [2]	32	46	48	50
Federal Deposit Insurance Corporation (trust funds)	−239	−261	−274	
Other aids to business [2]	33	39	40	37
Area and regional development:				
Department of Commerce: Economic development assistance	52	153	186	229
Appalachia and other [2]	86	159	239	216
Air transportation:				
Federal Aviation Administration	883	892	1,228	1,064
Civil Aeronautics Board subsidies	62	58	54	53
Water transportation:				
Maritime Administration [2]	302	364	380	482
Coast Guard [2]	497	486	608	559
Other	−7	5	12	5
Ground transportation:				
Highways: [2]				
Present programs	4,041	4,363	4,340	4,787
Proposed legislation			51	85
Other	10	21	28	21
Postal service	1,141	1,087	767	920
Regulation of business	101	100	107	111
Interfund and intragovernmental transactions (−)	−1	−24	−8	−8
Applicable receipts from the public (−)	−47	−132	−149	−149
Subtotal, expenditures	7,308	7,695	7,996	8,776
Net Lending:				
Advancement of business: Small business assistance	101	114	67	150
Area and regional development: Department of Commerce: Economic development assistance	29	53	65	88
Other	8	−8	−8	−6
Subtotal, net lending	138	158	125	232
Total	7,446	7,853	8,121	9,008

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $8,653 million; 1968, $9,066 million.
LA: 1967, $938 million; 1968, $217 million.

[2] Includes both Federal funds and trust funds.

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CREDIT PROGRAMS—COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	1967 actual	1968 estimate	1969 estimate
Advancement of business: Small business assistance:			
Commitments	($357)	($429)	($459)
Disbursements	280	410	421
Repayments	−212	−296	−320
Net lending [1]	68	114	102
Area and regional development: Department of Commerce: Economic development assistance:			
Disbursements	34	58	72
Repayments	−4	−5	−7
Net lending	29	53	65
Other:			
Disbursements	17	−*	−*
Repayments	−9	−8	−8
Net lending	8	−8	−8
Total, net lending	138	158	125

*Less than $500 thousand.

[1] Excludes transactions in obligations of Government-sponsored enterprises in the following amounts: 1967, $33 million; 1968, $0; 1969, −$34 million.

Export promotion.—To increase our exports, the 1969 budget provides for a substantial expansion of overseas commercial exhibitions and for increased information on potential markets for the sale of American products. These expanded efforts, in turn, will help improve the U.S. balance of payments.

The Department of Commerce recently conducted an evaluation of the benefits and costs of its various programs to promote U.S. exports. Based in part on the conclusions of this evaluation, combined supplemental funds for 1968 and increased amounts for 1969 will provide for (1) the opening of four new U.S. trade centers overseas, bringing the total of such centers to 10; (2) an increase from 16 to 29 in the number of trade and industrial exhibitions; (3) establishment of a new export planning staff in the Department of Commerce to develop ways to determine and to benefit from export opportunities; and (4) inauguration of a new Joint Export Association program, which will develop techniques to aid in selling U.S. products in other countries.

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Small business assistance.—The Small Business Administration will devote a major share of its attention in 1968 and 1969 to encouraging wider participation by private institutions in its financial assistance programs. The agency will attempt to increase private participation primarily through its authority to guarantee loans made by private banks.

Physical environment.—The Environmental Science Services Administration (ESSA) will intensify its efforts to improve understanding of the atmosphere, the oceans, and the earth. New obligational authority of $178 million recommended for 1969 will provide for substantial progress in the World Weather Watch, a global weather system, which will lead to more reliable and longer-range weather forecasts.

In 1969, important improvements will be made in the detection and tracking of violent storms through the use of satellites, radar and other techniques. ESSA will also develop further scientific information needed to support Federal programs to advance our capabilities in weather modification and to combat air pollution.

Physical standards.—The fundamental objective of our physical measurement activities is to provide improved standards or reference points upon which the Nation's vital scientific and technical measurement system can rely. In the coming year, efforts will be continued to obtain more accurate measurement of physical quantities and better definition of physical constants, and to disseminate more widely the vast amounts of technical data published in these fields. These efforts are selected on the bases of scientific and technological opportunities and of economic usefulness to the general public.

Economic and demographic statistics.—The Census Bureau will concentrate its major activity in 1969 on preparations for the 1970 decennial census. This census will be an immense undertaking not only because of the increase in total population but also because of the need for more inclusive and intensive coverage. By improving coverage, the 1970 census will provide more valuable data, particularly keyed to the identification and solution of problems in our larger urban centers.

Area and regional development.—The major objectives of our economic development programs are to reduce unemployment and to increase family incomes in the Nation's most seriously lagging

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areas. In 1969, the Economic Development Administration will stress industrial loans to development centers, and loans and grants for development facilities in our most depressed areas. Total outlays are estimated to increase by $45 million to a total of $251 million in 1969, as projects approved in prior years are completed. Of this amount, $65 million will be provided in the form of net lending.

The development program of the Appalachian Regional Commission provides public facilities and services in areas which are critical to the economic growth of the region. Emphasis is being given to the development of a regional transportation system, improved vocational education, health services, and utilization of natural resources.

The five other regional commissions (New England, Upper Great Lakes, Ozarks, the "Four Corners" region in the Southwest, and the Coastal Plains) will initiate a new program authorized in the last session of Congress to supplement grants of various Federal agencies as a means of tying Federal programs into an overall regional development strategy.

Transportation.—Transportation is one of the Nation's largest industries. Our transportation system is the most extensive in the world, yet it is not adequate for today's needs. To meet the challenge in the years ahead will require concentrated and cooperative action at all levels of government, labor, and industry.

Created to provide a single national focus on transportation problems, the new Department of Transportation came into being on April 1, 1967, bringing together in one agency the planning and coordination of Federal transportation programs which previously had been widely dispersed. This organizational improvement will enable the Nation to respond effectively to the opportunities and the problems that confront our mobile society: attacking congestion in the skies and on the highways, improving traffic and motor vehicle safety, and developing new systems for high-speed intercity travel.

The proposed reallocation of urban transportation responsibilities between the Departments of Transportation and Housing and Urban Development will make possible a coordinated approach to urban transportation problems.

Expenditures for transportation programs are estimated at $6.7 billion in 1969, including $4.2 billion from the highway trust fund. The increase of $511 million in total expenditures over 1968 reflects the emphasis being given to improving the capacity, efficiency, and safety of the Nation's transportation system.

Air transportation.—In 1969, expenditures of the Federal Aviation Administration are estimated at $1.2 billion, including $877 million for air traffic facilities and services to handle the rapidly increasing

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growth of air traffic both safely and efficiently. New obligational authority of $70 million is requested for new facilities and equipment, including additional components for the National Airspace System. This semi-automated system for air traffic control enhances the ability of air traffic controllers to expedite aircraft movements both en route and at the terminal.

The Secretary of Transportation is currently conducting an intensive study of the long-term needs for the Nation's airways and airports. Recommendations for meeting these needs and for financing the costs of air transportation facilities and services will be sent to the Congress when the study has been completed and reviewed.

Firm plans for construction and flight-testing of a prototype civil supersonic transport were made last spring. Costs are shared 90% by the Federal Government and 10% by the contractors. The Government share is repayable through royalties on commercial sales of the aircraft. New obligational authority of $223 million is estimated for the 1969 increment of this program, with associated expenditures of $351 million.

Appropriations of $65 million for 1970 are being requested for grants-in-aid for airport development. These funds are requested 1 year in advance to aid communities in arranging for their share of the costs of approved projects.

Subsidy payments by the Civil Aeronautics Board to air carriers are estimated at $54 million in 1969, a decrease of over $4 million from 1968. This reduction results primarily from improved routes, mergers of subsidized air carriers, and increased revenues from continued growth in air traffic.

Water transportation.—Expenditures by the Coast Guard are estimated to amount to $608 million in 1969, an increase of $122 million over 1968. Eleven new cutters and 37 new aircraft will be delivered. These will replace obsolete facilities and improve the capability of the Coast Guard fleet. Also included are funds for a national oceanographic cutter and research funds for further development work on the National Oceanographic Data Buoy Network and other initiatives in the field of marine sciences.

The Coast Guard also performs a military support role in Vietnam. Patrol boats and cutters are engaged in the surveillance of small craft to prevent the infiltration of enemy reinforcements and supplies.

The Maritime Administration in the Department of Commerce provides assistance to ocean shipping. Expenditures for this purpose are estimated at $380 million in 1969, an increase of $16 million from 1968. Vessel operating subsidies will remain at about the 1968 level as the Government continues to charter subsidized vessels for world-

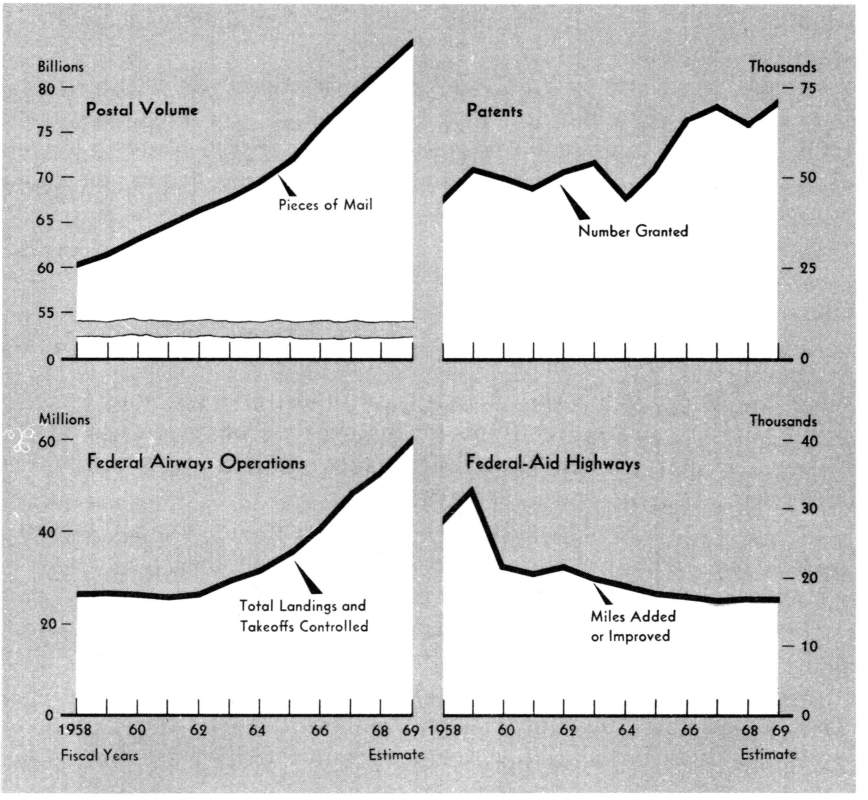
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wide shipping. Funds will be provided for the construction of 10 new vessels as part of the continuing program for modernization of the subsidized fleet.

Vessels to be put under construction in 1968 and 1969 will have significantly increased cargo capacity and more efficient loading and unloading equipment. These structural improvements will partially offset otherwise higher operating costs.

Ground transportation.—Expenditures by the Department of Transportation for highway programs are estimated at $4.4 billion in 1969, an increase of $28 million from 1968. These expenditures are primarily grants to States from the highway trust fund for (1) the 90% Federal share of the cost of constructing the 41,000-mile Interstate Highway System, now almost three-fifths completed, (2) the 50% Federal share for construction of primary and secondary roads, and (3) an expanded Federal program to reduce congestion on urban streets and highways.

Commerce and Transportation – Program Trends



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Legislation has been proposed to transfer financing of forest highways and public lands highways to the highway trust fund, so that costs will be borne by highway users rather than by general taxpayers. Pending legislation would continue the highway beautification program designed to control outdoor advertising and junkyards on Interstate and primary roads and to provide highway landscaping and scenic enhancement on the Federal-aid Highway System.

Due to increased costs, highway trust fund revenues under existing legislation will prove insufficient to complete the Interstate System on schedule. For this reason, legislation will be proposed to (1) extend the life of the highway trust fund, thereby adding revenues, and (2) increase the scheduled authorizations for the Interstate System consistent with the new cost estimate. Proposed legislation will also provide an authorization of $1 billion for 1970 for the primary and secondary system, and an additional authorization for 1971.

To promote highway and motor vehicle safety, expenditures for research and development of standards and for State and community safety grants are estimated to rise to $99 million, an increase of $53 million over 1968. The amount of grants to States alone is estimated to increase by $44 million, reflecting expanding State and community highway safety programs. Legislation is being proposed to provide contract authorization of $50 million for 1970 for the State and community highway safety program. Together with funds carried over from prior years, this will permit the continued growth of the safety programs.

Important new steps will be taken by the Department of Transportation further to ensure the safety and protection of motor vehicle drivers and passengers on the Nation's highways. In addition to motor vehicle standards which became effective January 1, 1968, new and improved standards will be issued effective January 1, 1969. A new uniform tire grading system is also planned by the Federal Highway Administration. As new vehicles meeting these standards come into use, fatalities and injuries from highway accidents should diminish.

Legislation is pending to authorize the Department of Transportation to regulate the safety of gas pipelines.

The newly created Federal Railroad Administration performs safety regulation and inspection activities, sponsors research on railroad safety problems, carries out high-speed ground transportation research and demonstrations, and manages the Alaska Railroad. Demonstrations of improved rail passenger service between Boston, New York, and Washington, to begin in 1968, will continue in 1969.

Postal service.—Obligations for postal services are estimated at $7.5 billion in 1969, compared with $7.0 billion in 1968. Revenues and reimbursements are expected to rise from $5.8 billion in 1968 to $6.6

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billion in 1969—reflecting recently adopted postal rate increases, as well as increased mail volume. The following table summarizes the program of the Post Office Department.

SUMMARY OF POST OFFICE DEPARTMENT PROGRAM

[Fiscal years. In millions]

Item	1967 actual	1968 estimate	1969 estimate
Obligations by major program:			
Direct services to mailers	$589	$650	$679
Processing of mail	1,636	1,829	1,965
Delivery services	2,665	2,960	3,134
Transportation	989	1,123	1,215
Auxiliary services	109	121	124
Enforcing postal laws	29	35	44
Research and development	12	16	29
General postal support	255	260	307
Total obligations	6,284	6,994	7,497
Financing:			
Revenues and reimbursements	5,113	5,820	6,577
New obligational authority used	1,171	1,174	920
Total financing	6,284	6,994	7,497

Increases in obligations in 1969 primarily reflect continuing growth in mail volume, increases in pay scales for postal workers, and additional investments to modernize the postal service.

Mail volume is expected to increase by 3.8% in both 1968 and 1969. Estimates of mail volume compared to recent experience are shown in the following table:

MAIL VOLUME

	1964 actual	1965 actual	1966 actual	1967 actual	1968 estimate	1969 estimate
Millions of pieces	69,676	71,873	75,607	79,165	82,159	85,240
Percent increase from previous years	2.7	3.2	5.2	4.7	3.8	3.8

The lower rate of increase in mail volume estimated for 1968 and 1969 assumes a return to more normal rates of increase from the abnormally high rates prevailing in 1966 and 1967.

The postal deficit, excluding public service costs, will be $78 million, compared with $449 million in 1968 and $590 million in 1967. The reduction in the postal deficit for 1969 reflects increases in revenue totaling $389 million in 1968 and $959 million in 1969, resulting from

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the postal rate increases effective January 7, 1968 and other rate increases effective in 1969. This reduction is partially offset by additional costs of $329 million due to pay increases effective in October, 1967.

HOUSING AND COMMUNITY DEVELOPMENT

The goal of the housing and community development programs, set by the Housing Act of 1949, is the realization of a decent home and a suitable environment for every American family.

Progress toward the goal of decent housing is assisted by Government programs to support the private market. For those families who are unable to afford housing at the prices which must be charged in the private market, the Government provides additional assistance in the form of low interest loans for rental housing for moderate income families, and annual contributions to local public authorities providing housing for low income families. The rent supplement program, the latest addition to the variety of programs aimed at reaching our national housing goal, provides payments to private housing sponsors on behalf of low income tenants. Under these programs, over 920,000 homes will have been provided for families with low and moderate incomes by the end of 1969.

A 10-year program is proposed to provide 6 million housing units—homes and apartments—for low and moderate income families. The program will begin in 1969, under existing and proposed legislation, with 300,000 units.

Expenditures for housing and community development are expected to double, rising from $697 million to $1.4 billion in 1969. The increase reflects higher grant disbursements as the Model Cities program gets underway, and progress is made on projects approved in prior years for such essential purposes as public housing, urban renewal, water and sewer facilities, open space, mass transportation, and neighborhood facilities.

Net lending is estimated to decrease by $1.9 billion to $1.4 billion, primarily because of an anticipated reduction in mortgage purchases by the Federal National Mortgage Association (FNMA).

Because considerable time is required for advance planning and construction, program decisions for housing and community development are made well in advance of the time of disbursement. These actions commit the Government to provide grants, loans, or loan insurance for housing or urban development projects. Therefore, commitment levels provide a better measure of current program activity than do net cash outlays, which simply represent the effect of previous decisions on the current budget. Accordingly, much of the discussion in this section is based on commitment levels.

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HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Public housing programs	$251	$297	$350	$380
Aids to private housing:				
Department of Housing and Urban Development:				
Supplements to the private market:				
Rent supplement program	1	4	16	17
Other	−17	−21	16	6
Support of the private market: Federal Housing Administration and other [2]	−7	−138	−110	.....
Federal Savings and Loan Insurance Corporation	−201	−384	−378	.....
Urban renewal and community facilities:				
Model Cities	1	25	250	1,000
Aids to improved land use:				
Urban renewal	370	499	699	750
Open space land grants	19	60	60	.....
Urban planning assistance and other	22	31	46	55
Proposed metropolitan development legislation	.....	.....	3	10
Assistance for public facilities:				
Urban mass transportation	42	100	150	190
Basic water and sewer facility grants	6	90	130	150
Neighborhood facility grants and other	12	22	39	44
Research and other	32	39	55	75
Proposed legislation	.....	.....	14	30
National Capital region [2]	66	90	104	140
Interfund and intragovernmental transactions (−)	−19	−15	−14	−14
Applicable receipts from the public (−)	*	*	*	.....
Subtotal, expenditures	577	697	1,429	2,833
Net Lending:				
Public housing programs	14	22	−16	.....
Aids to private housing:				
Department of Housing and Urban Development:				
Supplements to the private market	248	744	456	1,205
Support of the private market [2]	1,269	2,440	809	709
Federal Savings and Loan Insurance Corporation	44	−8	−20	.....
Urban renewal and community facilities	114	42	61	80
National Capital region	19	16	65	141
Subtotal, net lending	1,708	3,257	1,355	2,135
Total	2,285	3,954	2,784	4,968

*Less than $500 thousand.

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $1,503 million; 1968, $1,869 million.
LA: 1967, $5,421 million; 1968, $2,095 million.

[2] Includes both Federal funds and trust funds.

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Public housing programs.—Last year, legislation was requested to increase and accelerate the public housing program. Early enactment will allow work to start on 65,000 new homes in 1968 and 85,000 in 1969. In addition to the conventional method of having local communities plan and build this housing, new techniques developed over the past 2 years will be emphasized. Existing housing will be leased or purchased—and where necessary, repaired—to increase the supply of standard housing available for low income families. Private builders will speed public housing production by building housing on their own sites and then selling it to local authorities under the new "turnkey" approach. In many cases, private firms will also manage the housing, and increasingly, individuals or groups of tenants will manage their own homes. Local housing authorities borrow the money to finance construction or purchase of public housing units.

Expenditures in the public housing program represent the Federal contribution to meet that portion of the debt service which cannot be paid from rent receipts. Expenditures will rise by $53 million to $350 million in 1969. Net lending, which provides temporary financing during the initial stages of housing development and varies from year to year, is expected to decrease by $38 million.

Aids to private housing.—The Federal Government provides a number of direct and indirect assistance programs to encourage more and better private housing. However, receipts exceed expenditures for this category because of the premiums received on insured mortgages and savings and loan accounts. Net receipts from Federal aids to private housing are estimated to decrease by $82 million to $457 million in 1969, reflecting increased expenditures in the rent supplement program and lower net revenues in various loan and insurance programs. Net lending is expected to decrease by $1.9 billion to $1.2 billion, as private investors provide more mortgage financing under legislation proposed to lift the ceiling on interest rates on Government-insured and guaranteed mortgages, and to transfer secondary market mortgage purchase activities to private ownership.

Supplements to the private market.—The Government helps families with low or moderate incomes obtain decent, privately-sponsored housing at prices they can afford by making payments to supplement their monthly rent or by lending money at low interest rates.

The successful rent supplement program has shown the way for increasing the supply of standard housing for low-income families by combining private ownership and Federal financial aid. The Government pays the private housing sponsor—nonprofit organizations or limited dividend corporations—the difference between the rent a

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CREDIT PROGRAMS—HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	1967 actual	1968 estimate	1969 estimate
Public housing programs:			
Disbursements	$158	$223	$226
Repayments	−144	−201	−242
Net lending	14	22	−16
Aids to private housing:			
Department of Housing and Urban Development:			
Federal National Mortgage Association (FNMA):			
Secondary market operations (trust fund):			
Disbursements	1,067	2,307	958
Repayments	−236	−295	−314
Net lending	831	2,012	643
Special assistance functions:			
Commitments	(807)	(959)	(575)
Disbursements	178	725	520
Repayments	−69	−86	−110
Net lending	109	639	410
Urban renewal rehabilitation loans:			
Disbursements	5	17	20
Repayments	*	−1	−1
Net lending	5	17	19
Housing for the elderly:			
Commitments	(84)	(85)	(85)
Disbursements	78	90	100
Repayments	−1	−1	−2
Net lending	77	89	98
Federal Housing Administration and other:			
Disbursements [1]	714	655	398
Repayments [1]	−220	−227	−304
Net lending	494	428	94
Federal Savings and Loan Insurance Corporation:			
Disbursements	53	12	-------
Repayments	−9	−20	−20
Net lending	44	−8	−20
Urban renewal and community facilities:			
Public facility loans:			
Commitments	(27)	(50)	(40)
Disbursements	59	45	54
Repayments	−3	−4	−4
Net lending	56	41	50
Urban renewal and other:			
Disbursements	602	453	455
Repayments	−543	−453	−444
Net lending	58	1	11
National Capital region:			
Disbursements	22	19	68
Repayments	−3	−3	−3
Net lending	19	16	65
Total net lending	1,708	3,257	1,355

*Less than $500 thousand.

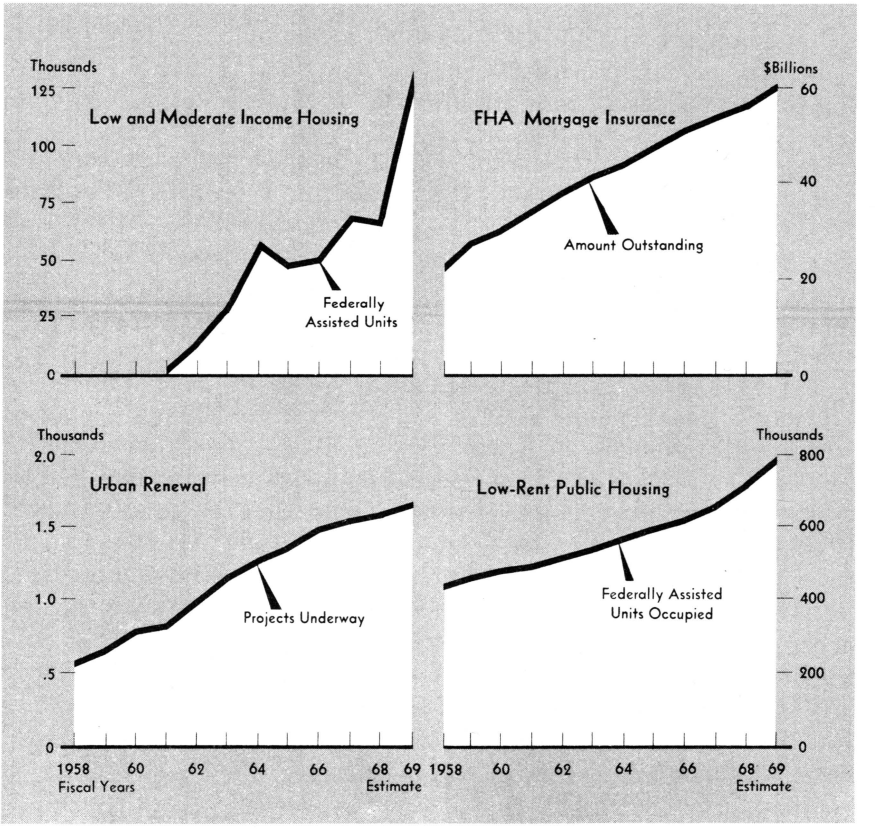
[1] Disbursements and repayments exclude FNMA purchases from FHA in the following amounts: 1967, $521 million; 1968, $481 million; 1969, $192 million.

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family can afford and the rent required to pay the total costs of the apartment. As this housing is completed and occupied, expenditures will increase by $12 million to $16 million in 1969. The Congress has authorized contracts committing the Government to make up to $42 million of rent supplement payments annually. The 1969 budget requests an additional $65 million of annual rent supplement authority.

The largest current lending program supplementing the private housing market provides rental housing for families with moderate incomes. The Federal National Mortgage Association purchases mortgages with 3% interest rates for such housing under its special assistance functions. These low interest rates permit families with incomes too high to qualify for public or rent supplement housing, but too low to afford other available standard housing, to obtain better accommodations. Commitments of $500 million are estimated for this program in 1969.

Housing and Community Development — Program Trends



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Also under its special assistance programs, the Association purchases Government-insured or guaranteed mortgages which generally have the qualities required by private investors but which are at the time not readily acceptable by them. In the past 2 years many of these mortgages have been offered to the Association for purchase because the maximum interest rate permitted by law has been lower than the interest rates in the mortgage market generally. In addition, when private investors sought higher yielding investments than fixed interest-rate mortgages, the Congress authorized the Association to purchase $1 billion of Government insured or guaranteed mortgages on newly constructed low-cost housing.

In 1968, the Association expects to commit $459 million for market rate mortgages. However, legislation is proposed to permit interest rates which will enable these mortgages to be financed privately. The budget for 1969, therefore, includes commitments for only $75 million of these mortgages, limited to types which are unacceptable to the private market because of their unfamiliarity, rather than their lower-than-market yield.

Net lending for all FNMA special assistance functions is estimated to be $410 million, down $229 million from 1968, primarily reflecting the anticipated return to reliance on the private market.

Support of the private market.—The Federal Government supports the private housing market primarily by (1) insuring mortgages through the Federal Housing Administration (FHA), (2) insuring accounts in savings and loan associations (which invest heavily in mortgages) through the Federal Savings and Loan Insurance Corporation (FSLIC), and (3) purchasing insured mortgages through the Federal National Mortgage Association.

The FHA expects to make commitments to insure mortgages on 1.1 million housing units in 1969, compared to 914,000 units in 1968. These commitments will facilitate $14.2 billion of private financing for the construction or sale of houses and apartment buildings. However, the expenditure impact of these programs on the Federal budget is small. Operating expenses and the payment of insurance claims are more than offset by collections of insurance premiums and proceeds from sales of acquired property. As a result, net receipts are estimated at $87 million in 1969, which is $8 million lower than 1968.

The FSLIC expects net receipts of $378 million in 1969, slightly lower than in 1968. This reflects the continuing excess of premium payments and prepayments over expenses, permitting insurance reserves to build up toward the statutory goal of 2% of insured savings.

Net lending in support of the private housing market occurs primarily in the Federal National Mortgage Association's secondary

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market operations. The Association buys federally-insured or guaranteed mortgages when mortgage money is scarce, and sells them when it is more readily available. In 1968, a record $2.4 billion of mortgages are expected to be purchased. The anticipated revision in interest rates on insured or guaranteed mortgages under proposed legislation is expected to increase the supply of private mortgage money in 1969. In addition, legislation is proposed to accelerate the transfer of the Association's secondary market operations to private ownership, as anticipated by the FNMA Charter Act. As a private corporation, these operations will not be subject to the constraints of the Federal budget and can raise money in the private capital market to meet mortgage purchase needs.

The Federal Housing Administration's insurance activities in support of the private market also include some incidental lending. FHA acquires mortgages in connection with (1) insurance claim payments and (2) Government financing of the sale of acquired properties when private mortgage funds are scarce. FNMA purchases the mortgages which finance the sale of FHA-acquired homes, primarily in its management and liquidating programs. In 1969, the Association expects to purchase $200 million of such mortgages, down from $500 million in 1968, reflecting the expected relaxation of the restrictive ceiling on mortgage interest rates.

Urban renewal and community facilities.—Federal assistance in the solution of community problems will continue to emphasize the coordination of all Federal, State, and local activities and resources. Expenditures are expected to increase by $567 million to $1.4 billion in 1969 as the model cities program enters its first full year of operation and urban renewal and public facility projects are completed or make continued progress. Net lending, primarily for public facilities in small communities and preliminary urban renewal financing, is estimated at $61 million, $19 million higher than 1968.

Model Cities.—Sixty-three cities have launched detailed planning of their programs to upgrade the physical and social fabric of large blighted areas. These plans will demonstrate that the interrelated problems facing the people of our cities can be attacked, melding into a unified program the many diverse efforts to improve such services as education, skill training and employment, health, welfare, recreation, and physical development. Some of these plans are expected to be completed late in 1968, and the remainder in early 1969. The first 63 cities will then begin their action programs with the aid of supplementary grants to help cover costs not met by other Federal aids. These action programs will help rejuvenate 65 blighted areas containing 3.7 million people.

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Approximately 70 more cities are expected to start preliminary planning for model cities programs in late spring, 1968; some will be able to start their action programs before the end of 1969.

The budget provides new obligational authority of $500 million for supplementary grants, which together with $200 million appropriated in 1968 will allow grant commitments of $700 million over the 2-year period. In addition, $500 million will be available from the urban renewal program. Total expenditures in model cities in 1969 are expected to reach $250 million, compared to only $25 million in 1968.

Aids to improved land use.—Through the urban renewal program, the Federal Government aids local communities beset by physical deterioration and rising costs to transform slum-laden land into attractive areas that serve the community's people. First priority is being given to projects that increase the supply of housing for low and moderate income families or that provide jobs for those now living in blighted areas. Total commitments for urban renewal projects, including $500 million from authority available specifically for model cities, are estimated at $1,250 million in 1969. An advance appropriation to fund $1.4 billion of commitments in 1970 is also proposed in the 1969

URBAN RENEWAL COMMITMENTS AND PROGRAM ACTIVITY

[Fiscal years. Dollars in millions]

Program	1967 actual	1968 estimate	1969 estimate
Redevelopment or rehabilitation projects	$721	$818	$1,112
Number of new projects	151	176	205
Acres of land	14,250	16,700	20,500
Code enforcement projects	$50	$56	$102
Number of new projects	39	46	78
Acres of land	20,163	25,700	43,600
Rehabilitation grants	$11	$15	$18
Number of grants	7,959	11,000	13,000
Demolition of condemned structures and other	$10	$8	$6
Number of demolition projects	32	13	15
Structures demolished	4,495	1,768	2,100
Urban renewal demonstrations	$1	$2	$2
Number of projects	6	15	20
Community renewal programs	$6	$10	$10
Number of cities assisted	15	24	28
Total commitments	$797	$908	$1,250
Deduct authority available from prior years	−72	−58	----------
New obligational authority	$725	$850	$1,250
Model Cities portion	----------	($100)	($500)

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budget. The number of projects being planned or carried out will increase by 72 to 1,632 in 1969, and the number completed will increase by 100 to 509.

The open space land program provides grants to localities with comprehensive development planning and programming for the entire urban area. In 1969, grants of $85 million will be committed for about 600 projects. These projects will (1) preserve 76 thousand acres of open space land, primarily in the growing suburbs, (2) create 120 parks in developed areas of the cities, and (3) support beautification programs in 100 cities—including landscaping small, "vest pocket" parks in densely crowded areas.

The urban planning assistance program aids States, regions, metropolitan areas, and small cities to plan their development and to program and coordinate their various activities. In 1969, $55 million will be committed to aid 980 planning bodies.

Legislation is proposed to authorize funds for the initiation of the metropolitan development incentive grant program in 1969. These incentive grants will encourage more orderly planning and development of our metropolitan areas. The 1969 budget includes $10 million of commitments for this purpose.

Assistance for public facilities.—Coordinated, interjurisdictional comprehensive planning and programing is also one of the primary aims of the public facility grant programs. Such planning is a requirement in the urban mass transportation and water and sewer grant programs. Grants for neighborhood facilities can be made only if they are necessary for local health, welfare, recreational, or similar community service programs, and are consistent with comprehensive planning for the community.

In the urban mass transportation assistance program, grants totaling $165 million will be committed to aid (1) the construction and acquisition of equipment for 25 mass transportation systems, (2) the planning of 17 systems, and (3) the training of 100 system managers. Initial studies for the design of a mass transportation research program are approaching completion, and $25 million of commitments is proposed for carrying out the first stages of such a program in 1969.

Needed water and sewer facilities will be constructed in 290 communities through the assistance provided by $150 million of commitments.

Neighborhood centers bring needed health, education, employment, recreation, and other social services close to the disadvantaged people in the crowded areas of our communities. These centers will be aided

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through the commitment of $40 million of grants for the construction of buildings to house the centers, $10 million more than in 1968. This sum will aid 130 centers.

Net lending for public facilities is primarily for loans to smaller communities, which have the greatest difficulty in borrowing in the private market on reasonable terms. In 1969, commitments for $40 million of loans are expected, primarily for local hospitals and water and sewer facilities.

Research and other.—The long term solution of problems in the field of housing and urban development requires a better understanding of the forces affecting urban growth and decay, the development of new and lower cost methods of providing housing which meets the requirements of urban growth, and assessment of the effectiveness of Federal, State, local, and private activities aimed at solving these problems. A new program of research to accomplish these objectives is being started in 1968 with a $10 million appropriation. This appropriation will be doubled in 1969 as the program enters its second year. This program will include support of a private, nonprofit Institute for Urban Development being set up to carry out some of the basic conceptual studies required.

The ability of States and localities to cope with their problems, now aided through the urban planning assistance program, will be further strengthened by two other programs started in 1968 and increased in 1969. Training for local officials involved in community development programs is assisted by grants to support State training programs. Commitments for these grants will rise from $3 million in 1968 to $7 million in 1969. Technical assistance and information relating to community problems and programs can be provided by States with the aid of Federal grants, for which commitments will total more than $2 million in 1968 and $5 million in 1969.

Proposed legislation.—The budget provides for new housing and community development legislation which will be described in a separate message. These efforts will be supported by supplementary requests totaling $30 million of new obligational authority, resulting in associated expenditures of $14 million in 1969.

National Capital region.—Last year the Nation's Capital began a new era of modern government with the replacement of its outmoded commission form of government by a single executive head and a nine-member city council. This represents an initial step toward home rule for Washington residents.

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An improved means of meeting the needs of the citizens was provided last year when Congress enacted legislation relating the level of borrowing from the Federal Government to a specific percentage of the District's revenues. The 1969 budget assumes enactment of the second step to regularize the Federal payment to the District. Congress will again be asked to place the Federal payment authorization on a formula basis, equivalent to 25% of the District's revenues. The fiscal and program needs of the City are set forth in more detail in the separate District of Columbia budget which will be transmitted at a later date.

HEALTH, LABOR, AND WELFARE

Federal programs to improve the economic, social, and physical well-being of all Americans have been substantially expanded and improved in recent years.

Increased emphasis has been given to activities which provide special assistance to the disadvantaged and needy groups of our society, such as the antipoverty program, and to measures, such as increased social security benefits, which lessen economic insecurity. Medicare represents a major stride in overcoming financial barriers to quality health care. Manpower programs have been restructured and expanded to help workers acquire the skills needed in our complex economy.

Expanded efforts will be made to reduce air pollution and to help meet the health needs of all of our people through increasing the supply of health manpower and through advancing our understanding of the causes of disease.

The 1969 budget provides for progress in these and other activities vital to the development of the Nation's human resources.

Outlays in 1969 for health, labor, and welfare programs are estimated at $51.4 billion, including $39.5 billion of benefit payments from self-financed trust funds for retirement and social insurance and for Medicare. This represents an increase of $5.0 billion over 1968, largely for the higher social security benefits enacted in 1967 and for payments for health care.

Health services and research.—Expenditures and net lending for Federal activities that affect the health of the American people are estimated at $10.7 billion in fiscal year 1969, $1.2 billion more than in 1968, and up by $9.8 billion over 1960. Of this rise, $1.1 billion is accounted for by the increase in the Medicare and Medicaid programs. The remaining increases are primarily directed toward expanding the supply of health personnel, improving maternal and

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HEALTH, LABOR, AND WELFARE

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Health services and research:				
Medical research	$1,014	$1,065	$1,079	$1,235
Facilities and medical manpower	445	554	577	694
Organization and delivery of health services	43	111	126	164
Medicare (trust funds) [3]	3,396	5,064	5,785	6,842
Medicaid and other financing	1,366	1,997	2,398	2,425
Direct health care	158	177	194	196
Prevention and control of health problems and other	351	486	521	695
Labor and manpower:				
Manpower programs [2]	589	802	926	922
Other [2]	480	524	558	614
Proposed trade adjustment legislation			8	10
Economic opportunity programs:				
Work and training programs	737	927	1,003	1,075
Community action programs and other [2]	747	926	994	1,101
Retirement and social insurance (trust funds):				
Old-age, survivors, and disability insurance [3]	21,725	23,918	27,372	31,031
Unemployment insurance	2,189	2,564	2,558	3,557
Civil service retirement and disability	1,965	2,121	2,364	3,740
Railroad retirement [3]	1,315	1,415	1,490	1,905
Other	−77	−72	−78	13
Public assistance and other welfare:				
Public assistance (excluding medical assistance)	3,041	3,484	3,605	3,703
Vocational rehabilitation	261	363	434	443
School lunch, special milk, food stamp, and other	522	616	710	719
Proposed food stamp legislation			15	20
Proposed juvenile delinquency legislation			20	25
Interfund and intragovernmental transactions (−) [3]	−694	−641	−711	−711
Applicable receipts from the public (−)	−61	−5	−3	−3
Subtotal, expenditures	39,512	46,396	51,945	60,413
Net Lending	572	21	−538	−538
Total	40,084	46,417	51,407	59,875

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $47,841 million; 1968, $53,131 million.
LA: 1967, $570 million; 1968, $18 million.

[2] Includes both Federal funds and trust funds.

[3] Because of their magnitude, interfund and intragovernmental transactions have been deducted from the appropriate figures, as follows (in millions of dollars):

	1967	*1968*	*1969*
Federal fund contributions to trust funds:			
Medicare	950	1,280	1,360
OASI	---	---	226
Military service credits	122	123	123

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child health care, and strengthening the prevention and control of health problems.

New obligational authority recommended for health construction grant programs has been reduced from $567 million in 1968 to $363 million in 1969. This reduction has been offset by increases of $207 million to expand services for maternal and child health, attack air pollution, support States and regions in planning and providing health services, increase the number of health personnel, provide direct care for Indians and other Public Health Service beneficiaries, and staff community mental health centers.

To carry out these increased programs more effectively, the Secretary of Health, Education, and Welfare is reorganizing the health activities of the Department and legislation is being proposed to provide a new health service personnel system.

Medical research.—New obligational authority for biomedical research financed by the Federal Government will represent about 65% of the combined public and private investment in such activities in 1969, and about 45% of the Federal funds proposed to be devoted to the development of health resources. This distribution reflects the high priority placed on attacking health problems through a better understanding of the causes and treatment of disease.

The development of the polio and measles vaccines and the potential evidenced by recent efforts with artificial organs and organ transplantation attest to the contribution biomedical research can make to our capability for dealing with health problems.

In 1969, $1.2 billion in new obligational authority is requested for research purposes, of which $855 million will support biomedical research and development projects; another $180 million will be provided for institutional support of research and facilities; and $200 million will be available for research training.

Facilities.—Since 1960, Federal funds have assisted in the construction or modernization of 213,000 hospital and long-term care beds through the Hill-Burton program. In 1969, expenditures of $215 million are estimated for assistance in the construction and modernization of general hospital and diagnostic facilities and $25 million will be spent to assist construction of community mental health centers. Through these expenditures, it is estimated that 31,000 beds for patients requiring intensive and extended care will be modernized or added to the available supply, and 110 more community mental health centers will come into being. The authorization for the Hill-

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HEALTH RESOURCES

[Fiscal years. Dollars in millions]

Program indicator	1960 actual	1967 actual	1968 estimate	1969 estimate
General hospitals:				
Cumulative number of beds meeting construction standards at end of year	(1)	503,934	535,000	560,000
Total number of beds constructed or modernized during year	(1)	33,000	32,000	32,000
Number of beds constructed or modernized by Hill-Burton program during year	17,140	20,598	18,500	19,560
Obligations	$139.8	$179.8	$173.0	$187.1
Long-term care facilities:				
Cumulative number of beds meeting construction standards at end of year	(1)	450,328	480,000	510,000
Total number of beds constructed or modernized during year	(1)	65,000	66,000	64,000
Number of beds constructed or modernized by Hill-Burton program during year	4,055	9,760	11,345	11,410
Obligations	$13.5	$54.7	$63.0	$72.7
Community mental health centers:				
Established through Federal aid (cumulative)	----	258	367	477
Obligations for:				
Construction aid	----	$44.3	$45.4	$60.0
Staffing support	----	$33.9	$51.2	$64.3
Population served (millions)	----	42.2	57.8	71.1
Medical schools:				
Number in the Nation	91	95	100	104
Constructed or improved by Federal aid	----	18	17	18
Obligations for construction	----	$87.9	$84.0	$92.7
Total number of students enrolled	31,999	34,972	36,244	37,487
Number of physicians graduated	7,508	8,151	8,646	8,737
Number of students receiving Federal scholarships or loans	----	14,880	18,001	21,178
Obligations for scholarships and loans	----	$14.9	$19.1	$21.3
Nurses:				
Total number of students enrolled	118,849	139,000	149,000	153,000
Number of students graduated	29,990	38,700	39,500	40,200
Number of students receiving Federal scholarships or loans	----	17,040	32,932	38,700
Obligations for scholarships and loans	----	$9.7	$25.0	$25.6

[1] Comparable data not available.

Burton program expires June 30, 1969. An advisory commission has been appointed to evaluate the type and number of health facilities required in the future and the Federal support needed.

Medical manpower.—The need for more doctors and other trained health manpower requires an intensified national effort to enlarge

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medical school capacity and to improve and accelerate medical education and training. These objectives will be sought in legislation to continue and modify existing programs. The budget provides $85 million to support construction of educational facilities for health professionals and $197 million to improve curriculum, staffing, and experimental programs and to provide student aid.

Organization and delivery of health services.—To meet the rising demand for health services and disseminate research findings to doctors and other health personnel, the Government has taken three major steps.

First, the National Center for Health Services Research and Development has been established to support investigations and experiments aimed at providing more services through new and imaginative use of resources. For these purposes, $29 million of new obligational authority is requested for 1969.

Second, Partnership for Health grants will encourage States to develop plans to meet health needs and service requirements without wasteful duplication in the use of resources. New obligational authority of $25 million will be requested for these important planning functions in 1969.

Third, the Regional Medical Program was inaugurated in 1966 to provide a unifying focus for the health resources of a region. Patient, physician, hospital, and the centers of scientific and academic medicine are linked together to provide the latest advances in medical knowledge and techniques to the entire population in the region. For 1969, new obligational authority of $69 million is requested to enlarge the scope of planning activities and to begin actual operation of 54 regional programs. Legislation will be proposed to extend the program.

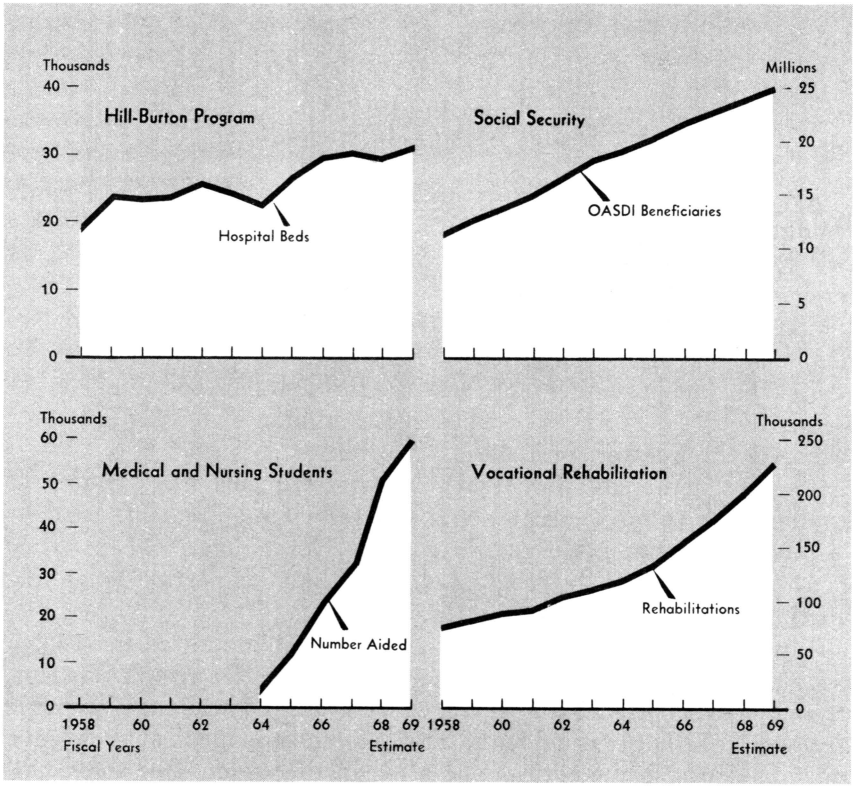
In addition, under the 1967 Social Security Amendments, the Department of Health, Education, and Welfare will experiment with new methods of reimbursing hospitals and physicians to provide incentives under the Medicare and Medicaid programs to assure high quality services more economically.

Medicare, Medicaid, and other financing.—The Medicare and Medicaid programs have virtually eliminated financial barriers to medical care for the aged and have made it possible for the poor to receive an increasing volume of comprehensive medical services.

Almost all of the 19.7 million aged persons in the Nation are insured by Medicare against major hospital and nursing home costs, while over 18 million have also voluntarily enrolled in the Supplementary Medical Insurance (SMI) program covering physicians' charges.

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Health, Labor, and Welfare – Program Trends



Premium payments for SMI will rise from $3 to $4 per month on April 1, 1968, due to increased costs and to changes in benefits provided in the 1967 Social Security Amendments. Medicare trust fund expenditures in 1969 are expected to amount to $5.8 billion, representing about 50% of all medical costs incurred by the aged.

Grants to the States for medical assistance to about 8.5 million needy persons will increase by $361 million over 1968 to $2.1 billion in 1969, reflecting the expansion of Medicaid from 43 to 48 States and rising medical prices. As a result of higher costs of medical care and a greater than anticipated number of persons using Medicare and Medicaid, supplemental appropriations of $941 million will be required for these programs for 1968.

The 1967 Social Security Amendments limit Federal Medicaid matching payments to medically indigent persons whose income is not more than one-third greater than the welfare payments made by

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the States under aid to families with dependent children. For States already in the Medicaid program, this limitation does not become fully effective until January 1970; however, it is immediately effective for new States entering the program.

Expenditures for maternal and child health programs are estimated at $269 million in 1969, $46 million more than in 1968. The increase will be used to reduce infant mortality, expand family planning programs, and strengthen efforts to detect and correct disabling childhood conditions.

SELECTED FEDERAL HEALTH CARE PROGRAMS

[Fiscal years. Dollars in millions]

	1960 actual	1967 actual	1968 estimate	1969 estimate
Medicare (millions):				
Number of aged individuals	----------	19.3	19.7	20.0
Covered by hospital insurance	----------	18.9	19.2	19.6
Using insurance during the year	----------	4.4	4.5	4.6
Covered by insurance for doctor bills	----------	17.9	18.3	18.6
Using insurance during the year	----------	7.4	7.5	7.6
Expenditures (trust funds)	----------	$3,396	$5,064	$5,785
Medicaid:				
Number of States participating	----------	29	43	48
Number of individuals served (millions)	----------	5.2	7.3	8.5
Federal expenditures	----------	$1,173	$1,761	$2,121
Maternity and infant care projects:				
Number of comprehensive centers	----------	54	54	54
Admissions to comprehensive centers (thousands)	----------	134	145	175
Family planning participants (thousands)	----------	120	125	900
Indians (thousands):				
Number eligible	362	385	390	394
Admissions to hospitals	77	90	90	91
Outpatient visits to hospitals and field clinics	1,130	1,680	1,710	1,772
Expenditures	$54	$83	$99	$110
Other PHS beneficiaries (thousands):				
Number eligible	379	463	473	478
Admissions to hospitals	52	53	54	54
Outpatient visits to hospitals and field clinics	1,175	1,612	1,676	1,724
Expenditures	$50	$75	$89	$96

Direct services.—Approximately 870,000 Indians, merchant seamen, and other beneficiaries are eligible for medical care directly through the Public Health Service. In 1969, expenditures of $206 million are estimated for these programs. Of this amount, $110 million will go

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toward improving the health of American Indians, with special emphasis on preventive care, health education, and the construction of water and sanitation facilities.

Prevention and control of health problems.—Of the $640 million in new obligational authority requested for the prevention and control of health problems in 1969, $413 million is for disease prevention and control. Funds are included to expand (1) assistance to States under the Partnership for Health program to attack their high priority disease problems, as well as to meet specialized health needs through programs such as rat control and (2) experimentation and demonstration projects on early childhood development.

Within the $148 million of new obligational authority recommended for 1969 for environmental control programs, $107 million is provided to implement the Air Quality Act of 1967. Primary emphasis will be given to research seeking economically feasible methods for control of major air pollutants such as sulfur oxide and those in auto exhausts. In addition, criteria will be issued recommending air quality standards for a number of major pollutants, and States will be assisted in setting enforceable emission standards in air quality control regions. Research will be expanded on the disposal or reutilization of trash, garbage, and other solid wastes.

Continuing emphasis will be given to the safety and effectiveness of the Nation's drug supply, early warning of epidemics, and improved quality of clinical laboratory diagnostic services. Consumers will be further protected by legislation being proposed to assure wholesome fish and to control radiation exposure and medical devices.

Labor and manpower.—Programs for the training and employment of the disadvantaged have received very high priority in the 1969 budget. A substantial expansion in funds for these programs is requested. Particular emphasis will be placed on cooperation with private industry in the training programs and on the concentration of manpower activities in areas of substantial unemployment.

Labor.—The 1969 budget provides for a number of legislative proposals to improve the well-being of working Americans:

- A comprehensive occupational health and safety program for employees involved in intrastate or interstate commerce.
- Workmen's compensation benefits for uranium miners who develop lung cancer from radiation exposure.
- Greater protection of employees' interests through amendment of the Welfare and Pension Plans Disclosure Act.

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In addition, legislation will be proposed to liberalize the trade adjustment assistance program, which authorizes aid to workers and businesses substantially affected by increased imports.

Manpower.—In addition to the Labor Department programs included in the "Labor and manpower" category, various training and work experience opportunities and other manpower services are financed through other civilian agencies—notably the Office of Economic Opportunity; the Department of Health, Education, and Welfare; the Veterans Administration; and the Department of the Interior. Most of the funds for the manpower programs of these agencies are classified elsewhere in the budget. However, the major programs are discussed here to indicate the wide range of efforts being made to increase opportunities for all workers to contribute to and share in our economy and society.

New obligational authority of $2.1 billion is recommended in 1969 for Federal manpower programs of the Department of Labor and the other agencies mentioned above. This represents an increase of $442 million over the estimate for 1968. In addition to providing increased opportunities for training and work experience, improvements are planned in the organization, administration, and delivery of the various manpower services. New steps will also be taken to improve coordination of manpower activities through better State and local planning supported by area manpower surveys.

The benefits of the sustained growth of the American economy in recent years have not been fully shared by those who live in urban ghettos and rural backwaters. Many, due to inadequate education, lack of skills, poor health, discrimination, and the debilitating effect of their environment, are unable to participate successfully in the labor force without special assistance. The Federal manpower effort is aimed particularly at this group. Therefore, those receiving services under Federal manpower programs are typically poor and unemployed, members of a minority group, youths, older persons, inadequately educated, or handicapped.

The total manpower effort may be categorized as: (1) structured training, (2) general work experience, and (3) general manpower services and program support.

These categories of activities are shown in the following table:

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MANPOWER PROGRAMS BY ACTIVITY

[Fiscal years. In millions]

Category and program	New obligational authority		
	1967 actual	1968 estimate	1969 recommended
Structured training:			
On-the-job	$116	$182	$404
Institutional	238	246	310
Job Corps	209	285	295
New Careers	36	28	36
MDTA short-term training and support	43	80	83
Indian manpower activities	17	21	25
Subtotal	659	842	1,153
General work experience:			
Youth school and summer work	207	149	209
Community work experience	302	226	212
Subtotal	509	375	422
General manpower services and program support:			
Federal/State Employment Service [1]	278	299	331
Community Action Manpower support	13	15	15
Support to Concentrated Employment Program	25	55	82
Special Impact Program	----------	20	30
Research, demonstration, and general support (Labor Department)	39	39	43
State and local manpower program planning	----------	----------	11
Subtotal [1]	355	428	512
Total [1]	1,523	1,645	2,087

Note.—Most of these programs are not included in the "Labor and manpower" category in this function.

[1] Includes trust fund outlays of $275 million in 1967, $297 million in 1968, and $328 million in 1969.

Structured training.—About 55% of the recommended new obligational authority for manpower programs in 1969 will be used to provide formal skill training, both on the job and in classrooms. New obligational authority for structured training will increase to $1.2 billion in 1969, $311 million over 1968. The greatest expansion is in programs which are primarily for on-the-job training in private industry.

Through the Manpower Development and Training Act (MDTA), the Work Incentive Program for welfare recipients, veterans pro-

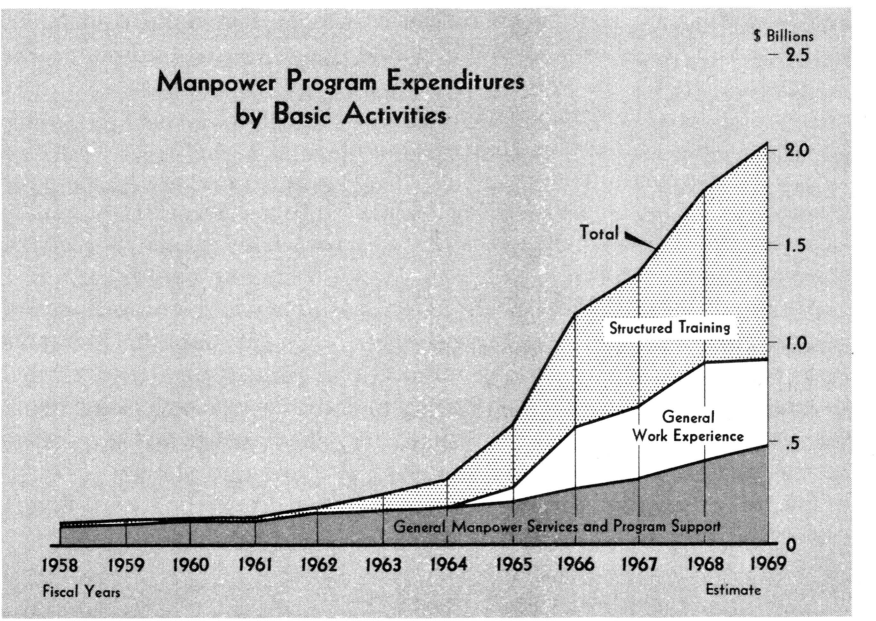
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grams, and funds made available to the Department of Labor by the Office of Economic Opportunity, 281,000 individuals will be provided on-the-job training opportunities in 1969. An additional 13,000 persons will be provided opportunities for training and work experience leading to subprofessional employment through the New Careers program.

Institutional training, the learning of job skills in a classroom setting, and basic education will be available to about 268,000 individuals through the MDTA, Opportunities Industrialization Centers, the Job Corps, and the Work Incentive Program.

In addition, part-time skill upgrading and short-term employability training under the MDTA will be available to 63,000 individuals. About 14,000 Indians will be trained, relocated, or placed directly on jobs by the Bureau of Indian Affairs.

General work experience.—Many individuals are unable to obtain the work experience which is the prerequisite to full participation in the labor force. In 1969, about 469,000 youths will be provided opportunities for work in the public sector during the school year or in the summer, so that they may obtain income necessary to continue their education. Another 121,000 youths and adults in both urban and rural areas, handicapped by age or local economic conditions, will have opportunities for meaningful work experience providing



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useful community services. The estimated 590,000 persons to be served in 1969 represents an increase of 155,000 over 1968.

General manpower services and program support.—The Federal-State Employment Service System is the supplier of basic manpower services and, with the local Community Action Agencies, provides the leadership in carrying out manpower programs at the local level. Special emphasis is being given to identifying and seeking out the disadvantaged and providing them with counseling, referral to training, and special placement efforts.

Additional urban and rural Concentrated Employment Programs will be established, using funds from the programs mentioned above, to provide a more effective and concentrated delivery of manpower services in specific geographic areas with large numbers of disadvantaged persons. An estimated 70 new CEP's—35 of them rural—will bring the total number of CEP's in 1969 to 146, serving over 200,000 individuals. These CEP's will bring together under one program such diverse services as remedial education, special counseling, work experience, institutional and on-the-job training, job placement, day care for dependent children, and health services.

Under the Economic Opportunity Act's Special Impact Authority, $30 million in new obligational authority is requested for 1969, an increase of $10 million over 1968. These funds will be used to provide incentives to private employers to hire and train the disadvantaged in projects which contribute to the economic development of communities and neighborhoods having large concentrations of low-income persons.

About 53% of the new obligational authority requested for manpower in 1969 is included in the amount budgeted for the Office of Economic Opportunity and about 38% is included in the amount budgeted for the Department of Labor. Through transfers of funds, however, the Department of Labor will administer about 78% of the total manpower effort.

Major new emphasis is being given to improved coordination and planning in support of manpower services. In 1969, the Cooperative Area Manpower Planning System (CAMPS) will be strengthened to enhance coordinated planning for meeting manpower needs from the local community upward. Support is also provided for the collection of manpower data to serve as the basis of those plans.

The following data indicate the numbers of persons receiving a variety of services through Federal manpower programs:

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MANPOWER PROGRAMS, INDIVIDUALS SERVED

[Fiscal years. In thousands]

Category and program	1967 actual	1968 estimate	1969 estimate
Structured training:			
On-the-job	125	186	281
Institutional	134	129	170
Job Corps	99	98	98
New careers	14	10	13
MDTA part-time and employability training	----------	57	63
Indian manpower activities	11	13	14
Subtotal	383	492	638
General work experience:			
Youth school and summer work	454	310	469
Community work experience	216	126	121
Subtotal	670	435	590
General manpower services and program support:			
Support to Concentrated Employment Program	9	34	50
Special Impact Program	----------	10	15
Subtotal	9	44	65
Total	1,062	970	1,292

Economic opportunity programs.—In addition to the manpower activities financed through the Office of Economic Opportunity, the attack on poverty directed by OEO continues mainly through community action programs, including Head Start and Head Start Follow Through, and through health, legal, and other social services.

In fiscal year 1969, outlays for all the programs of the Office of Economic Opportunity are estimated at $2.0 billion, an increase of $130 million over 1968. Recommended budget authority for 1969 will be nearly $2.2 billion, the full amount authorized by Congress, and $417 million more than the 1968 appropriation.

Community action programs.—The 1969 budget provides over $1 billion of new obligational authority for community action programs, an increase of $154 million over 1968. This amount will provide for continuation of existing programs as well as for an increased emphasis on antipoverty efforts in rural areas. In addition, programs will be expanded for the aged and for nutrition, housing, and family planning.

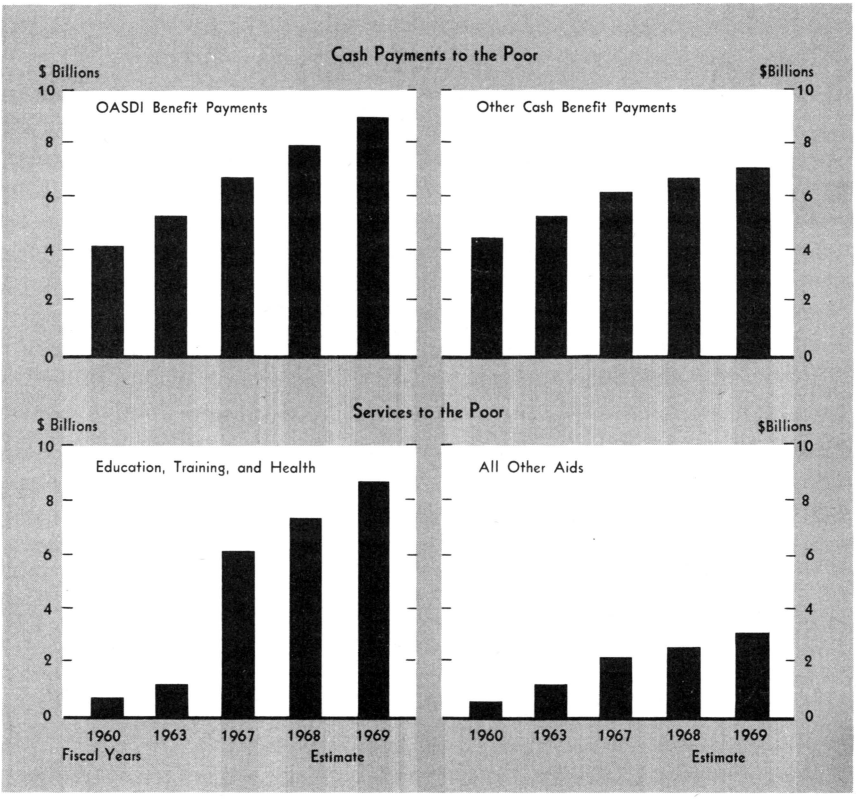
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The capacity of local Community Action Agencies (CAA's) to plan, evaluate, and coordinate programs effectively in the local community will also be expanded.

In 1969, OEO and the Departments of Labor; Health, Education, and Welfare; and Housing and Urban Development will continue to participate in a joint program to provide in 14 cities a coordinated service approach to meeting the problems of the poor. Multipurpose neighborhood centers will be administered in some cases by local neighborhood corporations and in others by neighborhood groups in conjunction with the local Community Action Agency. Services delivered through these centers will be financed by Federal, State, local, and private agencies.

Project Head Start will provide full academic year preschool classes for 202,000 children and summer projects for 450,000 children. The 1969 budget also includes $50 million for the second year of the Head Start Follow Through program. These funds will provide for special services to 79,000 children in the primary grades so that they can build on the benefits of their earlier Head Start or other preschool

Federal Aid to the Poor



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experience. Experiments will be undertaken with various approaches to the education of disadvantaged children.

Through other community action activities, legal services will be provided in approximately 570,000 cases, Upward Bound will help 31,000 culturally deprived but talented youths prepare for college, and it is estimated that 50 health centers will be operating to provide services to the poor where they live.

Migrants, VISTA, rural loans.—During 1969, $30 million will be requested for adult education, child day care, sanitation, and housing for many of the 351,000 migrant farm workers in the United States. In addition, VISTA (Volunteers in Service to America) will provide about 4,500 man-years of volunteer service in poverty areas. An estimated 10,000 rural families will receive loans to finance farm improvements or small nonfarm businesses.

Total Federal assistance to the poor.—Since 1963, the number of poor in the Nation has decreased 6½ million. However, there remain about 29 million poor, too many in a country as rich as ours. In addition to antipoverty efforts under the Economic Opportunity Act, numerous Federal programs assist in attacking this problem. These programs include social security, public assistance, education, work and training activities, health services, regional economic development, housing, urban redevelopment and community facilities, school lunches, and various other food distribution activities.

In fiscal year 1969, Federal outlays which aid persons below the poverty line (for example, a family of four with an annual income under $3,335) are estimated to total $27.7 billion. This represents an increase of $3.1 billion over fiscal year 1968 and $15.2 billion over 1963.

Social insurance.—Social insurance programs help maintain the incomes of persons who are retired, disabled, dependent, or unemployed. These programs are funded, for the most part, by contributions or taxes paid by wage earners and their employers. The largest is social security; others include unemployment insurance, civil service retirement and disability programs, and the railroad retirement system.

Expenditures from these funds will be $33.8 billion in 1969, an increase of $3.9 billion over 1968.

The Social Security Amendments of 1967, represent a major step toward assuring a more adequate living standard for retired workers, their survivors, and dependents. Under the Amendments, payments to 24 million beneficiaries will be increased at least 13% and minimum benefits raised from $44 to $55 a month, effective February 1, 1968. Other major changes include: increased benefits for 690,000

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noninsured persons over age 72, survivor benefits for 65,000 disabled widows and widowers over age 50, disability insurance benefits for 100,000 workers disabled before reaching age 31 with less than 20 quarters of coverage, and a more liberalized earnings test which will affect more than 760,000 persons.

The cost of these improvements will be financed by an increase in the taxable wage base from $6,600 to $7,800 beginning January 1, 1968, and by a scheduled increase in the tax rate from 4.4% to 4.8% each, on both employers and employees, beginning January 1, 1969, including 0.6% for medical insurance.

SOCIAL INSURANCE

[Fiscal years]

Program	Number of beneficiaries (thousands)			Payments (millions)		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Social Security:						
Retired workers and their dependents	14,789	15,437	15,925	$13,723	$14,831	$16,854
Disabled workers and their dependents	2,060	2,258	2,468	1,861	2,118	2,521
Survivors of deceased workers	5,420	5,724	6,076	4,825	5,426	6,334
Disabled children of retired and deceased workers	210	229	256	138	158	194
Benefits to noninsured persons aged 72 and over	729	779	690	200	327	329
Railroad Retirement:						
Retired workers and their dependents	531	541	540	768	790	812
Disabled workers and their dependents	100	100	100	168	170	176
Survivors of deceased workers	306	316	325	299	326	346
Supplemental annuities	14	37	52	7	24	36
Civil Service:						
Retired workers and their dependents	414	436	459	1,193	1,299	1,457
Disabled workers and their dependents	167	174	184	351	382	429
Survivors of deceased workers	249	262	275	260	283	317

The effect of this legislation is to increase expenditures of the old-age, survivors, and disability insurance trust fund from $21.7 billion in 1967 to $23.9 billion in 1968 and $27.4 billion in 1969. Receipts, primarily from payroll taxes, will increase from $25.7 billion in 1967 to $26.8 billion in 1968 and $30.8 billion in 1969.

Legislation will be proposed to improve the unemployment insurance program. These improvements will include extension of coverage,

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more adequate regular benefits for unemployed workers, extended benefits during periods of high unemployment, and training and other services needed to increase the employability of claimants.

Public assistance and other welfare services.—A major consolidation and realignment of Federal welfare, rehabilitation, and social service programs in the Department of Health, Education, and Welfare has been achieved with the establishment of the Social and Rehabilitation Service Administration. Responsibility for Federal grant programs covering public assistance, maternal and child health and welfare, vocational rehabilitation, mental retardation, programs for the aging, and other social welfare programs has been concentrated in this agency under the leadership of a single administrator.

Public assistance.—The federally aided public assistance program, operating through State and local government agencies, helps needy families and individuals who are without other resources. In 1969, financial assistance and social services will be provided to a monthly average of 8.8 million indigent individuals—including aged, blind, and disabled persons, and the more than 1.5 million families with 4.6 million children who qualify for aid to dependent children. The number of old-age assistance recipients will continue to decline, primarily because of recently enacted benefit increases under the social security program. Increased numbers of recipients are, however, expected in the disabled and dependent children programs.

New obligational authority of $3.1 billion is recommended in 1969 for Federal public assistance grants to provide cash assistance to our poorest citizens. When matched with State and local funds, these grants will provide a $5.3 billion program of financial assistance to recipients.

Recently enacted Social Security amendments are intended to stimulate the States to reduce welfare caseloads by providing incentives to welfare recipients to seek employment. The amendments authorize a new work incentive and training program for adult members and older, out-of-school children of welfare families. State welfare agencies will be required to refer all appropriate individuals to the new work and training program, to be administered by the Department of Labor. State agencies will also be required to:

- Assure adequate day care arrangements for children of welfare mothers participating in the work incentive and training program.
- Provide family planning services on a voluntary basis in all appropriate cases.
- Exempt a portion of income earned by working members of families and other individuals currently on the rolls when computing need for welfare payments.

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PUBLIC ASSISTANCE CASELOAD DATA

[Fiscal years. Dollars in millions]

Program	1967 actual	1968 estimate	1969 estimate
Old age assistance:			
Average number of recipients (thousands)	2,073	2,054	2,017
Expenditures for payments:			
Total, Federal, State, and local	$1,679	$1,681	$1,653
Federal share	$1,107	$1,128	$1,098
Aid to the blind:			
Average number of recipients (thousands)	84	83	81
Expenditures for payments:			
Total, Federal, State, and local	$87	$87	$87
Federal share	$48	$49	$48
Aid to the permanently and totally disabled:			
Average number of recipients (thousands)	590	635	675
Expenditures for payments:			
Total, Federal, State, and local	$528	$591	$638
Federal share	$332	$371	$395
Aid to families with dependent children:			
Average number (thousands):			
Families	1,139	1,306	1,466
Children	3,558	4,077	4,574
Recipients: Children and adults	4,714	5,400	6,059
Expenditures for payments:			
Total, Federal, State, and local	$2,043	$2,471	$2,880
Federal share	$1,140	$1,404	$1,503
Total:			
Average number of recipients (thousands)	7,461	8,172	8,832
Expenditures for payments:			
Total, Federal, State, and local	$4,337	$4,830	$5,258
Federal share	$2,627	$2,952	$3,044

In addition, Federal matching payments will be limited after July 1, 1968, to the same percentage of children in the State who, because of the absence of a parent, were dependent on welfare on January 1, 1968.

To carry out the new requirements and to continue to provide social services to all public assistance recipients, new obligational authority of $730 million is requested, of which $135 million will be used in 1969 for the Work Incentive Program. This represents an increase of $223 million over 1968.

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In spite of the recent changes, much remains to be done to create a more just, equitable, and socially constructive welfare system. Accordingly, a Presidential Commission on Income Maintenance Programs, comprised of outstanding leaders of industry, commerce, government, and education, has been appointed to review all aspects of existing welfare and related programs.

Vocational rehabilitation.—Rehabilitation of the disabled under the Federal-State vocational rehabilitation program yields a high social and economic return on public investment. Recent exploratory studies indicate that as a result of vocational rehabilitation services, the added lifetime earnings of persons rehabilitated are many times the amounts spent on rehabilitating them, and the increase in the taxes they pay is several times the rehabilitation cost.

In 1969 more than 750,000 disabled individuals will receive services and about 230,000 will be restored to productive employment, an increase of about 15% over 1968. Basic grants for rehabilitation services and facilities are expected to increase from $301 million in 1968 to $367 million in 1969. Including State matching funds, the total program will come to $482 million. A more concerted effort will be made to rehabilitate the more difficult cases—particularly the disabled who are now supported on public assistance.

Services to the aged.—The budget for 1969 includes the full authorization for the project grant programs of the Administration on Aging to provide the stimulus to States and localities for the development of innovative service programs for all aged citizens. Legislation will be proposed to strengthen State agencies and commissions established under the Older Americans Act. Through the mechanism of continuous comprehensive statewide planning, such agencies and commissions will be better able to provide the necessary leadership and assistance to their communities in the development and operation of meaningful service programs for the elderly.

Outlays for all of the Federal programs which offer benefits and services to the 19.7 million persons over age 65 will reach $32.9 billion in 1969.

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Nutrition and other programs.—The budget provides for pending legislation to authorize support for the prevention, treatment, and control of juvenile delinquency.

Expenditures for the food stamp program of the Department of Agriculture are estimated to increase by $60 million to $238 million in 1969. The estimate includes $15 million under proposed legislation to remove the limitation on the appropriation for this program. By the end of fiscal year 1969, approximately 3 million low income people will be improving their diets through the food stamp program.

Currently, about one out of every 10 lunches served under the regular school lunch program is served free or at a reduced price to needy children. A major part of the estimated increase of $26 million in the expenditures for the school lunch program in 1969 will be used to reach more of these needy children through: (1) free or reduced-price lunches, (2) increased purchases of lunchroom equipment where facilities are inadequate, (3) expansion of the school breakfast program, and (4) increased commodity procurement.

EDUCATION

Education is the vital process by which we develop the skills and abilities of our people, open opportunities for a wider cultural life, and help ensure the social and economic progress of the Nation in the future.

The Federal role in education has grown rapidly in the past few years. Outlays in 1969 are estimated at $4.7 billion, an increase of 200% over 1965, the year in which landmark laws were enacted to assist elementary, secondary, and higher education and to establish the National Foundation on the Arts and Humanities.

The central concern of the Federal Government in recent years has been to promote improved education for the disadvantaged, who for too long had been tragically neglected. The 1969 budget continues our commitment to overcoming barriers of race, ethnic origin, place of residence, income, or mental and physical handicaps. Increases are included for those programs which are directed towards improving the quality of education, expanding the supply of qualified teachers, and for educating the handicapped and preventing dropouts. Lesser priority has been given to activities, such as the purchase of equipment and the construction of buildings, which can be temporarily deferred in the context of a stringent budget. The budget also provides for action to simplify and improve administration of education programs.

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EDUCATION

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Elementary and secondary education:				
Children from low income families	$1,057	$1,070	$1,073	$1,200
Other education of the disadvantaged	67	70	109	154
Special school projects	75	155	169	219
School books, equipment, counseling, and strengthening State education agencies	213	237	155	121
Assistance to schools in federally impacted areas	447	372	416	410
Other (teacher training)	--------	26	9	---------
Higher education:				
Aid for undergraduate and graduate students	421	597	673	558
Academic facility grants	198	308	213	86
Other aids to higher education	92	153	179	182
Proposed legislation	--------	--------	--------	23
Science education and basic research:				
National Science Foundation:				
Basic research and specialized research facilities	209	226	230	244
Grants for institutional science programs	49	72	78	66
Science education	118	115	120	131
Other science activities	39	43	52	59
Other aids to education:				
Training of education manpower	41	13	57	216
Vocational education:				
Present program	250	271	247	257
Proposed legislation	--------	--------	7	15
Educational research and development	57	76	99	146
Grants for libraries and community services	57	100	141	149
Indian education services	112	116	153	155
Library of Congress and Smithsonian Institution [2]	62	83	98	100
National Foundation on the Arts and Humanities [2]	10	15	23	24
Other:				
Present programs	37	55	61	66
Proposed legislation for public broadcasting	--------	--------	20	20
Applicable receipts from the public (−)	−11	−15	−16	−16
Subtotal, expenditures	3,602	4,157	4,364	4,585
Net Lending:				
Elementary and secondary education	−2	*	1	1
Higher education	447	383	334	686
Subtotal, net lending	445	384	335	687
Total	4,047	4,541	4,699	5,272

* Less than $500 thousand.

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $4,430 million; 1968, $4,673 million.
LA: 1967, $901 million; 1968, $2,002 million.

[2] Includes both Federal funds and trust funds.

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CREDIT PROGRAMS—EDUCATION [1]

[Fiscal years. In millions]

Program or agency	1967 actual	1968 estimate	1969 estimate
Higher education:			
Academic facility loans:			
Disbursements	$84	$69	$84
Repayments	4	6	9
Net lending	80	63	75
College housing loans:			
Commitments	(300)	(200)	(300)
Disbursements	391	350	295
Repayments	27	34	40
Net lending	364	316	255
Other education credit programs:			
Disbursements	5	6	6
Repayments	3	1	2
Net lending	2	5	4
Total, net lending	445	384	335

[1] Excluding credit programs in the expenditure account.

Elementary and secondary education.—New obligational authority of $2.1 billion is requested for elementary and secondary education for 1969, about the same as for 1968. There are, however, significant changes within this total, as increases, largely for education of the handicapped and for new projects to prevent dropouts, are offset by decreases in supplementary grants for school equipment and books.

Over one-half of the total, $1.2 billion, will be for grants under Title I of the Elementary and Secondary Education Act of 1965, to improve education in schools serving large numbers of students from low-income families. Federal grants are used for projects, designed by local districts and approved by States, covering a wide range of activities such as changes in curriculum and organization, increased parental involvement, and remedial and health services to help these children reach higher levels of academic achievement.

For schooling of young children, additional Federal assistance is provided by the preschool Head Start program and Follow Through activities in the early elementary school grades, financed under the Office of Economic Opportunity and included in the Health, Labor, and Welfare function.

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Appropriations of $154 million, double the 1968 level, are requested in 1969 for other programs for the disadvantaged, including programs for the handicapped, the Teacher Corps, and non-English-speaking students. This increase will be largely for (1) new regional centers staffed by specialists in diagnostic and remedial services and grants to States to support school and preschool classes for the mentally retarded and physically handicapped; (2) continuation of the Teacher Corps, under which new college graduates and experienced teachers work as teams in schools serving students from low-income families; and (3) a new program of bilingual education for children whose native language is not English, as authorized in the Elementary and Secondary Education Act Amendments of 1967.

New obligational authority of $189 million is recommended for grants to school districts for new services to supplement the regular curriculum, or to improve planning and administration. New obligational authority of $30 million will support local school projects aimed at preventing dropouts under new authority included in the amendments of 1967.

Estimates of communities and children reached by these Federal elementary and secondary education programs are as follows:

ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

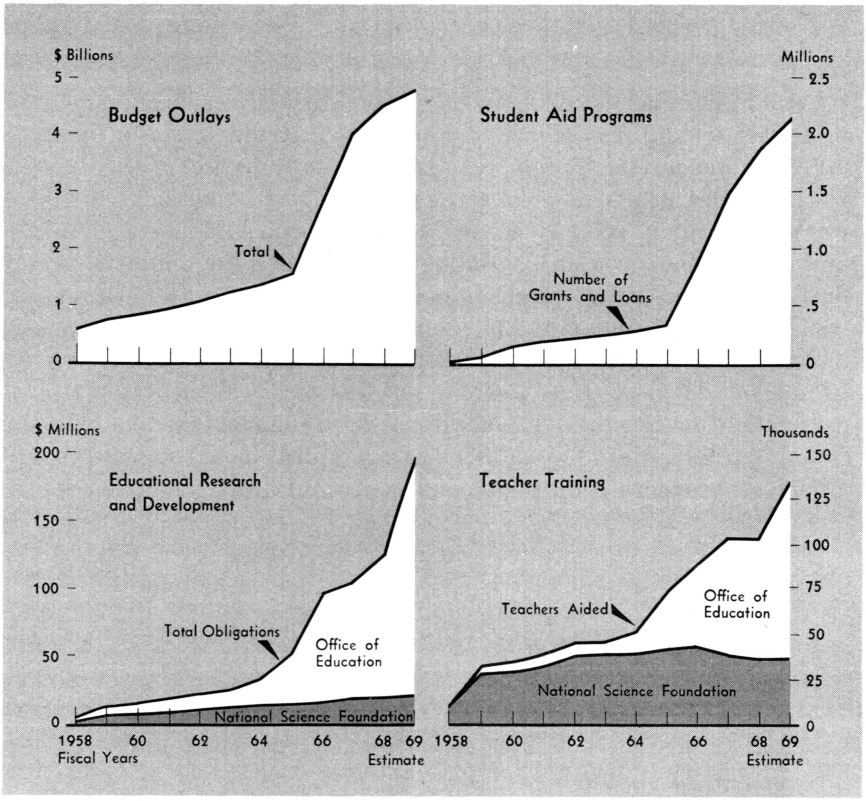
[Fiscal years. Dollars in millions]

Program	1966 actual	1967 actual	1968 estimate	1969 estimate
Education of children from low income families:				
Obligations	$959	$1,053	$1,191	$1,200
Number of districts aided	17,481	18,694	19,940	19,940
Number of children participating (millions)	7.0	9.0	9.5	9.5
Preschool and school classes for the handicapped:				
Obligations			$15	$32
Number of children participating			23,750	53,300
Supplementary services:				
Obligations	$46	$162	$188	$189
Number of districts aided	707	1,606	1,175	1,075
Special projects to prevent dropouts:				
Obligations				$30
Number of children participating				46,000

New obligational authority of $86 million, a reduction of $116 million from 1968, is estimated in 1969 for purchase of schoolbooks and equipment and for provision of guidance and counseling services under authorizations in the Elementary and Secondary Education and National Defense Education Acts. These grants supplement funds spent by schools for similar purposes through Federal grants for education of children from low-income families, for supplementary school services, for impacted areas, and for vocational education.

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Education – Program Trends



One of the most serious difficulties experienced by school officials in making efficient use of Federal funds has been that the timing of the Federal appropriation process causes grants to be made well after the start of the school year. In order to alleviate this problem, the budget proposes that 1969 grants for education of the disadvantaged be appropriated by the spring of 1968 (as a part of the 1968 supplemental appropriation bill) and that 1970 appropriations be included in the regular 1969 appropriation bill, making them available some 9 or 10 months before the academic year begins. This procedure does nothing to alter the total Federal budget for any fiscal year, but merely changes the date on which schools can be notified as to the grant they can expect to receive.

In addition, the budget requests $14 million in new obligational authority for evaluation of federally supported elementary and secondary programs and grants to States for determining priorities and making careful plans for use of Federal grants to be spent in the subsequent year.

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Expenditures of $416 million are included in the 1969 budget for school operation and construction in school districts with large numbers of Federal employees—the so-called federally impacted areas. Legislation will be proposed to begin in fiscal year 1970 to bring these expenditures gradually to a level more consistent with the burdens imposed on local schools by virtue of Federal activities but assuring that no individual school district will undergo a reduction in Federal grants from impacted areas and Title I combined.

Higher education.—Federal grants for higher education are primarily for financial aid to college students and for construction of classroom, library, laboratory, and housing facilities.

Through Office of Education and other Federal programs, 2.1 million grants, loans, insured loans, and work-study opportunities will be provided, including benefits under the GI bill. The insured loan program will help 750,000 middle and upper income students in 1969; this program will be stimulated through legislation designed to increase its attractiveness to bankers and other lenders. In addition, the Veterans Administration will assist 469,000 students in higher education.

Legislation will be proposed to give colleges and universities more flexibility in tailoring a combination of grant, loan, and work-study assistance for the individual student. New emphasis will be placed, in part through proposed new legislation, on identifying and encouraging promising high school students in financial need while they are still in high school and providing counseling and tutoring after they reach college. The Upward Bound program of the Office of Economic Opportunity, covered under Health, Labor, and Welfare, will also contribute to this effort by providing intensive special summer programs at colleges and universities for disadvantaged high school students who show potential for college.

AID FOR UNDERGRADUATE COLLEGE STUDENTS

[Fiscal years. Dollars in millions]

Program	1967 actual	1968 estimate	1969 estimate
Office of Education:			
Aid provided or guaranteed	$670	$931	$1,130
Number of grants and loans (thousands):			
Educational opportunity grants	227	276	284
National Defense Education Act loans	394	405	408
Work-study	220	212	227
Insured private loans	330	560	750
Veterans Administration: [1]			
Aid provided or guaranteed	$255	$298	$340
Number of grants (thousands)	377	422	469
Total number of student grants and loans (thousands)[2]	1,548	1,876	2,139

[1] Funds are included under Veterans Benefits and Services.
[2] Includes some aid to graduate students.

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Outlays for construction of college and university classrooms, laboratories, and libraries are estimated to decline to $288 million, compared with $371 million in 1968. This reduction is consistent with the budget policy of holding down construction activity and according higher priority to increases in programs more directly benefiting students and institutional services.

With a 3% interest rate, the college housing loan program of the Department of Housing and Urban Development continues to be attractive to colleges which could obtain financing in the private market at reasonable interest rates. Legislation, now pending in the Congress, would permit adjustment of the present statutory interest rate to more reasonable levels, thus freeing Federal resources for use in areas where private financing is not available. New commitments of $300 million are expected in 1969, an increase of $100 million over the level estimated for 1968. The 1969 program level will provide financing for the construction of living spaces for 50,000 students.

The budget recommends $30 million in appropriations for 1969, an increase of $14 million over 1968, to strengthen graduate and undergraduate programs, through which American students learn more about foreign nations and their cultures. Expenditures for other aids to higher education, including funds for land-grant institutions, teaching equipment, and assistance to smaller colleges with severely limited resources, are estimated at $179 million in 1969. Legislation will be proposed to promote sharing of resources among colleges and universities, including TV, computers, and libraries.

Science education and basic research.—Expenditures for the National Science Foundation's broad range of science education and research programs are estimated to rise from $456 million in 1968 to $480 million in 1969. A portion of this increase will be for basic research, mainly in universities, emphasizing fundamental studies in fields of growing national concern, such as oceanography, and the environmental and social sciences.

Most of the increase in expenditures will assist colleges and universities to improve further the quality of their science training and research activities. In addition, there will be increased support for efforts to bring new approaches to teaching high school science and mathematics to students not presently benefiting from recent advances in curriculum. Included in the increase are expenditures for a program, initiated in 1968, to explore and evaluate further the potential of computers in improving the educational process, particularly at the undergraduate level.

Other aids to education.—New obligational authority recommended for other education programs totals $1.1 billion for 1969,

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compared with $776 million for 1968. The request includes increases in Federal assistance for training of manpower for the education professions, vocational education, educational research, public broadcasting, and arts and humanities.

Legislation enacted in 1967 provides broad and flexible authority to improve training for the education professions at all school levels. New obligational authority of $216 million is recommended for this purpose for 1969, an increase of $54 million over 1968. These funds will support such activities as institutes, fellowships, seminars and conferences, grants to States for recruitment and training of teacher aides and new personnel brought into education from other fields, and grants to improve graduate level instruction in colleges of education. The National Science Foundation also supports school and college teacher education, primarily through short-term institutes.

TEACHER TRAINING PROGRAMS

[Fiscal years. Dollars in millions]

Program	1967 actual	1968 estimate	1969 estimate
Office of Education:			
Obligations	$193	$209	$291
Number of teachers trained	(63,918)	(63,539)	(89,584)
Elementary and secondary	45,036	43,482	62,628
Teachers Corps	2,090	2,429	3,983
National Defense Education Act fellowships for preparing college teachers	14,792	15,328	15,328
Other college teacher training	2,000	2,300	7,645
National Science Foundation:			
Obligations	$38	$39	$40
Number of teachers trained	(37,978)	(36,676)	(36,902)
Elementary and secondary	33,837	32,776	32,402
College	4,141	3,900	4,500
Total teachers trained	101,896	100,215	126,486

Note.—Includes full-year and short-term programs.

Legislation is proposed which will consolidate into a comprehensive act the various vocational education authorities and improve the administration and effectiveness of the existing programs. The legislation will also authorize support for projects for experimentation with different methods of providing occupational education and orientation, particularly for disadvantaged and other students not planning to go to college. This program will be oriented toward those occupations most in demand in our changing economy.

New obligational authority for educational research, experimentation, and demonstrations will total $146 million in 1969, an increase of

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more than 55% over 1968. This expansion will include (1) development of a model school program in the District of Columbia, (2) several large-scale experiments in education of preschool and school age ghetto children, and (3) studies and evaluations of current Federal education programs.

The budget provides grants totaling $33 million in 1969, an increase of $29 million over 1968, for noncommercial television and radio broadcasting. These grants, in part dependent on new legislation to be proposed, include support for (1) construction of transmission facilities and (2) activities of the Corporation for Public Broadcasting, a non-Federal agency authorized in the last session of the Congress. The legislation relating to the Corporation will authorize advance appropriations for the Corporation's activities.

Expenditures by the National Foundation on the Arts and the Humanities are estimated at $23 million in 1969, a major increase over the $15 million level of 1968. With this increase the Foundation will begin to move into a stronger position in supporting arts and humanities programs in educational institutions, encouraging artists and scholars, and bringing the arts and the humanities into the lives of our people.

VETERANS BENEFITS AND SERVICES

The 1969 budget reflects increasing attention to the needs of newly discharged veterans. Over 800,000 servicemen are currently being discharged from military service each year compared to about 500,000 a year just prior to the Vietnam war. Readjustment benefits for veterans in 1969 will amount to over $1 billion.

The largest portion of Federal outlays for veterans benefits continues to be devoted to the payment of compensation and pensions, primarily to veterans of earlier wars. These payments are estimated at $4.6 billion in 1969. Hospital and medical care benefits comprise the third major element of veterans programs, with expenditures expected to amount to $1.5 billion in 1969.

For these and other efforts in behalf of veterans, Federal outlays will increase by $174 million this year to a level of $7.3 billion. The major increases are for readjustment benefits to Vietnam veterans and for the medical service programs.

All veterans programs are currently receiving an intensive evaluation to insure that they are appropriate to the needs of today's veterans. A commission established for this purpose is expected to report to the Administrator of Veterans Affairs in the spring of 1968.

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In the meantime, legislation should be enacted to reshape some of the traditional veterans programs where need for improvement is already apparent, including:

- Closer correlation of pension payment formulas to need, as measured by the veteran's other sources of income.
- Elimination of certain clearly duplicative, inequitable, or outmoded benefits.

VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Service-connected compensation	$2,310	$2,435	$2,461	$2,461
Non-service-connected pensions	1,893	2,063	2,101	2,101
Readjustment benefits:				
Education and training	280	502	604	604
Housing programs	5	−34	3	131
Other	−3	12	3	14
Hospital and medical care:				
Medical care and hospital services	1,272	1,336	1,413	1,420
Construction of hospital and nursing home facilities	60	60	69	37
Medical administration, research, and other	58	61	65	64
Other veterans benefits and services:				
Life insurance benefits [2]	702	528	602	848
Veterans Administration general operating expenses	176	190	199	199
Other [2]	120	147	124	120
Proposed legislation			−18	9
Interfund and intragovernmental transactions (−)	−6	−5	−5	−5
Applicable receipts from the public (−)	−502	−497	−489	−489
Subtotal, expenditures	6,366	6,798	7,131	7,515
Net Lending:				
Readjustment benefits:				
Direct housing loans	53	66	82	115
Housing loan guarantee program and other [2]	260	246	223	281
Other veterans benefits and services [2]	219	58	−94	−94
Subtotal, net lending	532	370	211	302
Total	6,898	7,168	7,342	7,817

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $6,369 million; 1968, $7,305 million.
LA: 1967, $590 million; 1968, $555 million.
[2] Includes both Federal funds and trust funds.

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Service-connected compensation.—Veterans who incurred or aggravated a disease or an injury in military service are awarded monthly compensation payments which reflect the degree of disability and the average impairment of earning capacity involved. Survivors of veterans whose death is directly attributable to military service are also awarded monthly payments in recognition of the economic hardship imposed on the family.

The number of compensation beneficiaries with disabilities incurred in the Vietnam period continues to rise by more than 22,000 a year. On the other hand, the number of those on the rolls from prior conflicts is declining by about 18,000 annually. The Veterans Administration is undertaking a comprehensive survey to determine whether compensation payments are appropriate to specific disabilities.

The overall number of beneficiaries and the range of payments under this program is illustrated by the following table:

SERVICE-CONNECTED COMPENSATION

[Fiscal years]

Program indicator	1967 actual	1968 estimate	1969 estimate
Veterans:			
Disability 30% or less:			
Average number of beneficiaries (thousands)	1,436	1,437	1,435
Total payments (millions)	$591	$594	$596
Average annual payment	$411	$413	$415
Disability 40%–100%:			
Average number of beneficiaries (thousands)	560	569	575
Total payments (millions)	$1,327	$1,345	$1,356
Average annual payment	$2,370	$2,364	$2,358
Survivors:			
Average number of beneficiaries (thousands)	364	366	366
Total payments (millions)	$497	$504	$509
Average annual payment	$1,365	$1,377	$1,390

Non-service-connected pensions.—Disabled veterans and other veterans in financial need may qualify for special pension payments. Veterans' widows and children who can demonstrate need may also be eligible for pensions. Increased expenditures estimated for pensions in 1969 partly reflect recently enacted legislation granting pensioners cost-of-living increases averaging 5.4%. Moreover, as a result of studies initiated under the planning-programing-budgeting system, legislation is pending before the Congress which would correlate pension payments more closely to the individual's needs and assure that as income from retirement and other sources increase, pension

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payments are not disproportionately reduced. The budget assumes enactment of legislation along these lines, which would increase total pension outlays by $61 million in 1969.

Readjustment benefits.—The period immediately following military discharge is a critical juncture in the life of a veteran. The opportunities available to him at that time can decide his future civilian career. An increasing amount of effort is being made by the Government to diversify and enhance educational and training opportunities through the provisions of the GI bill and such programs as the Defense Department's "Project Transition," which offers counseling and civilian job-training opportunities to servicemen in the closing months of military service.

A number of other possible career development programs in or after service are being explored for early adoption, and appropriate legislation will be proposed to the Congress.

The projected costs and average monthly number of participants engaged in Veterans Administration readjustment benefit programs are summarized in the following table. The data reflect improved benefits enacted in 1967, including special provision for educationally disadvantaged veterans, commercial flight training, and on-the-job training. Average payments are rising sharply in 1968 as a result of the increased cash benefits authorized, but are expected to decline slightly in 1969 because a greater number of part-time students is anticipated.

EDUCATION AND TRAINING OF POST-KOREA VETERANS

[Fiscal years]

Program indicator	1967 actual	1968 estimate	1969 estimate
Higher education:			
Average number of trainees (thousands)	139	200	233
Payments (millions)	$216	$375	$436
Average annual payment	$1,558	$1,875	$1,870
Below college level:			
Average number of trainees (thousands)	53	117	170
Payments (millions)	$36	$95	$137
Average annual payment	$675	$815	$810

In addition to training benefits, the Veterans Administration assists eligible veterans to obtain housing credit by guaranteeing privately financed mortgages and by making direct housing loans to veterans in rural areas or small communities where private credit is not gen-

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erally available. Activity in these programs is expected to increase moderately in 1969, with an anticipated expansion in homebuilding above current levels, and a growth in demand for loans from post-Korea veterans. The number of guaranteed loans closed is expected to increase from 227,000 in 1968 to 242,000 in 1969, while direct loans will increase from 12,300 to 14,000.

Net lending for the loan guarantee program will increase from $246 million in 1968 to $281 million in 1969, resulting from increased loans to finance the purchase of properties repossessed by VA and sold to the public. Net lending for the direct loan program will also increase, from $66 million in 1968 to $82 million in 1969, largely reflecting the anticipated increase in new loan activity.

CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program	1967 actual	1968 estimate	1969 estimate
Readjustment benefits:			
Direct housing loans:			
Approvals	($157)	($166)	($180)
Disbursements	151	165	189
Repayments	−98	−99	−107
Net lending	53	66	82
Housing loan guarantee program: [1]			
Disbursements	372	373	412
Repayments	−154	−126	−131
Net lending	217	246	281
Other veterans benefits and services:			
Insurance policy loans: [1]			
Disbursements	146	155	165
Repayments	−85	−97	−101
Net lending	61	58	64
Total, net lending	532	370	211

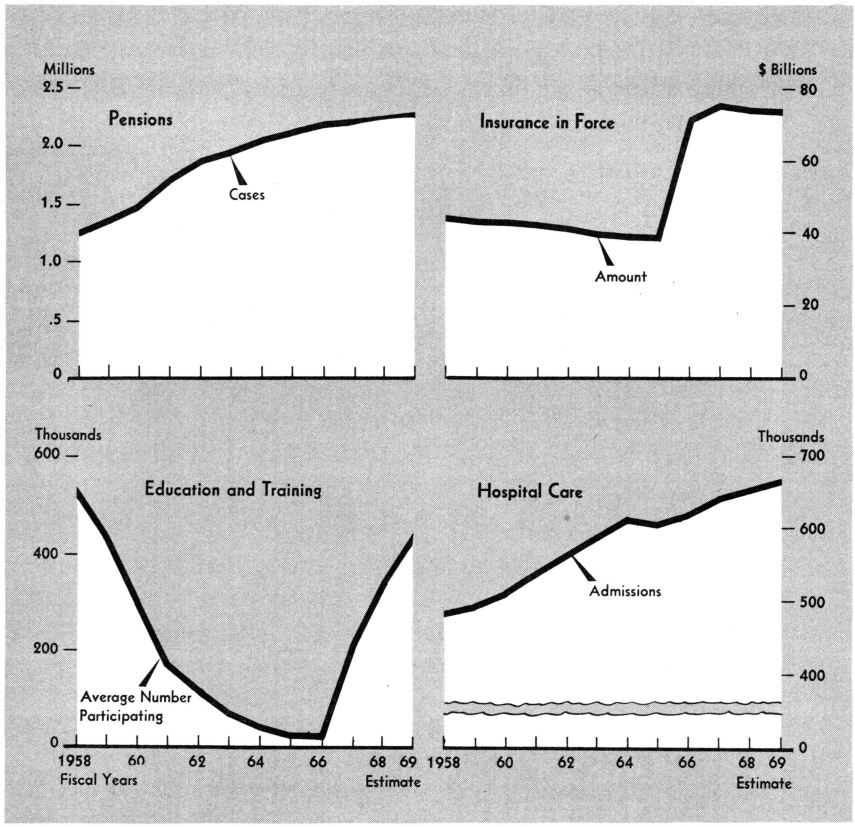
[1] Excludes transactions in obligations of Government-sponsored enterprises in the following amounts:

	1967	1968	1969
Housing loan guarantee program	43	----	−58
Other veterans benefits and services	158	----	−158

Hospital and medical care.—Expenditures for health services to veterans are estimated at $1.5 billion in 1969. This amount—covering medical services, administration, medical research, and construction of new facilities—is $89 million higher than in 1968.

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Veterans Benefits and Services – Program Trends



Services, research, and administration.—The Veterans Administration provides medical care to veterans in over 200 VA hospitals and clinics across the country. By law, all veterans with service-connected disabilities are assured of such care. To the extent that available facilities and staff are not required for these veterans, hospital care is provided for veterans with non-service-connected disabilities who are unable to pay for care in other hospitals.

The budget includes an estimated increase of $77 million in expenditures in 1969 to enable the Veterans Administration to continue to provide quality medical care for veterans. About two-thirds of this increase will be used for improvements started in 1968 and the other one-third will be used for additional new specialized treatment facilities in hospitals, improved nursing staffs, and expanded education and training programs for medical personnel.

The Veterans Administration is restraining cost escalation in its hospitals by improving techniques of care which reduce the average

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time the patient must remain in the hospital. Although per diem hospital costs are estimated to rise over 8% between 1968 and 1969, the total cost per patient treated will increase by approximately 5%. In part, the improved turnover also reflects increasing use of nursing homes, where average occupancy will rise from 8,450 patients in 1968 to 10,200 in 1969.

FUNDS, WORKLOADS, AND UNIT COSTS OF VA HOSPITAL SERVICES

[Fiscal years]

	General hospitals				Psychiatric hospitals			
	1967 actual	1968 estimate	1969 estimate	Percent change, 1969 over 1968	1967 actual	1968 estimate	1969 estimate	Percent change, 1969 over 1968
Costs (millions)	$698	$744	$791	6.3	$332	$349	$361	3.4
Average number of operating beds (thousands)	60.6	60.5	59.5	−1.6	54.6	52.2	50.1	−4.0
Average daily patient load (thousands)	53.3	51.8	50.9	−1.7	50.1	47.0	45.0	−4.3
Number of patients treated (thousands)	617.6	630.0	640.0	1.6	132.8	129.0	127.0	−1.6
Estimated length of stay (days)	31½	30	29	−3.3	138	133	129	−3.0
Average cost per day of care	$36.02	$39.37	$42.72	8.5	$18.23	$20.38	$22.09	8.4
Total cost per patient treated	$1,130	$1,181	$1,236	4.7	$2,500	$2,705	$2,843	5.1

A record number of 856,000 veterans will be treated as patients in Veterans Administration and contract facilities in 1969, an increase of 5,000 over 1968. In 1969 an average of 128,000 veterans will be receiving care daily in VA, contract, or State hospitals, domiciliaries, and nursing homes, of whom 113,000 will be in VA facilities. An estimated 5.6 million outpatient visits will be made to VA clinics and another 1.1 million visits to private physicians and dentists at Federal expense.

Construction of hospital and nursing home facilities.—The 1969 budget provides for continued upgrading of VA hospital facilities. Some $103 million will be obligated in 1969 to advance this program, for which over $500 million has been appropriated since 1961. An estimated $66 million will be spent in 1969 for construction of VA hospitals and nursing homes. In addition, $4 million of new obligational authority is requested for the program authorized in 1965 for grants to

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assist the States to build nursing home facilities in conjunction with their soldiers' homes.

As part of the Government-wide effort to hold down Federal construction activity, some construction starts on new hospitals, originally scheduled for 1968, have been postponed. In 1969, construction will get underway on new hospitals in San Antonio, Tex.; San Diego, Calif.; and Tampa, Fla. In addition, new hospitals in San Juan, P.R., and Long Beach, Calif., will be activated in 1969, and staffing at the new hospitals in Miami and Gainesville, Fla., will approach the planned level.

Life insurance.—The Veterans Administration operates five insurance programs for veterans of prior conflicts, the largest of which are the National Service Life Insurance and U.S. Government Life Insurance programs financed from trust funds.

The VA also administers the Servicemen's Group Life Insurance program which is funded under the Department of Defense. Through this program, enacted in 1966, every man on active duty can obtain $10,000 of insurance, covering normal risks as well as the unique hazards associated with military service. The insurance is jointly underwritten by the Government and some 569 insurance companies. Under this arrangement, the Government pays directly for the extra-hazard cost of the insurance by meeting all death claims in excess of normal mortality rates. Veterans are entitled to continue their coverage with the private companies after returning to civilian life. Legislation is now pending to liberalize the coverage available under this program.

The number of insurance policies and the dollar value of the various funds are indicated below:

INSURANCE

[Fiscal years. Dollars in millions]

Description	1967 actual	1968 estimate	1969 estimate
Veterans life insurance trust funds:			
Number of policies (thousands)	4,919	4,850	4,745
Insurance in force	$31,783	$31,353	$30,693
Veterans life insurance revolving funds:			
Number of policies (thousands)	901	893	878
Insurance in force	$7,540	$7,482	$7,361
Servicemen's group life insurance: [1]			
Number of policies (thousands)	3,600	3,600	3,600
Insurance in force	$36,000	$36,000	$36,000

[1] Funded under the Department of Defense.

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INTEREST

Expenditures for interest will be $987 million higher in 1968 than in 1967. In 1969 a further substantial increase of $865 million is expected.

INTEREST

[Fiscal years. In millions]

Program or agency	Expenditures			Recommended new obligational authority for 1969
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Interest on public debt	$13,391	$14,350	$15,200	$15,200
Interest on refunds of receipts	120	134	137	137
Interest on uninvested funds	13	13	12	12
Subtotal	13,524	14,497	15,349	15,349
Interested collected by the Treasury (−):				
From the public	−300	−290	−296	−296
From other Government accounts	−676	−672	−653	−653
Total	12,548	13,535	14,400	14,400

The estimated rise in expenditures in both years results both from increases in the level of the Federal debt and from rising interest rates. The budget estimates assume no further increases in interest rates, but since they have risen sharply in recent months, refinancing of maturing obligations at the higher levels will require increased interest expenditures.

About $950 million of the estimated expenditures for interest in both 1968 and 1969 will be offset by collections of interest by the Treasury Department. These collections represent mainly interest on loans made to other Federal departments and agencies to finance their lending and other business-type operations. They also include smaller amounts of interest collected directly by the Treasury Department from the public, including foreign governments, on a limited number of loans not operating through revolving funds.

As recommended by the Commission on Budget Concepts, the gross Federal debt is now defined to include not only the direct obligations of the Treasury Department, traditionally referred to as the public debt, but also all securities issued by Federal agencies, including certificates of participation in assets of Federal agencies issued by the Export-Import Bank and by the Federal National Mortgage Association for itself and as trustee for several other agencies. Interest on the

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borrowing by Federal agencies from the public is reflected as expenditures of the individual programs and is not included under the heading of Interest.

On the other hand, of the estimated net interest expenditures of $14.4 billion in the fiscal year 1969, about $3 billion will be paid to trust funds and other Government investment accounts on Government securities owned by them.

GENERAL GOVERNMENT

General government activities consist primarily of Federal legislative and judicial functions, general administrative and fiscal responsibilities, and programs for law enforcement and the administration of justice, including the civil rights activities of the Department of Justice.

Budget outlays in 1969 for these general government functions will total $2.8 billion, $212 million more than in 1968. Nearly two-thirds of this increase is for: (1) the proposed Safe Streets and Crime Control Act, and other law enforcement activities, (2) improvements in tax collection and administration by the Internal Revenue Service, and (3) strengthening State and local government personnel management and administration through the proposed Intergovernmental Manpower Act. Increases in these and other activities will be partly offset by a reduction in outlays for construction of Federal facilities.

Legislative and judicial functions.—Expenditures for the legislative functions of the Government are expected to total $198 million in 1969, an increase of $13 million over 1968. Those for the Government's judicial functions will increase by $7 million in 1969, in part to finance the new Federal Judicial Center established by Public Law 90–219. The Center will focus attention on ways to improve the operation of the Federal judicial system.

Central fiscal operations.—Expenditures of the Internal Revenue Service in 1969 are estimated at $760 million, an increase of $73 million over 1968. This amount will permit the Service to process an expected 2.8 million additional tax returns, and to maintain the present audit level on 112 million returns a year. The program initiated in 1966 to centralize the filing of tax returns at automatic data processing centers will be further expanded in 1969. This program, scheduled to be completed by 1970, is producing significant improvements in tax administration. By eliminating the initial processing of returns in district offices and the transshipping of returns to service centers, an estimated $4 million in annual savings will be achieved when the changeover is completed.

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GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Expenditures and net lending			Recommended NOA and LA for 1969 [1]
	1967 actual	1968 estimate	1969 estimate	
Expenditures:				
Legislative functions [2]	$167	$185	$198	$196
Judicial functions	87	95	102	102
Executive direction and management	25	31	35	34
Central fiscal operations:				
Treasury Department:				
Internal Revenue Service	662	688	760	758
Other [2]	253	260	280	264
Other agencies [2]	53	59	63	63
General property and records management:				
General Services Administration:				
Public Buildings Service:				
Construction, sites, and planning	184	152	106	11
Operation, maintenance, and other [2]	347	367	379	362
Other [2]	88	110	164	114
Central Intelligency Agency building	1	*	-------	-------
Central personnel management:				
Civil Service Commission:				
Present programs	129	150	153	153
Proposed legislation	-------	-------	12	20
Department of Labor and other [2]	61	62	53	53
Law enforcement and justice:				
Department of Justice:				
Present programs [2]	401	425	458	457
Proposed legislation	-------	10	39	80
Other	25	27	32	33
Other general government:				
Territories and possessions	157	187	198	184
Treasury—claims	49	8	6	6
Other [2]	7	8	1	11
Interfund and intragovernmental transactions (−)	−85	−92	−94	−94
Applicable receipts from the public (−)	−161	−115	−117	−117
Subtotal, expenditures	2,452	2,618	2,827	2,690
Net Lending	2	−40	−37	−36
Total	2,454	2,578	2,790	2,654

*Less than $500 thousand.

[1] Compares with new obligational authority (NOA) and lending authority (LA) for 1967 and 1968, as follows:
NOA: 1967, $2,463 million; 1968, $2,548 million.
LA: 1967, −$3 million; 1968, −$42 million.

[2] Includes both Federal funds and trust funds.

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The transition to a largely nonsilver coin system has proceeded smoothly. Improved methods of estimating coin demand are being developed to gear future production more closely to demand for coins. Legislation has been proposed to establish a revolving fund to finance the operating activities of the Mint.

The following table summarizes by major program categories the principal activities of the Treasury Department and identifies selected measures of output:

MAJOR OUTPUTS, TREASURY DEPARTMENT

[Fiscal years. Dollars in millions]

Program	1967 actual	1968 estimate	1969 estimate
Administration of Government finances	$94.9	$100.6	$105.5
Number of savings type securities issued (millions)	119.0	142.3	153.1
Number of savings type securities retired (millions)	106.1	110.9	116.8
Number of checks issued (millions)	414.8	434.5	451.6
Collection of internal revenue and customs duties	$735.2	$768.6	$835.9
Number of returns processed by Internal Revenue (millions)	105.4	108.7	111.5
Number of returns examined and disposed of (millions)	3.1	2.9	3.2
Number of formal import entries filed (millions)	2.2	2.4	2.6
Number of persons arriving in U.S. (millions)	202.0	213.0	223.4
Manufacture and distribution of coins, currency, and other financial instruments	$188.2	$137.4	$110.2
Currency produced and shipped (billions of pieces)	2.0	2.1	2.3
Coins produced (billions of pieces)	9.0	6.0	5.8
Special law enforcement	$64.7	$71.8	$80.8
Number of investigations and cases completed (thousands)	131.6	141.7	148.3

Note.—Dollar figures refer to obligations in 1967, NOA in 1968 and 1969.

Legislation is being proposed to extend the Renegotiation Act which is scheduled to expire on June 30, 1968.

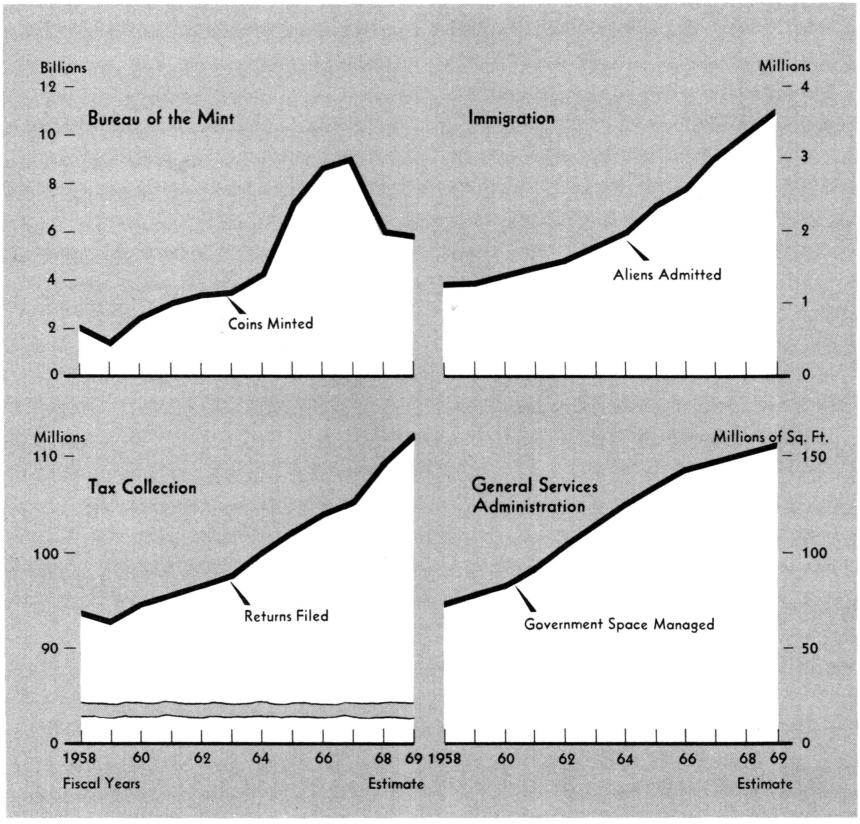
General property and records management.—In line with stringent budget directives to reduce less essential activities where possible, no new obligational authority is requested for 1969 for constructing new Federal buildings. The $11 million of new obligational authority requested for 1969 will meet only the most pressing requirements for the acquisition of sites and the planning of new buildings. This amount is $73 million below the new obligational authority for 1968. Expenditures for construction will drop to $106 million in 1969, $46 million less than in 1968.

Expenditures for the operation, maintenance, repair and improvement of office and other space for Federal agencies will increase by $12 million to $379 million. Expenditures for other General Services

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Administration activities will increase by $54 million in 1969 primarily because of the increased inventory support of military operations in Southeast Asia.

General Government – Program Trends



Central personnel management.—The Federal Salary Act of 1967: (1) provided for pay increases effective October 1, 1967, for civil and postal service employees and established provisions for additional upward adjustments on July 1, 1968, and July 1, 1969, to make Federal salary rates comparable with private enterprise rates; (2) established a Commission on Executive, Legislative, and Judicial Salaries to review and recommend rates of pay and pay relationships among members of the Congress, executive branch officials and the judiciary beginning in fiscal 1969 and every fourth year thereafter; and (3) provided higher life insurance benefits for employees and added a new optional insurance program. This budget includes a special allowance of $1.6 billion for the estimated cost of the second step of the civilian pay increase and the associated increase in military pay.

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Legislation has been proposed which will permit State and local governments to increase the effectiveness of their programs to train capable public employees through assistance grants and interchanges of personnel with the Federal Government.

Law enforcement and justice.—Expenditures of the Department of Justice in 1969 are estimated to increase by $62 million over the 1968 level. The largest part of this increase will be used to carry out provisions of the Safe Streets and Crime Control Act which is now pending in the Congress. This legislation will authorize a new program of Federal financial and technical assistance to State and local governments to help combat crime. Expenditures for Federal assistance programs, estimated at $53 million in 1969, will encourage comprehensive planning and will support significant new efforts to improve law enforcement and criminal justice systems at the State and local levels. An allowance is also provided in the budget to strengthen and intensify direct Federal efforts to control and reduce crime.

Civil rights.—An increase of $19 million has been provided for various agencies throughout the Government to expand activities which seek to secure the civil rights of individuals and minority groups. These increases will be used to: (1) enforce provisions of Title VI of the Civil Rights Act of 1964 and other Federal directives which seek to assure nondiscrimination by organizations receiving Federal financial assistance and by Federal contractors, (2) finance technical assistance and the expanded responsibilities of the Equal Employment Opportunity Commission, (3) provide for a 37% expansion in the Community Relations Service in the Justice Department—primarily in the field conciliation program, (4) expand the potential for legal action by increasing legal staff, and (5) increase the number of FBI personnel available to investigate alleged civil rights violations. Pending legislation should be enacted to assure nondiscrimination in employment, housing, and jury selection and to prevent interference with an individual's civil rights.

Other general government.—Legislation enacted by the 90th Congress provides for further capital improvements and expanded programs in health, education, transportation and public affairs in the Trust Territory of the Pacific Islands. Under this authority, $34 million is proposed for 1969. Net lending of $6 million is estimated for fiscal year 1969 to finance activities in Guam and in the Ryukyu Islands.

Requirements for claims and judgment against the Federal Government are uncertain for 1968 and 1969, and are covered by the allowance for contingencies. Amounts known for 1968 will be transmitted to the Congress early in this session.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY** (in millions of dollars)

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES						
050 NATIONAL DEFENSE						
051 Department of Defense—Military:						
Military personnel	20,216	22,199	23,037	19,787	21,800	22,793
Operation and maintenance	19,434	20,548	22,839	19,000	19,800	22,260
Procurement	22,871	20,716	23,254	19,012	21,470	23,445
Research, development, test, and evaluation	7,172	7,148	8,006	7,160	7,200	7,800
Military construction	1,098	1,405	1,430	1,536	1,565	1,450
Other [1]	1,637	904	698	1,114	2,025	−942
Total 051	72,429	72,920	79,265	67,608	73,860	76,806
057 Military assistance:						
Funds appropriated to the President [1]	2,261	1,750	1,860	1,943	1,675	1,855
Treasury Department						−2
Total 057	2,261	1,750	1,860	1,943	1,675	1,853
058 Atomic energy:						
Atomic Energy Commission [1]	2,199	2,510	2,755	2,264	2,334	2,546
059 Defense-related activities:						
Executive Office of the President	4	3	3	4	4	3
Funds appropriated to the President				−102	22	146
Department of Health, Education, and Welfare	10	9	2	6	8	5
General Services Administration	20	19	22	19	19	23
Other independent agencies: Selective Service System	59	62	64	58	61	64
Total 059	93	92	91	−14	115	242
Adjustments:						
Interfund and intragovernmental transactions	−7	−7	−7	−7	−7	−7
Applicable receipts from the public	−1,699	−1,484	−1,647	−1,699	−1,484	−1,647
Total, national defense	**75,276**	**75,780**	**82,317**	**70,095**	**76,491**	**79,792**

[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of Justice (trust funds)	------	------	------	2	4	53
Department of State [1]	322	319	350	321	337	355
Treasury Department (trust funds)	3	4	5	8	5	6
Other independent agencies:						
Arms Control and Disarmament Agency	9	9	10	10	9	10
Foreign Claims Settlement Commission [1]	2	1	11	21	200	11
Tariff Commission	4	4	4	3	4	4
Total 151	339	337	380	366	559	438
152 Economic and financial assistance:						
Funds appropriated to the President [1]	2,611	2,410	3,382	2,601	2,540	2,653
Department of Agriculture	------	------	------	*	------	------
Department of State [1]	6	6	6	8	8	6
Department of Transportation [1]	6	12	5	12	13	14
Other independent agencies: Export-Import Bank	------	------	------	−104	−144	−110
Total 152	2,623	2,428	3,393	2,517	2,417	2,564
153 Foreign information and exchange activities:						
Funds appropriated to the President	------	------	------	3	16	9
Department of State [1]	53	51	54	56	52	52
Other independent agencies: United States Information Agency [1]	173	198	179	185	187	194
Total 153	226	248	233	245	256	255
154 Food for Freedom:						
Department of Agriculture	1,617	1,606	918	1,452	1,315	1,444
Adjustments:						
Interfund and intragovernmental transactions	*	*	−10	*	*	−10
Applicable receipts from the public	−469	−217	−214	−469	−217	−214
Total, international affairs and finance	4,336	4,402	4,700	4,110	4,330	4,478
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration [1]	4,968	4,591	4,372	5,426	4,808	4,577

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
Adjustments:						
Interfund and intragovernmental transactions						
Applicable receipts from the public	−2	−4	−3	−2	−4	−3
Total, space research and technology	4,966	4,587	4,369	5,423	4,803	4,573
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture [1]	3,311	3,315	4,178	2,267	3,428	3,459
352 Financing farming and rural housing:						
Department of Agriculture [1]	81	103	92	4	91	102
Department of Housing and Urban Development				7	−17	−6
Other independent agencies: Farm Credit Administration [1]				−21	−48	−64
Total 352	81	103	92	−10	26	32
353 Financing rural electrification and rural telephones:						
Department of Agriculture	12	12	13	12	13	13
354 Agricultural land and water resources:						
Department of Agriculture [1]	358	363	242	353	362	350
355 Research and other agricultural services:						
Funds appropriated to the President				*	*	
Department of Agriculture [1]	593	628	648	569	622	662
Other independent agencies: Temporary study commissions	*	*		1	*	
Total 355	593	628	648	570	623	662
Adjustments:						
Interfund and intragovernmental transactions	−5	−5	−6	−5	−5	−6
Applicable receipts from the public	−32	−34	−36	−32	−34	−36
Total, agriculture and agricultural resources	4,318	4,383	5,131	3,156	4,412	4,474

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Agriculture	97	102	61	108	106	93
Department of Defense—Civil [1]	1,319	1,327	1,283	1,301	1,341	1,313
Department of the Interior [1]	938	992	998	780	865	939
Department of State	13	16	9	28	23	16
Other independent agencies:						
Federal Power Commission	14	15	16	14	15	16
Intergovernmental agencies	*	*	*	*	*	*
Temporary study commissions	1	3	1	1	2	3
Tennessee Valley Authority	1,064	61	50	102	109	150
Water Resources Council [1]	2	4	6	2	4	5
Total 401	3,450	2,520	2,424	2,335	2,465	2,536
402 Forest resources:						
Department of Agriculture [1]	534	565	486	461	495	470
Department of the Interior	21	22	22	21	22	22
Total 402	555	587	508	482	518	493
403 Mineral resources:						
Department of the Interior [1]	125	120	126	122	133	131
404 Fish and wildlife resources:						
Department of Defense—Civil	*	*	*	*	*	*
Department of the Interior [1]	146	160	156	133	151	156
Department of State	2	2	2	2	2	2
Total 404	148	162	158	136	153	158
405 Recreational resources:						
Department of the Interior [1]	231	262	245	194	245	309
Other independent agencies: Historical and memorial commissions	*	*	*	*	*	*
Total 405	231	262	245	194	245	309
409 General resource surveys and administration:						
Department of the Interior [1]	184	184	191	275	250	239
Adjustments:						
Interfund and intragovernmental transactions	−22	*	−1	−22	*	−1
Applicable receipts from the public	−1,410	−1,348	−1,381	−1,410	−1,348	−1,381
Total, natural resources	3,262	2,488	2,271	2,113	2,416	2,483

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
500 COMMERCE AND TRANSPORTATION						
501 Air transportation:						
Department of Transportation	991	918	1,064	883	892	1,228
Other independent agencies: Civil Aeronautics Board	68	55	53	62	58	54
Total 501	1,060	973	1,117	945	950	1,282
502 Water transportation:						
Department of Commerce [1]	340	482	482	302	364	380
Department of Defense—Civil				−13	−6	−2
Department of Transportation [1]	500	541	559	497	489	617
Other independent agencies: Temporary study commissions	7	6	5	5	7	6
Total 502	847	1,030	1,046	792	855	1,000
503 Ground transportation:						
Department of Transportation [1]	4,777	5,250	4,894	4,050	4,385	4,420
505 Postal Service:						
Post Office Department	1,215	1,174	920	1,141	1,087	767
506 Advancement of business:						
Funds appropriated to the President	9			10	5	
Department of Commerce [1]	311	324	363	336	341	360
Department of Transportation [1]	7	17	23	6	17	24
Department of Housing and Urban Development				−8	−9	−9
Other independent agencies:						
Federal Deposit Insurance Corporation (trust funds)				−239	−261	−274
Small Business Administration	9	13	13	83	69	52
Total 506	336	354	400	189	160	153
507 Area and regional development:						
Funds appropriated to the President		127	214	21	156	236
Department of Agriculture	3			3		
Department of Commerce [1]	351	209	229	111	153	186
Department of the Interior	7			2		
Other independent agencies:						
Federal Field Committee for Development Planning in Alaska	*	*	*	*	*	*
Intergovernmental commissions [1]	1	2	2	1	2	2
Total 507	364	338	445	137	312	425

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
508 Regulation of business:						
Department of Commerce	5	5	10	5	5	10
Department of Justice	7	8	8	8	8	8
Treasury Department (trust funds)				−2	−2	−1
Other independent agencies:						
Civil Aeronautics Board	11	9	10	12	9	10
Federal Communications Commission [1]	18	19	21	18	19	21
Federal Maritime Commission	3	4	4	3	4	4
Federal Trade Commission	14	15	16	14	15	15
Interstate Commerce Commission	27	24	24	27	24	24
Securities and Exchange Commission	17	18	18	17	18	18
Total 508	103	102	111	101	100	107
Adjustments:						
Interfund and intragovernmental transactions	−1	−24	−8	−1	−24	−8
Applicable receipts from the public	−47	−132	−149	−47	−132	−149
Total, commerce and transportation	8,653	9,066	8,776	7,308	7,695	7,996
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aid to private housing:						
Funds appropriated to the President	3			3		
Department of Housing and Urban Development [1]	116	15	23	−26	−155	−78
Other independent agencies: Federal Home Loan Bank Board	13			−201	−384	−378
Total 551	132	15	23	−225	−539	−457
552 Public housing programs:						
Department of Housing and Urban Development	269	318	380	251	297	350
553 Urban renewal and community facilities:						
Department of Housing and Urban Development	1,048	1,476	2,274	504	865	1,432

[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
555 National Capital region:						
Other independent agencies:						
Commission of Fine Arts	*	*	*	*	*	*
District of Columbia	61	73	83	61	85	84
Intergovernmental commissions	*	*	55	*	1	18
National Capital Housing Authority	*			*		
National Capital Planning Commission [1]	1	1	1	1	2	1
National Capital Transportation Agency	10			3	2	
Temporary study commissions	*				*	
Total 555	73	75	140	66	90	104
Proposed housing and urban development legislation			30			14
Adjustments:						
Interfund and intragovernmental transactions	−19	−15	−14	−19	−15	−14
Applicable receipts from the public	*	*	*	*	*	*
Total, housing and community development	1,503	1,869	2,833	577	697	1,429
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare [1]	9,372	12,066	13,609	7,722	10,734	12,041
652 Labor and manpower:						
Department of Health, Education, and Welfare		40	135		15	119
Department of the Interior	10	11	11	10	11	12
Department of Labor [1]	1,156	1,208	1,341	1,015	1,251	1,303
Other independent agencies:						
Equal Employment Opportunity Commission	5	7	13	5	7	13
Federal Coal Mine Safety Board of Review	*	*	*	*	*	*
Federal Mediation and Conciliation Service	7	7	8	7	7	8
National Labor Relations Board	31	32	35	30	32	35
National Mediation Board	2	2	2	2	2	2
President's Advisory Committee on Labor-Management Policy				*		
Temporary study commissions				*	*	
Total 652	1,211	1,307	1,546	1,069	1,326	1,492

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare	3,048	3,501	3,703	3,041	3,484	3,605
654 Retirement and social insurance:						
The Judiciary (trust fund)	1	1	1	1	1	1
Department of Health, Education, and Welfare [1]	25,515	26,843	31,256	21,725	23,918	27,598
Department of Labor (trust funds)	3,380	3,503	3,557	2,189	2,564	2,558
Department of State (trust funds)	11	11	12	11	12	13
Other independent agencies:						
Civil Service Commission (trust funds)	2,980	3,440	3,740	1,877	2,037	2,272
Railroad Retirement Board (trust funds)	1,499	1,640	1,905	1,315	1,415	1,490
Total 654	33,387	35,439	40,472	27,117	29,946	33,932
655 Economic opportunity programs:						
Funds appropriated to the President [1]	1,663	1,749	2,176	1,485	1,853	1,997
659 Other welfare services:						
Funds appropriated to the President	25	30	15	53	45	36
Department of Agriculture	457	517	598	418	500	586
Department of Health, Education, and Welfare [1]	487	553	699	416	539	661
Other independent agencies: Railroad Retirement Board	17	18	18	17	18	18
Total 659	986	1,117	1,330	905	1,102	1,302
Adjustments:						
Interfund and intragovernmental transactions	−1,766	−2,044	−2,420	−1,766	−2,044	−2,420
Applicable receipts from the public	−61	−5	−3	−61	−5	−3
Total, health, labor, and welfare	47,841	53,131	60,413	39,512	46,396	51,945
700 EDUCATION						
701 Elementary and secondary education:						
Department of Health, Education, and Welfare	1,980	2,194	2,103	1,859	1,930	1,931
702 Higher education:						
Department of Health, Education, and Welfare	1,264	1,199	786	715	1,038	993
Department of Housing and Urban Development	2	24	63	−4	19	72
Total 702	1,266	1,223	849	711	1,057	1,065

[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
703 Science education and basic research:						
Other independent agencies: National Science Foundation [1]	480	495	500	415	456	480
704 Other aid to education:						
Legislative Branch [1]	34	41	45	30	40	44
Department of Health, Education, and Welfare	517	556	870	443	515	632
Department of the Interior	118	131	155	112	116	153
Other independent agencies:						
National Capital Planning Commission				*		
National Foundation on the Arts and the Humanities [1]	12	13	24	10	15	23
Smithsonian Institution [1]	34	35	55	32	43	54
Total 704	716	776	1,148	628	730	905
Adjustments:						
Interfund and intragovernmental transactions						
Applicable receipts from the public	−11	−15	−16	−11	−15	−16
Total, education	4,430	4,673	4,585	3,602	4,157	4,364
800 VETERANS BENEFITS AND SERVICES						
Proposed legislation			9			−18
801 Veterans service-connected compensation:						
Veterans Administration	2,403	2,434	2,461	2,310	2,435	2,461
802 Veterans non-service-connected pensions:						
Veterans Administration	1,969	2,062	2,101	1,893	2,063	2,101
803 Veterans readjustment benefits:						
Department of Housing and Urban Development				−15	−4	−10
Veterans Administration	258	799	748	297	484	621
Total 803	258	799	748	282	480	611
804 Veterans hospitals and medical care:						
Veterans Administration	1,409	1,479	1,522	1,391	1,458	1,546

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
805 Other veterans benefits and services:						
Department of Defense—Civil [1]	28	30	25	22	31	27
Veterans Administration [1]	808	1,001	1,140	973	832	895
Other independent agencies:						
American Battle Monuments Commission [1]	2	2	2	2	2	2
Historical and memorial commissions	*			*		
Total 805	838	1,033	1,167	997	865	924
Adjustments:						
Interfund and intragovernmental transactions	−6	−5	−5	−6	−5	−5
Applicable receipts from the public	−502	−497	−489	−502	−497	−489
Total, veterans benefits and services	6,369	7,305	7,515	6,366	6,798	7,131
850 INTEREST						
851 Interest on the public debt:						
Treasury Department	13,391	14,350	15,200	13,391	14,350	15,200
852 Interest on refunds of receipts:						
Treasury Department	120	134	137	120	134	137
853 Interest on uninvested funds:						
Treasury Department	13	13	12	13	13	12
Adjustments:						
Interfund and intragovernmental transactions	−676	−672	−653	−676	−672	−653
Applicable receipts from the public	−300	−290	−296	−300	−290	−296
Total, interest	12,548	13,535	14,400	12,548	13,535	14,400
900 GENERAL GOVERNMENT						
901 Legislative functions:						
Legislative Branch	168	183	196	167	185	198
902 Judicial functions:						
The Judiciary	90	95	102	87	95	101
Other independent agencies: Indian Claims Commission	*	1	1	*	1	1
Total 902	90	96	102	87	95	102

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
903 Executive direction and management:						
Executive Office of the President	25	28	30	23	28	30
Funds appropriated to the President	1	1	1	*	2	1
Treasury Department	1	1	1	1	1	1
General Services Administration	*	*	1	*	*	1
Other independent agencies:						
Federal Radiation Council	*	*	*	*	*	*
Temporary study commissions		2	1		*	2
Total 903	28	33	34	25	31	35
904 Central fiscal operations:						
Legislative Branch [1]	49	54	58	49	54	58
Treasury Department [1]	906	943	1,022	915	947	1,041
Other independent agencies:						
Board of Governors, Federal Reserve System (trust funds)				*	*	*
Renegotiation Board	3	3	3	3	3	3
Tax Court of the United States [1]	2	2	3	2	2	2
Temporary study commissions	*				*	*
Total 904	961	1,003	1,085	968	1,007	1,104
905 General property and records management:						
General Services Administration [1]	600	557	487	619	629	648
Other independent agencies: Central Intelligence Agency				1	*	
Total 905	600	557	487	620	629	648
906 Central personnel management:						
Department of Labor [1]	61	62	53	61	62	53
Other independent agencies:						
Civil Service Commission	134	149	173	129	150	165
Temporary study commissions	*	*		*	*	
Total 906	196	211	226	191	212	218
908 Law enforcement and justice:						
Department of Justice [1]	401	457	537	401	435	497
Treasury Department	22	24	29	21	24	28
Other independent agencies:						
Administrative Conference of the United States		*	*		*	*
Civil Service Commission	1			1	*	
Commission on Civil Rights	2	3	3	2	3	3
Subversive Activities Control Board	*	*	*	*	*	*
Temporary study commissions	1	*	*	1	*	*
Total 908	427	484	569	426	462	529

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued						
910 Other general government:						
Legislative Branch	21	8	11	7	8	*
Funds appropriated to the President				*		
Department of Defense—Civil	73	61	60	62	71	65
Department of the Interior	41	48	57	36	50	66
Treasury Department [1]	104	72	73	108	73	73
Other independent agencies:						
Historical and memorial commissions [1]	*	*		*	*	*
Intergovernmental commissions [1]	1	1	1	1	1	1
Total 910	240	189	201	213	203	205
Adjustments:						
Interfund and intragovernmental transactions	−85	−92	−94	−85	−92	−94
Applicable receipts from the public	−161	−115	−117	−161	−115	−117
Total, general government	2,463	2,548	2,690	2,452	2,618	2,827
Allowances for:						
Civilian and military pay increase			1,600			1,600
Contingencies		150	550		100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement	−1,735	−1,913	−2,007	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042	−2,287	−2,678	−3,042
Total, new obligational authority and expenditures	171,944	179,325	197,105	153,238	169,856	182,797
LOAN AUTHORITY AND NET LENDING						
050 NATIONAL DEFENSE						
051 Department of Defense—Military				*	*	−1
059 Defense-related activities:						
Funds appropriated to the President:						
Defense Production Act				−3	−3	−3
Treasury Department	−*	−*	−*	−*	−*	−*
Total, national defense				−3	−2	−4
150 INTERNATIONAL AFFAIRS AND FINANCE						
152 Economic and financial assistance:						
Other independent agencies: Export-Import Bank	779	865	608	540	716	675

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
LOAN AUTHORITY AND NET LENDING—Continued						
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture	262	−29	24	262	−29	24
352 Financing farming and rural housing:						
Department of Agriculture	672	751	426	43	−100	−6
Department of Housing and Urban Development				14		−14
Other independent agencies: Farm Credit Administration	189	485	541	671	749	771
Total 352	861	1,236	967	728	649	751
353 Financing rural electrification and rural telephones:						
Department of Agriculture	282	243	234	232	279	360
354 Agricultural land and water resources:						
Department of Agriculture	*					
Total, agriculture and agricultural resources	1,405	1,450	1,225	1,221	899	1,135
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Agriculture	5					
Department of the Interior	13	14	4	18	15	6
Total 401	17	14	4	18	15	6
404 Fish and wildlife resources:						
Department of the Interior				1	1	1
409 General resource surveys and administration:						
Department of the Interior				−*	*	*
Total, natural resources	17	14	4	19	16	7
500 COMMERCE AND TRANSPORTATION						
502 Water transportation:						
Department of Commerce	−8	−6	−6	−9	−8	−7
506 Advancement of business:						
Department of Housing and Urban Development				33		−34
Other independent agencies: Small Business Administration	850	150	150	68	114	102
Total 506	850	150	150	101	114	67

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
LOAN AUTHORITY AND NET LENDING—Continued						
507 Area and regional development:						
Department of Commerce	78	74	88	29	53	65
508 Regulation of business:						
Other independent agencies: Interstate Commerce Commission	17	—*	—*	17	—*	—*
Total, commerce and transportation	938	217	232	138	158	125
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Department of Housing and Urban Development	5,267	1,899	1,914	1,517	3,185	1,265
Other independent agencies: Federal Home Loan Bank Board	-------	-------	-------	44	—8	—20
Total 551	5,267	1,899	1,914	1,561	3,177	1,245
552 Public housing programs:						
Department of Housing and Urban Development	-------	-------	-------	14	22	—16
553 Urban renewal and community facilities:						
Department of Housing and Urban Development	80	80	80	114	42	61
555 National Capital region:						
Other independent agencies:						
National Capital Planning Commission	—1	*	*	—1	*	1
District of Columbia	75	116	141	20	16	65
Total 555	74	116	141	19	16	65
Total, housing and community development	5,421	2,095	2,135	1,708	3,257	1,355
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	15	-------	—15	15	-------	—15
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare	3	4	4	3	4	4

*Less than $500 thousand.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
LOAN AUTHORITY AND NET LENDING—Continued						
654 Retirement and social insurance:						
Department of Health, Education, and Welfare	188	-------	−188	188	-------	−188
Department of Labor	114	-------	−114	114	-------	−114
Other independent offices:						
Civil Service Commission	114	-------	−114	114	-------	−114
Railroad Retirement Board	114	-------	−114	114	-------	−114
Total 654	530	-------	−530	530	-------	−530
655 Economic opportunity programs:						
Funds appropriated to the President	22	14	4	24	17	3
Total, health, labor, and welfare	570	18	−538	572	21	−538
700 EDUCATION						
701 Elementary and secondary education:						
Department of Health, Education, and Welfare	−1	1	1	−2	*	1
702 Higher education:						
Department of Health, Education, and Welfare	301	102	101	83	67	79
Department of Housing and Urban Development	600	1,900	585	364	316	255
Total 702	901	2,002	686	447	383	334
Total, education	901	2,002	687	445	384	335
800 VETERANS BENEFITS AND SERVICES						
803 Veterans readjustment benefits:						
Department of Housing and Urban Development	-------	-------	-------	43	-------	−58
Veterans Administration	371	496	396	271	312	363
Total 803	371	496	396	313	312	305
805 Other veterans benefits and services:						
Veterans Administration	219	58	−94	219	58	−94
Total, veterans benefits and services	590	555	302	532	370	211
900 GENERAL GOVERNMENT						
904 Central fiscal operations:						
Treasury Department	−*	−*	−*	−*	−*	−*
905 General property and records management:						
General Services Administration	−3	−46	−41	−3	−46	−41

*Less than $500 thousand.

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Table 13. **BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued**

Description	BUDGET AUTHORITY			OUTLAYS		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
LOAN AUTHORITY AND NET LENDING—Continued						
910 Other general government:						
Department of Defense—Civil				*	*	
Department of the Interior	*	4	6	5	5	4
Total 910	*	4	6	5	6	5
Total, general government	−3	−42	−36	2	−40	−37
Total, loan authority and net lending	10,618	7,174	4,618	5,176	5,779	3,265
Total, budget authority and outlays	182,562	186,499	201,723	158,414	175,635	186,062

*Less than $500 thousand.

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PART 5

THE FEDERAL PROGRAM BY AGENCY

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EXPLANATION OF MEANS OF FUNDING AGENCY ACTIVITIES

TYPES OF FUNDS

Agency activities are financed through Federal (Government-owned) funds and through trust funds.

The *Federal* funds are of four types. The *general* fund is credited with receipts not earmarked by law, and is charged with payments from such revenues and from general borrowing. *Special* funds account for Federal receipts earmarked for specific purposes, other than carrying out a cycle of operations. *Public enterprise* (revolving) funds finance a cycle of operations in which expenditures generate receipts primarily from the public. *Intragovernmental revolving and management* funds facilitate financing operations within and between Government agencies.

Trust funds are established to account for receipts which are held in a fiduciary capacity by the Government for use in carrying out specific purposes and programs. Within the category of trust funds there is a special subcategory of *trust revolving* funds which carry on a cycle of business-type operations.

BUDGET AUTHORITY AND OBLIGATIONS

Budget authority.—Government agencies are permitted to enter into obligations, requiring either immediate or future payment of money, only when they have been granted authority to do so by law. The amounts thus authorized by Congress are called *budget authority*. Such authority is related to the *obligations* expected to be incurred during the year for most accounts. In some cases, especially construction, research, and procurement, budget authority is requested and granted to finance the full cost of each project at the time it is started.

Budget authority is divided administratively between *new obligational authority* (NOA), which pertains to the expenditure account, and *loan authority* (LA), which pertains to the loan account (see pp. 48 and 49 for the distinction between the loan and expenditure accounts).

Budget authority (both NOA and LA) usually takes the form of *appropriations* which permit obligations to be incurred and payments to be made. Some is in the form of *contract authorizations* which permit obligations, but require an appropriation "to liquidate" in order to permit payment of the obligations. When budget authority (NOA or

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LA) is made available by Congress for a specific period of time, any part which is not used for obligations during that period expires, and thus cannot be used later. However, *reappropriations* and *reauthorizations* are congressional actions to continue availability of unused balances which would otherwise expire. There are also *authorizations to spend debt receipts;* such budget authority permits the use of borrowed money to incur obligations and make payments. Where such authority pertains to use of Treasury borrowing, it is an authorization to spend from *public* debt receipts; authority to borrow directly from private enterprise or from a trust fund is called an authorization to spend from *agency* debt receipts.

Most authority to obligate funds is granted year by year (*current authorizations*). Under certain laws, some budget authority in Federal funds and most budget authority in the trust funds becomes available from time to time without further action by Congress (*permanent authorizations*).

The amount of budget authority is usually named specifically in the act of Congress which makes it available (*definite authorizations*). In a few cases the amount is left indefinite to be determined by subsequent circumstances (*indefinite authorizations*); an example is the appropriation for interest on the public debt.

Most appropriations for current operations are made available for obligation only within the year (*1-year appropriations*). Some are for a specified longer period (*multiple-year appropriations*). Some, including most of those for construction, some for research, and nearly all trust fund appropriations are made available by Congress until expended (*no-year appropriations*), and remain available for obligation until the objectives have been completed.

Obligations incurred.—Following the enactment of NOA or LA, obligations are incurred by Government agencies. Such obligations include the currently accruing liabilities for salaries and wages, certain contractual services, and interest; entering into contracts for equipment, construction, and land; entering into contracts to make loans; and other commitments requiring the payment of money.

Obligations incurred, net.—Obligations incurred are summarized in Part 2 on a net basis; that is, total obligations incurred less recoveries of prior obligations, receipts of revolving and management funds, and reimbursements to appropriations.

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OUTLAYS AND BALANCES

Outlays.—Obligations generally are liquidated by the issuance of checks or the disbursement of cash. In some cases, in lieu of using checks, obligations are liquidated by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding). Retirement of debt and purchase of the Government's own securities are not counted as outlays (or as obligations incurred).

Outlays during any fiscal year may be payments of obligations incurred in prior years or in the same year. Such outlays therefore flow in part from balances of prior year budget authority and in part from authority provided for the year in which the money is spent.

For three types of funds—public enterprise, intragovernmental, and trust revolving funds—outlays are stated net of *receipts*. Some incidental sums received are accounted for as *reimbursements* to appropriations, and netted against outlays. Moneys received from the issuance of debt instruments or the sale of the Government's own securities are not counted as receipts or netted against outlays.

Budget outlays in the loan account, net of writeoffs and after offsets for repayments, are defined as *net lending*. All remaining budget outlays, which relate to the expenditure account, are called *expenditures*.

Balances.—Not all of the obligational authority enacted for a fiscal year is paid out in the same year. In the case of salaries and wages, only 1 to 3 weeks elapse between the time of obligation and the time of payment. On the other hand, in the case of major procurement and construction, up to several years may elapse. Amounts which have been obligated are always carried forward until the subsequent payment of such obligations is made.

In addition to the *obligated balances*, *unobligated balances* may also be carried forward in multiple-year or no-year accounts which are still available for obligation. Therefore, a change in the amount of budget authority for a given year does not necessarily change either the obligations incurred or the budget outlays in that same year by an equal amount. A change in budget authority in any one year may have an effect on obligations for 2 or more years, and may affect budget outlays for even a longer period.

SUPPLEMENTAL ESTIMATES FOR 1968 AND 1969

Data for 1968.—Congress has already acted on appropriations and other budget authority for fiscal year 1968, but additional supplemental amounts are estimated to be required in certain cases. Where the word "enacted" is used in the budget in reference to 1968, as in Table 5, the amounts represent budget authority already voted by Congress, unless otherwise indicated. These include amounts likely

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to be available in the case of indefinite appropriations. Where the word "estimate" is used, the amounts include needed supplementals as well as budget authority which has been enacted. Certain standard footnotes are used in the following Table 14 to distinguish the status of proposed items for 1968 in this part of the budget. NOA and LA are separately identified for each supplemental item. Expenditures and net lending are shown separately for each supplemental item except those for military and civilian (including wage board) pay increases. Pay increase expenditures are identified in a memorandum entry pertaining to the agency totals, but are merged with expenditures from amounts already enacted in the individual lines.

Data for 1969.—This budget is complete as to the estimates for 1969. The Appendix generally includes the proposed appropriation language for the various items identified in the budget. However, in some instances—mainly in cases of proposed new legislation—estimates are included in the budget, but formal transmittal of the proposed text of the appropriation language (or other proposal) will be made separately. In certain tables, these items for separate transmittal and related expenditures (or net lending) are identified in separate columns, or by special footnotes, as in the following table. Where there is no separate identification, the estimate for 1969 includes both the amounts proposed herein and the amounts proposed for separate transmittal.

Special allowances.—Lump-sum allowances are included in the totals of the Budget Summary (Table 1) to cover possible additional supplemental proposals which may be required for 1968 and 1969. The need for such supplementals may arise from requirements not now foreseen for existing programs, or from the enactment of legislation not specifically provided for in the budgets of the agencies concerned. A lump-sum allowance is also included to cover the estimated cost of statutory pay increases to become effective in July 1968 under provisions of Section 212 of Public Law 90–206. These increases cannot be reflected in the various account schedules since the applicable rates have not been determined. In establishing these rates, the law requires that consideration be given to the Bureau of Labor Statistics survey of compensation practices in private enterprise in 1967, the results of which are not yet available.

SPECIAL DEDUCTIONS

Special deductions are made from agency and functional totals, as explained on pages 49 and 50, for interfund and intragovernmental receipts, and for proprietary receipts from the public.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)

This tabulation shows, for each appropriation and fund account, information on new obligational authority (NOA), loan authority (LA), expenditures (Exp.), and net lending (NL) Explanatory sentences relate primarily to NOA or LA, and usually to increases or decreases for 1969. Functional code numbers are cross references to the lines in table 13 (pp. 174–189) where the figures are summarized. The NOA in this tabulation takes account of certain transfers between appropriations. Congressional action in the appropriation process occasionally is in the form of a limitation on the use of a trust fund or other fund, or an appropriation to liquidate contract authorizations; such items which do not involve NOA or LA are also included here in parentheses, but not added into the totals. NOA and LA items are current authorizations except where otherwise indicated. Smaller trust funds are grouped. Types of funds are explained on page 192; the deduct entries at the end of each chapter of this table are explained on pages 49 and 50.

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH						
Federal Funds						
SENATE						
General and special funds:						
Compensation of the Vice President and Senators 901	NOA	3,299	3,299 D 1	3,303	3	(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
	Exp.	3,290				
Mileage of President of the Senate and of Senators 901	NOA	58	58	58	----------	
	Exp.	50				
Expense allowances of the Vice President and majority and minority leaders 901	NOA	16	16	16	----------	
	Exp.	16				
Salaries, officers and employees 901	NOA	26,170	29,732 D 995	31,180	453	
	Exp.	24,607				
Office of the Legislative Counsel of the Senate 901	NOA	327	328 D 11	342	3	
	Exp.	316				

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Contingent expenses of the Senate:					
Senate policy committees---901	NOA	420	423 D 13	440	4
	Exp.	282			
Automobiles and maintenance 901	NOA	45	45 D 1	49	3
	Exp.	42			
Furniture----------901	NOA	31	31	31	----------
From 1967 NOA----------	Exp.	20			
From 1966 NOA----------	Exp.	15			
Inquiries and investigations-901	NOA	5,568	5,623 D 175	5,857	59
	Exp.	5,473			
Folding documents-------901	NOA	42	50 D 1	44	−7
	Exp.	41			
Mail transportation------901	NOA	17	17	17	----------
	Exp.	14			
Miscellaneous items------901	NOA	3,916	4,088 D 38	4,164	38
	Exp.	3,654			
Postage stamps----------901	NOA	91	100	109	9
	Exp.	87			
Stationery (revolving fund)-901	NOA	316	316	316	----------
	Exp.	290			
Communications----------901	NOA	15	15	15	----------
	Exp.	13			
Senate restaurant fund-----901	Exp.	−36			

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Federal Funds—Continued						
SENATE—Continued						
General and special funds—Continued						
Contingent expenses of the Senate—Con.						
Recording studio revolving fund 901	Exp.	−113				
Total, Senate	NOA	**40,330**	**45,376**	**45,941**	**565**	
	Exp.	38,060	43,200	43,600	400	
HOUSE OF REPRESENTATIVES						
Compensation of Members 901	NOA	**14,149**	**14,161**	**14,161**	----------	
	Exp.	14,093				
Mileage of Members and expense allowance of the Speaker 901	NOA	**200**	**200**	**200**	----------	
	Exp.	196				
Salaries, officers and employees 901	NOA	**12,147**	**12,774** **D517**	**14,473**	**1,182**	
	Exp.	11,531				
Members' clerk hire 901	NOA	**35,500**	**35,500** **D1,218**	**38,142**	**1,424**	
	Exp.	34,797				
Contingent expenses of the House:						
Furniture 901	NOA	**2,185**	**250**	**250**	----------	
	Exp.	118				

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Miscellaneous items 901	NOA	6,738	6,900	8,966	2,066
	Exp.	6,089			
Reporting hearings 901	NOA	223	223	223	----------
	Exp.	157			
Special and select committees 901	NOA	4,690	4,690 [D] 132	4,866	44
	Exp.	4,248			
Office of the Coordinator of Information 901	NOA	145	35	----------	−35
	Exp.	138			
Telegraph and telephone 901	NOA	3,330	4,032	4,032	----------
	Exp.	2,884			
Stationery (revolving fund) 901	NOA	1,570	1,308	1,308	----------
	Exp.	1,488			
Postage stamps 901	NOA	229	229	320	91
	Exp.	226			
Revision of laws 901	NOA	28	28	29	1
	Exp.	30			
Speaker's automobile 901	NOA	13	13	14	1
	Exp.	12			
Majority leader's automobile 901	NOA	13	13	14	1
	Exp.	12			
Minority leader's automobile 901	NOA	13	13	14	1
	Exp.	13			
New edition of the United States Code 901	NOA	150	----------	----------	----------
	Exp.	44			

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Federal Funds—Continued						
HOUSE OF REPRESENTATIVES—Con.						
General and special funds—Continued						
Contingent expenses of the House—Con.						
New edition of the District of Columbia Code 901	NOA	100	----------	75	75	
	Exp.	50				
Payments to widows and heirs of deceased Members of Congress 901	NOA	30	30	----------	−30	
	Exp.	30				
House of Representatives restaurant fund 901	Exp.	−107				
Recording studio revolving fund 901	Exp.	−30				
Advances and reimbursements 901	Exp.	−14				
Total, House of Representatives.	NOA	81,452	82,266	87,087	4,821	
	Exp.	76,006	79,860	86,517	6,657	
JOINT ITEMS						
Statements of appropriations 901	NOA	13	13	13	----------	
	Exp.	13				

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Joint Committee on Reduction of Nonessential Federal Expenditures 901	NOA	38	38 D 1	41	2
	Exp.	37			
Joint Economic Committee 901	NOA	383	402 D 12	417	3
	Exp.	319			
Joint Committee on Atomic Energy 901	NOA	367	367 D 10	381	4
	Exp.	297			
Joint Committee on Printing 901	NOA	161	190 D 6	198	2
	Exp.	149			
Joint Committee on Internal Revenue Taxation 901	NOA	471	480 D 16	532	36
	Exp.	444			
Joint Committee on Defense Production 901	NOA	85	87 D 3	91	1
	Exp.	78			
Joint Committee on Immigration and Naturalization Policy 901	NOA	25	----------	----------	----------
	Exp.	12			
Attending physician's office 901	NOA	30	130	56	−74
	Exp.	27			
Capitol Police:					
General expenses 901	NOA	118	97	103	6
	Exp.	105			
Capitol Police Board 901	NOA	880	880	951	71
	Exp.	607			
Education of pages 901	NOA	93	94	95	1
	Exp.	95			

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Federal Funds—Continued						
JOINT ITEMS—Continued						
General and special funds—Continued						
Official mail costs 901	NOA	7,248	8,534	9,787	1,253	
	Exp.	7,248				
Total, joint items	NOA	9,913	11,360	12,665	1,305	
	Exp.	9,433	10,248	12,200	1,952	
ARCHITECT OF THE CAPITOL						
Salaries 901	NOA	660	678 C 1 D 26	744	39	Increase covers 2 additional positions and salary increases.
	Exp.	638	702	746	44	
Contingent expenses 901	NOA	50	50	50	----------	This item is for unforeseen expenses.
	Exp.	19	48	50	2	
Capitol buildings and grounds:						
Capitol buildings 901	NOA	1,887	1,677 C 32	2,010	301	Increase mainly for a nonrecurring item for construction of rooms in light shaft, Senate Wing of Capitol.
	Exp.	1,817	1,892	2,011	119	
Capitol grounds 901	NOA	703	721 C 20	767	−9	Decrease due to completion of a nonrecurring item for additions to water supply system for the Capitol.
Reappropriation	NOA	----------	35			
	Exp.	662	773	769	−4	

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Extension of the Capitol 901	NOA		135		−135	
	Exp.	212	239		−239	
Senate office buildings 901	NOA	2,586	3,436 [C] 58	2,902	−592	Decrease due to completion of nonrecurring items for installation of 3 new passenger elevators and remodeling work in New Senate Office Building.
	Exp.	2,677	3,496	3,210	−286	
Senate garage 901	NOA	59	59 [C] 2	62	1	Estimate provides for maintenance, repairs, personnel, and all other necessary expenses.
	Exp.	59	62	62		
House office buildings 901	NOA	4,079	4,481 [C] 124	4,846	241	Increase results from wage-board and Classification Act changes.
	Exp.	3,929	4,635	4,852	217	
Acquisition of property, construction, and equipment, additional House Office Building:						
Contract authorization (permanent, indefinite) 901	NOA		783		−783	
Liquidation of contract authorization.				(6,975)	(6,975)	
	Exp.	6,941	5,857	3,583	−2,274	
Capitol Power Plant 901	NOA	2,788	2,842 [C] 20	2,927	65	Increase mainly to cover higher electrical energy and fuel costs.
Reappropriation	NOA	25				
	Exp.	2,686	2,857	2,929	72	
Expansion of facilities, Capitol Power Plant:						
Liquidation of contract authorization 901			(115)		(−115)	
	Exp.	284	864	322	−542	
Changes and improvements, Capitol Power Plant 901	Exp.	4	15		−15	
Additional office building for the U.S. Senate 901	Exp.	9	21		−21	

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Federal Funds—Continued						
ARCHITECT OF THE CAPITOL—Con.						
General and special funds—Continued						
Furniture and furnishings, additional Senate Office Building 901	Exp.	24	16	----------	−16	
Planning for restoration of Old Senate Chamber and Old Supreme Court Chamber in the Capitol 901	Exp.	----------	1	----------	−1	
Library building and grounds:						
Structural and mechanical care 901	NOA	1,412	997	985	−34	Decrease due to completion of nonrecurring item for modernization of bookstack elevators, Annex.
			c 22			
Reappropriation	NOA	127	----------			
	Exp.	1,458	2,286	2,172	−114	
Furniture and furnishings 901	NOA	325	350	382	32	
	Exp.	264	410	375	−35	
Library of Congress, James Madison Memorial Building 901	NOA	----------	----------	2,800	2,800	
	Exp.	336	164	2,800	2,636	
Total, Architect of the Capitol	NOA	14,701	16,549	18,475	1,926	
	Exp.	22,017	24,338	23,881	−457	

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BOTANIC GARDEN						
Salaries and expenses 901	NOA	513	584 [C] 13	568	−29	Decrease due to completion of a nonrecurring item for repairs, replacements, and improvements to electrical systems, main conservatory, office building, and Bartholdi display fountain.
	Exp.	502	605	570	−35	
Relocation of greenhouses 901	Exp.	2				
Total, Botanic Garden	NOA	513	597	568	−29	
	Exp.	503	605	570	−35	
LIBRARY OF CONGRESS						
Salaries and expenses 704	NOA	13,524	15,892 [C] 25 [D] 397	17,545	1,231	Increase due to inclusion of funding for activities previously carried under Preservation of motion pictures and Books for the general collection. Also provides for increased activity in organization of collections, and in reader and reference services.
	Exp.	12,898	15,873	17,383	1,510	
Copyright Office: Salaries and expenses 704	NOA	2,329	2,452 [D] 81	2,978	445	Provides for increased workload in most activities of the office.
	Exp.	2,286	2,539	2,892	353	
Legislative Reference Service: Salaries and expenses 704	NOA	3,010	3,239 [D] 110	3,675	326	Continues to provide research and analysis, preparation of indexes and digests, and other reader and reference services.
	Exp.	2,943	3,374	3,652	278	
Distribution of catalog cards: Salaries and expenses 704	NOA	4,649	6,423 [D] 121	7,338	794	Continued increase in sales activity is expected. Costs are generally recovered from sales income.
	Exp.	4,598	6,215	7,176	961	
Books for the general collection 704	NOA	800	590	765	175	Covers increase in purchase of books.
	Exp.	804	627	765	138	
Books for the law library 704	NOA	125	125	125		Objective will be to continue to improve the Library's coverage of law materials.
	Exp.	130	145	125	−20	
Books for the blind and physically handicapped: Salaries and expenses 704	NOA	4,603	6,085 [D] 15	6,668	568	Includes funds for a national program to provide reading material for the blind and the physically handicapped.
	Exp.	3,090	6,828	6,508	−320	

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Federal Funds—Continued						
LIBRARY OF CONGRESS—Continued						
General and special funds—Continued						
Organizing and microfilming the papers of the Presidents: Salaries and expenses 704	NOA	113	113	----------	−113	Activities previously carried under this title have been transferred to Salaries and expenses, Library of Congress.
	Exp.	115	144	----------	−144	
Preservation of motion pictures: Salaries and expenses 704	NOA	50	----------	----------	----------	(Activities previously carried under this title have been transferred to Salaries and expenses, Library of Congress.)
	Exp.	49	42	----------	−42	
Collection and distribution of library materials (special foreign currency program) 704	NOA	2,268	2,223 [D 6]	2,686	457	Program utilizes excess foreign currencies to acquire and distribute foreign library material.
	Exp.	1,452	2,299	2,686	387	
Indexing and microfilming the Russian Orthodox Greek Catholic Church records in Alaska 704	Exp.	----------	10	----------	−10	
Oliver Wendell Holmes devise fund (permanent, indefinite, special fund) 704	NOA	7	7	7	----------	Activity continues at the same level.
	Exp.	19	21	24	3	
Intragovernmental funds: Advances and reimbursements 704	Exp.	−430	----------	----------	----------	
Total, Library of Congress	NOA	**31,478**	**37,904**	**41,787**	**3,883**	
	Exp.	27,955	38,117	41,211	3,094	

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GOVERNMENT PRINTING OFFICE						
General and special funds:						
Printing and binding 901	NOA	21,500	26,700	31,200	4,500	Appropriation covers all printing, binding, and distribution for the Congress, or as otherwise authorized by law.
	Exp.	20,699	26,695	31,000	4,305	
Office of Superintendent of Documents: Salaries and expenses. 910	NOA	6,425	7,359 [D] 145	8,112	608	Estimate covers increased costs of sales functions, depository library distribution, distribution for other agencies and Congress, and cataloging.
	Exp.	6,023	7,635	8,162	527	
Selection of site and general plans and designs of buildings 910	NOA			2,500	2,500	Provides for acquisition of site and development of plans for a new location in the Washington, D.C., metropolitan area.
	Exp.	−337		2,300	2,300	
Intragovernmental funds:						
Government Printing Office revolving fund 910	NOA	15,000				($15 million of new capital in 1967 tended to offset normally negative expenditure balances. 1969 estimate is a return to a more normal financial situation.)
	Exp.	815	−71	−10,635	−10,564	
Total, Government Printing Office.	NOA	42,925	34,204	41,812	7,608	
	Exp.	27,200	34,259	30,827	−3,432	
GENERAL ACCOUNTING OFFICE						
General and special funds:						
Salaries and expenses 904	NOA	49,340	54,353	57,742	3,389	Provides increases for full year cost of new positions, civilian pay costs, and some extended audit coverage.
	Exp.	48,539	54,077	57,605	3,528	
Subtotal, Federal funds	NOA	270,652	282,609	306,077	23,468	Total Federal funds are distributed as follows:
	Exp.	249,713	284,704	296,411	11,707	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	278,241	280,406		
Transmitted			306,077	296,341
[C]	317	296		21
[D]	4,051	4,002		49

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
LEGISLATIVE BRANCH—Continued						
Trust Funds						
LIBRARY OF CONGRESS						
Gift and trust fund accounts, non-revolving (permanent)_____704	NOA	2,720	2,739	2,739	----------	Income from investments and other gifts and receipts are devoted to advancing work of the Library.
	Exp.	2,302	2,321	2,315	−6	
Library of Congress trust fund principal accounts (permanent)___704	NOA	108	----------	----------	----------	Represents cash gifts deposited with the Treasurer of the United States for specific purposes.
Total, Library of Congress___	NOA	2,828	2,739	2,739	----------	
	Exp.	2,302	2,321	2,315	−6	
GENERAL ACCOUNTING OFFICE						
Proceeds from estates of American citizens who die abroad (permanent)_____904	NOA	1	5	5	----------	Estates are held in trust for legal claimants.
	Exp.	----------	5	5	----------	
Subtotal, trust funds_____	NOA	2,830	2,744	2,744	----------	
	Exp.	2,302	2,326	2,320	−6	
Adjustments						
Interfund and intragovernmental transactions_____900	NOA	*−895*	*−454*	*−454*	----------	
	Exp.					

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Applicable receipts from the public	NOA	*−7,407*	*−8,929*	*−9,779*	*−850*	
700	Exp.					
900	NOA	*−3,722*	*−3,707*	*−3,707*	----------	
	Exp.					
Total, Legislative Branch----	NOA	**261,458**	**272,263**	**294,881**	**22,618**	Totals for the Legislative Branch are distributed as follows:
	Exp.	239,991	273,940	284,791	10,851	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted----	267,895	269,642	---------	---------
Transmitted-	---------	---------	294,881	284,721
(C)-------	317	296	---------	21
(D)-------	4,051	4,002	---------	49

THE JUDICIARY

Federal Funds

SUPREME COURT OF THE UNITED STATES

General and special funds:						
Salaries----------902	NOA	**2,000**	**2,032** D 25	**2,208**	**151**	Increase is for 9 additional positions in the offices of the Justices.
	Exp.	1,964	2,044	2,202	158	
Printing and binding Supreme Court reports----------902	NOA	**138**	**155**	**155**	----------	Estimate covers cost of printing and binding advance opinions, preliminary prints, and reports of the Court.
	Exp.	132	157	155	−2	
Miscellaneous expenses------902	NOA	**120**	**120**	**144**	**24**	Increase covers an additional amount for transcribing tapes of Supreme Court proceedings and for supplies and materials.
	Exp.	133	115	136	21	
Care of building and grounds--902	NOA	**324**	**328** C 7	**384**	**49**	Estimate is primarily for converting an elevator to automatic operation and an increase in the Maintenance, air-conditioning system allotment.
	Exp.	316	339	374	35	

C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
THE JUDICIARY—Continued						
Federal Funds—Continued						
SUPREME COURT OF THE UNITED STATES—Continued						
General and special funds—Continued						
Automobile for the Chief Justice 902	NOA	9	9	10	1	Estimate provides for the purchase, exchange or lease, driving, maintenance, and operation of an automobile for the Chief Justice.
	Exp.	9	9	10	1	
Books for the Supreme Court 902	NOA	38	40	40	----------	Estimate covers books and periodicals.
	Exp.	35	41	40	−1	
Total, Supreme Court of the United States.	NOA	2,629	2,715	2,941	226	
	Exp.	2,589	2,705	2,917	212	
COURT OF CUSTOMS AND PATENT APPEALS						
Salaries and expenses 902	NOA	471	483 D 7	505	15	Estimate provides for salary increase, within-grade salary advancements, cost of an extra-compensable day, and an increase in the volume and cost of printing required by the Court.
	Exp.	432	480	504	24	
CUSTOMS COURT						
Salaries and expenses 902	NOA	1,265	1,480 D 38	1,647	129	Estimate provides for salary increase, 3 additional positions, within-grade salary advancements, cost of an extra-compensable day, and increased miscellaneous expenses of the Court.
	Exp.	1,246	1,501	1,638	137	

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COURT OF CLAIMS						
Salaries and expenses 902	NOA	1,440	1,500 D 45	1,595	50	Provision has been made for salary increase, within-grade salary advancements, and the cost of an extra-compensable day.
	Exp.	1,413	1,536	1,591	55	
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES						
Salaries of judges 902	NOA	15,857	16,300 D 10	16,795	485	Estimate provides for an increase in the number of senior judges and a reduction in judgeship vacancies.
	Exp.	15,584	16,256	16,755	499	
Salaries of supporting personnel 902	NOA	38,290	40,490 D 905	44,460	3,065	Provisions have been made for 183 additional positions for the courts of appeals and district courts, salary increase, within-grade salary advancements, and the cost of an extra-compensable day.
	Exp.	37,604	41,244	44,330	3,086	
Fees and expenses of court-appointed counsel 902	NOA	3,000	3,150	3,150	----------	Estimate is for representation of criminal defendants who are financially unable to provide for an adequate defense.
	Exp.	2,299	3,150	3,150	----------	
Fees of jurors and commissioners 902	NOA	7,700	7,800	7,900	100	To cover an anticipated increase in petit jury trials by reason of the activities of new district judges.
	Exp.	7,461	7,783	7,892	109	
Travel and miscellaneous expenses 902	NOA	6,000	6,113	6,488	375	To cover expenses relating to new personnel and increases in postage, copywork, and lawbooks.
	Exp.	5,394	6,065	6,429	364	
Administrative Office of the U.S. Courts 902	NOA	1,950	2,074 D 35	2,321	212	Includes funds to institute a program for compiling data on Federal offenders after discharge and for coping with an increased workload.
	Exp.	1,812	2,094	2,306	212	
Salaries of referees (special fund) 902	NOA	4,318	4,514	4,588	74	Provisions have been made for 2 additional full-time referees, conversion of 2 referees from part- to full-time status, and some salary adjustments.
	Exp.	4,308	4,497	4,583	86	

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
THE JUDICIARY—Continued						
Federal Funds—Continued						
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued						
General and special funds—Continued						
Expenses of referees (special fund) 902	NOA	6,930	7,360 [D]60	8,617	1,197	Increase provides for 97 additional full-time clerical positions for referees' offices, conversion of 15 part-time clerks to full-time status, and conversion of 43 temporary clerks to permanent status. Provisions also have been made for salary increase, within-grade promotions, an extra-compensable day, and increased postage.
	Exp.	6,957	7,360	8,471	1,111	
Federal judicial center 902	NOA	----------	[A]83	[A]538	455	To implement the provision of the act of Dec. 20, 1967, Public Law 90–219, which established the center.
	Exp.	----------	[A]75	[A]500	425	
Total, courts of appeals, district courts, and other judicial services.	NOA	84,046	88,894	94,857	5,963	
	Exp.	81,419	88,524	94,416	5,892	
Subtotal, Federal funds	NOA	89,851	95,162	101,545	6,383	Total Federal funds are distributed as follows:
	Exp.	87,098	94,746	101,066	6,320	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	93,947	93,598	---	---
Transmitted	---	---	101,007	100,507
([A])	83	75	538	500
([C])	7	7	---	---
([D])	1,125	1,066	---	59

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Trust Funds						
Judicial survivors' annuity fund (permanent)-----654	NOA	1,012	1,065	1,095	30	Pays annuities to dependents of deceased judges, refunds to former judges, and claims of survivors in certain cases.
	Exp.	540	570	600	30	
Adjustments						
Applicable receipts from the public 900	NOA	−68	−81	−81	-----	
	Exp.					
Total, The Judiciary-----	NOA	90,795	96,146	102,559	6,413	Totals for The Judiciary are distributed as follows:
	Exp.	87,570	95,235	101,585	6,350	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted----	94,931	94,087	-----	-----
Transmitted-	-----	-----	102,021	101,026
(A)-----	83	75	538	500
(C)-----	7	7	-----	-----
(D)-----	1,125	1,066	-----	59

EXECUTIVE OFFICE OF THE PRESIDENT

Federal Funds						
COMPENSATION OF THE PRESIDENT						
General and special funds:						
Compensation of the President-903	NOA	150	150	150	-----	The President receives a salary of $100 thousand and an expense allowance of $50 thousand annually.
	Exp.	150	150	150	-----	
THE WHITE HOUSE OFFICE						
Salaries and expenses-----903	NOA	2,955	3,009	3,229	220	This office provides the President with staff assistance and administrative services.
	Exp.	2,779	2,915	3,224	309	

A Prop osed for separate transmittal under existing legislation, other than pay supplemental.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
Federal Funds—Continued						
SPECIAL PROJECTS						
General and special funds—Continued						
Special projects 903	NOA	1,500	1,500	1,500	----------	The President uses this appropriation for staff assistance on special problems.
	Exp.	742	1,350	1,500	150	
EXECUTIVE MANSION						
Operating expenses 903	NOA	692	708	740	32	These funds provide for care, maintenance, and operation of the Executive Mansion.
	Exp.	710	702	740	38	
Extraordinary expenses 903	NOA	----------	----------	83	83	These additional funds will provide for extraordinary refurbishing of the Executive Mansion.
	Exp.	----------	----------	83	83	
Total, Executive Mansion	NOA	692	708	823	115	
	Exp.	710	702	823	121	
BUREAU OF THE BUDGET						
Salaries and expenses 903	NOA	8,913	9,500	10,310	810	The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities. Increase includes 9 additional positions.
	Exp.	8,721	9,352	10,297	945	
Intragovernmental funds:						
Advances and reimbursements 903	Exp.	342	----------	----------	----------	
Total, Bureau of the Budget	NOA	8,913	9,500	10,310	810	
	Exp.	9,063	9,352	10,297	945	

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COUNCIL OF ECONOMIC ADVISERS						
General and special funds:						
Salaries and expenses 903	NOA	790	858	886	28	The Council advises the President on economic policies and programs.
	Exp.	742	861	882	21	
Intragovernmental funds:						
Advances and reimbursements 903	Exp.	−10	1		−1	
Total, Council of Economic Advisers.	NOA	790	858	886	28	
	Exp.	731	862	882	20	
NATIONAL AERONAUTICS AND SPACE COUNCIL						
General and special funds:						
Salaries and expenses 903	NOA	525	524	524		The Council advises and assists the President on policies, plans, and programs in aeronautical and space sciences.
	Exp.	516	510	520	10	
NATIONAL COUNCIL ON MARINE RESOURCES AND ENGINEERING DEVELOPMENT, AND COMMISSION ON MARINE SCIENCE, ENGINEERING, AND RESOURCES						
Salaries and expenses 903	NOA	1,100	1,300	1,375	75	Increase primarily reflects additional planning for ocean exploration.
	Exp.	412	1,655	1,662	7	
Intragovernmental funds:						
Advances and reimbursements 903	Exp.	−1				
Total, National Council on Marine Resources and Engineering Development, and Commission on Marine Science, Engineering, and Resources.	NOA	1,100	1,300	1,375	75	
	Exp.	411	1,655	1,662	7	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
Federal Funds—Continued						
NATIONAL SECURITY COUNCIL						
General and special funds:						
Salaries and expenses 903	NOA	664	664	664	----------	The Council advises the President on national security matters.
	Exp.	601	648	650	2	
OFFICE OF EMERGENCY PLANNING						
Salaries and expenses 903	NOA	4,670	4,700 D 15	5,043	328	This Office advises and assists the President in planning, directing, and coordinating the nonmilitary defense program; in alleviating the effects of disasters; and in determining policy and goals relating to the stockpiling of strategic and critical materials.
	Exp.	4,827	4,873	5,078	205	
Salaries and expenses, telecommunications 903	NOA	1,582	1,945 D −15	1,986	56	The Director of Telecommunications Management advises and assists the President in coordinating telecommunications activities.
	Exp.	1,407	1,971	1,960	−11	
Civil defense and defense mobilization functions of Federal agencies 059	NOA	4,000	3,000 D 102	3,135	33	Covers emergency planning done by other agencies under direct guidance from Office of Emergency Planning.
	Exp.	3,931	3,287	3,009	−278	

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State and local preparedness and research and development:						
(Defense-related activities) 059	Exp.	406	332	26	−306	(Previously appropriated funds assist States to develop programs for emergency management of their resources.)
(Executive direction and management) 903	Exp.	56	3		−3	
Total, Office of Emergency Planning.	NOA	10,252	9,747	10,164	417	Totals for the Office are distributed as follows:
	Exp.	10,628	10,466	10,073	−393	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	9,645	10,369		
Transmitted			10,164	10,068
(D)	102	97		5

OFFICE OF SCIENCE AND TECHNOLOGY						
Salaries and expenses 903	NOA	1,200	1,550	1,985	435	Increase primarily reflects emphasis on environmental quality and scientific and technical information.
	Exp.	1,102	1,553	1,970	417	
Energy study 903	NOA			500	500	OST will contract for a study of energy resources and policy.
	Exp.			350	350	
Total, Office of Science and Technology.	NOA	1,200	1,550	2,485	935	
	Exp.	1,102	1,553	2,320	767	
PRESIDENT'S COMMISSION ON POSTAL ORGANIZATION						
Salaries and expenses 903	NOA		1,000		−1,000	The Commission was established by Executive Order 11341, dated Apr. 8, 1967, and will complete its work in 1968.
	Exp.		1,000		−1,000	
Intragovernmental funds:						
Advances and reimbursements 903	Exp.	−22	7		−7	
Total, President's Commission on Postal Organization.	NOA		1,000		−1,000	
	Exp.	−22	1,007		−1,007	

(D) Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
Federal Funds—Continued						
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS						
General and special funds:						
Salaries and expenses 903	NOA	566	490 D 11	742	241	Increase is for a long-range study of U.S. trade policy and a special study on the impact of foreign trade on U.S. employment.
	Exp.	534	533	723	190	
Total, Special Representative for Trade Negotiations.	NOA	566	501	742	241	Totals for this office are distributed as follows:
	Exp.	534	533	723	190	
MISCELLANEOUS						
Intragovernmental funds:						
Advances and reimbursements:						
Inter-Agency Committee on Mexican-American Affairs 903	Exp.	−9	9	----------	−9	(Conference on problems of Mexican-Americans was held on Nov. 26–28, 1967.)
National Advisory Commission on Rural Poverty 903	Exp.	−164	162	----------	−162	(The Commission submitted its final report and was terminated in December 1967.)
President's Commission on Budget Concepts 903	Exp.	−8	8	----------	−8	(The Commission completed a review of budgetary presentation and recommended changes to the President on Oct. 10, 1967.)

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	490	523	----------	----------
Transmitted	----------	----------	742	722
(D)	11	10	----------	1

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President's Committee on Equal Opportunity in Housing--903	Exp.	−53				(This Committee, financed by contributions from participating agencies, assists in the implementation of Executive Order 11063 relating to equal opportunity in housing owned or assisted by the Federal Government.)
President's Council on Youth Opportunity----------903	Exp.	−57				(Activities are financed by participating agencies.)
White House Conference on Civil Rights----------903	Exp.	108	28		−28	(Conference was held June 1 and 2, 1966.)
Miscellaneous expired accounts 903	Exp.	6				
Total, miscellaneous-------	Exp.	−178	207		−207	
Total, Executive Office of the President.	NOA	29,307	31,011	32,852	1,841	Totals for the Executive Office of the President are distributed as follows:
	Exp.	27,767	31,910	32,824	914	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted------	30,898	31,803	---------	---------
Transmitted--	---------	---------	32,852	32,818
(D)---------	113	107	---------	6

FUNDS APPROPRIATED TO THE PRESIDENT

Federal Funds

ALASKA PROGRAMS

General and special funds:						
Mortgage indemnity and transitional grants:						
(Aids to private housing)--551	NOA	2,600				In 1967, matching grants were made to Alaska to retire or adjust mortgages or other liens on homes destroyed or severely damaged in the March 1964 earthquake.
	Exp.	2,600				
(Other general government) 910	Exp.	1				

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Federal Funds—Continued						
APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS						
General and special funds—Continued						
Appalachian regional development programs 507	NOA	----------	**126,700**	**213,600**	**86,900**	Increase is primarily for a development highway system and demonstration health activities in the 13 Appalachian States.
	Exp.	----------	143,300	235,750	92,450	
DISASTER RELIEF						
Disaster relief 659	NOA	**24,550**	**20,000** [A] **10,000**	**15,000**	**−15,000**	Supplemental in 1968 will finance eligible disaster relief work in States where Presidential declarations have been made. Funds are requested for additional disasters that may occur.
	Exp.	53,472	39,427 [A] 6,000	31,804 [A] 4,000	−9,623	
Total, Federal funds	NOA	**24,550**	**30,000**	**15,000**	**−15,000**	
	Exp.	53,472	45,427	35,804	−9,623	
Adjustments						
Applicable receipts from the public 850	NOA	*−12*	----------	----------	----------	
	Exp.					
Total, disaster relief	NOA	**24,538**	**30,000**	**15,000**	**−15,000**	Totals for disaster relief are distributed as follows:
	Exp.	53,460	45,427	35,804	−9,623	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	20,000	39,427	----------	----------
Transmitted	----------	----------	15,000	31,804
(A)	10,000	6,000	----------	4,000

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Federal Funds

EMERGENCY FUND FOR THE PRESIDENT						
General and special funds:						
Emergency fund for the President	NOA	**1,000**	**1,000**	**1,000**	----------	This appropriation enables the President to provide for emergencies affecting the national interest, security, or defense.
903	Exp.	254	1,046	1,000	−46	
EXPANSION OF DEFENSE PRODUCTION						
Public enterprise funds:						
Revolving fund, Defense Production Act---------059	Exp.	−101,832	22,102	146,072	123,970	(Increase due to higher interest paid to the Treasury and to $58 million advance payment for copper production expansion.)
	NL	−3,172	−2,641	−2,975	−334	
EXPENSES OF MANAGEMENT IMPROVEMENT						
General and special funds:						
Expenses of management improvement---------903	NOA	**350**	**350**	**350**	----------	This appropriation enables the President to improve management, organization, and operation of the executive branch.
	Exp.	28	550	400	−150	
INTERNATIONAL FINANCIAL INSTITUTIONS						
Investment in Inter-American Development Bank----------152	NOA	**250,000**	**300,000**	**300,000** [B] **205,900**	**205,900**	Funds will provide the 2d of 3 installment contributions to the Fund for Special Operations. Proposed legislation is for a 1st installment on a contribution of $411.8 million to callable capital.
	Exp.	54,000	88,000	120,000	32,000	
Subscription to the International Development Association---152	NOA	**104,000**	**104,000**	[B] **240,000**	**136,000**	Increase is for 1st installment under proposed legislation to authorize the United States to contribute toward replenishment of Association resources.
	Exp.	106,000	125,000	70,000 [B] 10,000	−45,000	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Federal Funds—Continued						
INTERNATIONAL FINANCIAL INSTITUTIONS—Continued						
General and special funds—Continued						
Asian Development Bank----152	NOA	----------	----------	**20,000**	**20,000**	Increase is for the 3d of 5 installment contributions to ordinary capital.
	Exp.	10,000	10,000	10,000	----------	
Total, international financial institutions.	NOA	**354,000**	**404,000**	**765,900**	**361,900**	Totals for international financial institutions are distributed as follows:
	Exp.	170,000	223,000	210,000	−13,000	
MILITARY ASSISTANCE						
Military assistance----------057	NOA	**727,975**	**380,000**	[F] **420,000**	**40,000**	Increase will sustain a higher level of activity in 1969.
	Exp.	903,018	550,000	519,000	−31,000	
Foreign military credit sales--057	NOA	----------	----------	[B] **120,000**	**120,000**	Increase due to financing of this activity by annual appropriation instead of revolving fund.
	Exp.	----------	----------	[B] 6,000	6,000	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted-----	404,000	223,000	----------	----------
Transmitted-	----------	----------	320,000	200,000
(B)--------	----------	----------	445,900	10,000

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Public enterprise funds:						
Foreign military sales fund---057	NOA	53,600	20,000	----------	−20,000	Fund will be terminated on June 30, 1968. Activity will be financed in Foreign military credit sales appropriation.
	Exp.	−30,374	----------	----------	----------	
Subtotal, Federal funds-----	NOA	781,575	400,000	540,000	140,000	Total Federal funds are distributed as follows:
	Exp.	872,644	550,000	525,000	−25,000	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted-----	400,000	550,000	----------	----------
Transmitted-	----------	----------	420,000	519,000
(B)--------	----------	----------	120,000	6,000

Trust Funds

Advances, foreign military sales:						
Contract authorization (permanent)----------057	NOA	1,479,471	1,350,000	1,320,000	−30,000	This program covers cash sales of defense equipment and services to eligible developed countries and international organizations.
Receipts to liquidate contract authorization.		(1,078,035)	(1,150,000)	(1,400,000)	(250,000)	
	Exp.	1,069,952	1,125,000	1,330,000	205,000	

Adjustments

Applicable receipts from the public 050	NOA	*−1,078,035*	*−1,150,000*	*−1,400,000*	*−250,000*
	Exp.				
Total, military assistance----	NOA	1,183,011	600,000	460,000	−140,000
	Exp.	864,561	525,000	455,000	−70,000

Totals for military assistance are distributed as follows:

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted-----	600,000	525,000	----------	----------
Transmitted-	----------	----------	340,000	449,000
(B)--------	----------	----------	120,000	6,000

[B] Proposed for separate transmittal under proposed legislation.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Federal Funds						
ECONOMIC ASSISTANCE						
General and special funds:						
Technical cooperation and development grants 152	NOA	**199,885**	**179,950**	**[F]235,000**	**55,050**	Increase reflects expansion of health, education, and agriculture programs,
	Exp.	220,661	200,000	213,000	13,000	
American schools and hospitals abroad 152	NOA	**10,989**	**11,500**	**[F]15,100**	**3,600**	Increase is largely for 3d phase of medical center construction for the American University of Beirut.
	Exp.	12,426	12,000	12,000	----------	
Surveys of investment opportunities 152	NOA	----------	**1,250**	**[F]3,000**	**1,750**	Greater number of surveys is planned.
	Exp.	260	200	300	100	
International organizations and programs—grants 152	NOA	**140,433**	**130,000**	**[F]142,255**	**12,255**	Estimate provides voluntary contributions to selected international agencies and programs.
	Exp.	112,796	128,000	132,000	4,000	
International organizations and programs—loans 152	NOA	----------	----------	**12,000**	**12,000**	The 1st portion of a $51 million loan previously authorized for Indus Basin development is requested.
	Exp.	----------	----------	10,000	10,000	
Supporting assistance 152	NOA	**684,812**	**600,000**	**[F]595,000**	**−5,000**	Most of the estimate is for stabilization and development aid to Vietnam and other important needs in Southeast Asia. African and Latin American requirements decrease.
	Exp.	587,025	601,800	621,000	19,200	
Contingency fund:						
General 152	NOA	**35,000**	**9,875**	**[F]45,000**	**36,429**	Provides the minimum flexibility needed to meet emergencies and opportunities in the national interest.
			[D]−1,304			
	Exp.	59,144	57,000	52,500	−4,500	
Southeast Asia program 152	Exp.	39,476	8,000	7,500	−500	(Unforeseen needs in Southeast Asia are now met from the general contingency fund.)

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Alliance for Progress: Technical cooperation and development grants 152	NOA	**87,650**	**80,000**	[F] **110,000**	**30,000**	Most of increase is for U.S. contribution to programs worked out by American Presidents at April 1967 summit meeting.
	Exp.	101,019	90,000	96,000	6,000	
Partners of the Alliance 152	NOA		**330**		**−330**	This people-to-people program is included with the Alliance for Progress, Technical cooperation and development grants.
	Exp.		100	200	100	
Social progress trust fund 152	Exp.	63,240	55,000	44,000	−11,000	(The Inter-American Development Bank now has responsibility for this program.)
Administrative expenses:						
Agency for International Development 152	NOA	**61,707**	**55,300** [D] **1,227**	[F] **58,775**	**2,248**	Provides for salary increases.
	Exp.	59,792	58,500	60,000	1,500	
State 152	NOA	**3,315**	**3,255** [D] **77**	**3,870**	**538**	Provides for salary increases.
	Exp.	3,305	4,000	3,800	−200	
Subtotal, grants and other programs.	NOA	**1,223,791**	**1,071,460**	**1,220,000**	**148,540**	
	Exp.	1,259,143	1,214,600	1,252,300	37,700	
Public enterprise funds:						
Loan and guarantee programs:						
Alliance for Progress—development loans 152	NOA	**420,065**	**389,000**	[F] **515,000**	**126,000**	Increase supports Alliance growth targets worked out at American Presidents' April 1967 summit meeting.
	Exp.	409,964	375,000	420,000	45,000	
Development loans—revolving fund 152	NOA	**499,615**	**435,000**	[F] **765,000**	**330,000**	Increase is required for important development needs in the Near East-South Asia and Africa regions.
	Exp.	635,103	600,200	650,000	49,800	
Development loan fund (liquidation account) 152	Exp.	26,591	24,800	20,000	−4,800	(The fund ceased to exist as a corporate entity in 1962 except for liquidation of loan commitments.)
Foreign investment guarantee fund 152	Exp.	−10,157	−10,800	−12,000	−1,200	(Receipts from guarantee fees substantially exceed administrative costs and claims payments. Total guarantees outstanding as of June 30, 1969, will be approximately $7.8 billion.)
Subtotal, loan and guarantee programs.	NOA	**919,680**	**824,000**	**1,280,000**	**456,000**	
	Exp.	1,061,501	989,200	1,078,000	88,800	

[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Federal Funds—Continued						
ECONOMIC ASSISTANCE—Continued						
Intragovernmental funds:						
Advance acquisition of property—revolving fund 152	Exp.	−634	1,224		−1,224	(Revenues are expected to equal expenses.)
Office of the Inspector General of Foreign Assistance 152	Exp.	−15	28	14	−14	(Advances from other appropriations finance continued review of foreign assistance activities.)
Advances and reimbursements 152	Exp.	−5,042	42		−42	
Subtotal, intragovernmental funds.	Exp.	−5,691	1,294	14	−1,280	
Subtotal, Federal funds	NOA	**2,143,471**	**1,895,460**	**2,500,000**	**604,540**	
	Exp.	2,314,952	2,205,094	2,330,314	125,220	
Trust Funds						
Miscellaneous trust funds (permanent) 152	NOA	**2,908**	**2,803**	**2,800**	**−3**	These advances by foreign governments pay for local costs of assistance programs.
	Exp.	3,660	2,977	2,829	−148	
Adjustments						
Applicable receipts from the public 850	NOA Exp.	*−37,184*	*−37,854*	*−39,585*	*−1,731*	
150	NOA Exp.	*−50,821*	*−63,498*	*−69,152*	*−5,654*	
Total, economic assistance	NOA	**2,058,374**	**1,796,911**	**2,394,063**	**597,152**	
	Exp.	2,230,607	2,106,719	2,224,406	117,687	

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Federal Funds						
OFFICE OF ECONOMIC OPPORTUNITY						
General and special funds:						
Economic opportunity program	NOA	**1,663,960**	**1,748,500**	**2,176,500**	**428,000**	Estimate will enable major expansion of the comprehensive employment program, and will provide increases for rural community action, Head Start Follow Through, and emergency food programs.
655	Exp.	1,483,042	1,851,702	1,996,006	144,304	
Public enterprise funds:						
Economic opportunity loan fund	LA	**21,500**	**14,500**	**3,500**	**−11,000**	Lower estimate together with collections on outstanding loans will continue the total dollar level of outstanding loans at about the 1968 level. Approximately 7,500 loans for farm improvements or small nonfarm businesses and 250 loans to rural cooperatives will be made.
655	Exp.	978	1,400	905	−495	
	NL	24,389	16,898	3,089	−13,809	
Subtotal, Federal funds	NOA	**1,663,960**	**1,748,500**	**2,176,500**	**428,000**	
	LA	**21,500**	**14,500**	**3,500**	**−11,000**	
	Exp.	1,484,020	1,853,102	1,996,911	143,809	
	NL	24,389	16,898	3,089	−13,809	
Trust Funds						
Gifts and contributions (permanent)	NOA	**2**	**2**	**2**	----------	These funds are used to help support the war on poverty.
655	Exp.	187	14	2	−12	
Adjustments						
Applicable receipts from the public	NOA	*−131*	*−131*	*−131*	----------	
650	Exp.					
Total, Office of Economic Opportunity.	NOA	**1,663,831**	**1,748,371**	**2,176,371**	**428,000**	
	LA	**21,500**	**14,500**	**3,500**	**−11,000**	
	Exp.	1,484,076	1,852,985	1,996,782	143,797	
	NL	24,389	16,898	3,089	−13,809	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Federal Funds						
PEACE CORPS						
General and special funds:						
Peace Corps 152	NOA	**109,896**	**107,500**	F **112,800**	**5,300**	Increase provides for expansion of volunteer and trainee end-of-year strength from 14,570 in 1968 to 15,200 in 1969.
	Exp.	111,850	107,900	109,500	1,600	
Trust Funds						
Miscellaneous trust funds (permanent) 152	NOA	**595**	**721**	**791**	**70**	Miscellaneous contributed funds are used to further the program.
	Exp.	340	858	805	−53	
Adjustments						
Applicable receipts from the public 150	NOA	*−302*	*−383*	*−383*	----------	
	Exp.					
Total, Peace Corps	NOA	**110,189**	**107,838**	**113,208**	**5,370**	
	Exp.	111,888	108,375	109,922	1,547	
Federal Funds						
PHILIPPINE EDUCATION PROGRAM						
General and special funds:						
Philippine education program 153	Exp.	3,400	15,741	8,992	−6,749	(Funds from Philippine war damage claims will be completely expended in 1969.)

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PUBLIC WORKS ACCELERATION						
Public works acceleration---507	Exp.	21,133	13,053	----------	−13,053	(Projects were approved prior to July 1, 1964, and have been completed.)
SPECIAL FOREIGN CURRENCY ACTIVITIES						
Translation of publications and scientific cooperation---355	Exp.	226	112	----------	−112	(Activity will be included with Agricultural Research Service, Salaries and expenses, special foreign currency program.)
SOUTHEAST HURRICANE DISASTER						
Southeast hurricane disaster---506	NOA	9,000	----------	----------	----------	(Program expired Jan. 1, 1967.)
	Exp.	10,409	4,555	----------	−4,555	
Summary						
Total, Federal funds----------	NOA	**5,090,402**	**4,713,510**	**6,325,150**	**1,611,640**	Total Federal funds are distributed as follows:
	LA	**21,500**	**14,500**	**3,500**	**−11,000**	
	Exp.	4,943,156	5,184,982	5,599,743	414,761	
	NL	21,217	14,257	114	−14,143	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted----	4,703,510	14,500	5,178,982	14,257
(A)----	10,000	----------	6,000	----------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted-	5,759,250	3,500	5,579,743	114
(A)----	----------	----------	4,000	----------
(B)----	565,900	----------	16,000	----------

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
Total, trust funds	NOA	**1,482,976**	**1,353,526**	**1,323,593**	**−29,933**	
	Exp.	1,074,137	1,128,849	1,333,636	204,787	
Adjustments: Applicable receipts from the public 050	NOA	*−1,078,035*	*−1,150,000*	*−1,400,000*	*−250,000*	
	Exp.					
150	NOA	*−51,123*	*−63,881*	*−69,535*	*−5,754*	
	Exp.					
650	NOA	*−131*	*−131*	*−131*	----------	
	Exp.					
850	NOA	*−37,196*	*−37,854*	*−39,585*	*−1,731*	
	Exp.					
Total, funds appropriated to the President.	NOA	**5,406,894**	**4,815,170**	**6,139,492**	**1,324,322**	Total funds appropriated to the President are distributed as follows:
	LA	**21,500**	**14,500**	**3,500**	**−11,000**	
	Exp.	4,850,809	5,061,965	5,424,128	362,163	
	NL	21,217	14,257	114	−14,143	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	4,805,170	14,500	5,055,965	14,257
(A)	10,000	---------	6,000	--------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	5,573,592	3,500	5,404,128	114
(A)	---------	---------	4,000	--------
(B)	565,900	---------	16,000	--------

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Federal Funds

AGRICULTURAL RESEARCH SERVICE

General and special funds:						
Salaries and expenses 355	NOA	208,693	222,819 [A] −31 [D] −3,420	224,921 [B] −1,536	2,017	Increases for staffing new research laboratories, research on cotton, pest control activities, salary costs, and plans, construction, and improvement of facilities are partially offset by phasing out certain other research activities and decreases in the imported fire ant and hog cholera programs, and by the elimination of nonrecurring construction items. Proposed legislation to place certain activities on a self-supporting basis will bring in $1.5 million.
Permanent	NOA	25,000	15,000	15,000		
Reappropriation	NOA	2,000	2,000			
	Exp.	214,383	233,535	247,800 [B] −1,536	12,729	
Salaries and expenses (special foreign currency program) 355	NOA	4,500	8,500	12,700	4,200	Increase expands use of excess foreign currencies for market development, agricultural, and forestry research.
	Exp.	7,242	6,575	8,912	2,337	
Construction of facilities 355	Exp.	436	122	----------	−122	(Construction of Columbia, Mo., facility was completed in May 1967. Minor alterations and construction at several other locations in 1968 should close out this account.)
Animal quarantine station (permanent, indefinite, special fund). 355	NOA	----------	200	327	127	Receipts from sale of old Animal Quarantine Station, Clifton, N.J., will be used for construction of new station. Additional NOA for this purpose is included in account for Salaries and expenses.
	Exp.	----------	180	347	167	
Intragovernmental funds:						
Working capital fund, Agricultural Research Center 355	Exp.	264	----------	----------	----------	(This fund finances, on a reimbursable basis, central facilities and services amounting to $5 million.)
Total, Agricultural Research Service.	NOA	240,193	245,068	251,412	6,344	
	Exp.	222,324	240,412	255,523	15,111	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
COOPERATIVE STATE RESEARCH SERVICE						
General and special funds:						
Payments and expenses 355	NOA	**58,776**	**63,113**	**62,179**	**−934**	Represents a decrease of $1 million in grants for facilities, which is partially offset by increased salary costs.
	Exp.	56,397	59,211	65,063	5,852	
EXTENSION SERVICE						
Cooperative extension work, payments and expenses 355	NOA	**92,799**	**96,602**	**97,629**	**1,027**	Increase provides for salary cost for Federzl employees and for mandatory retirement and compensation fund costs for extension agents. A shift of $3,385 thousand is proposed from formula distribution to distribution under section 8 of the Smith-Lever Act to enable the Extension Service to work intensively with 70,000 low-income families.
	Exp.	92,509	89,900	97,487	7,587	
Intragovernmental funds:						
Advances and reimbursements 355	Exp.	−13	----------	----------	----------	
Total, Extension Service	NOA	**92,799**	**96,602**	**97,629**	**1,027**	
	Exp.	92,496	89,900	97,487	7,587	
FARMER COOPERATIVE SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	**1,204**	**1,304** D **37**	**1,848**	**507**	Provides additional technical and developmental assistance and support to small, low-income farmers.
	Exp.	1,216	1,323	1,788	465	

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Intragovernmental funds:						
Advances and reimbursements 355	Exp.	8				
Total, Farmer Cooperative Service.	NOA	1,204	1,341	1,848	507	
	Exp.	1,224	1,323	1,788	465	
SOIL CONSERVATION SERVICE						
General and special funds:						
Conservation operations 354	NOA	109,248	113,438 D1,455	116,313	1,420	Provides for additional salary costs.
	Exp.	110,520	114,500	116,000	1,500	
Watershed planning 401	NOA	6,327	5,990 D175	6,224	59	Provides for additional salary costs.
	Exp.	6,327	6,545	6,224	−321	
Watershed protection 401	NOA	65,482	70,360	42,148	−28,212	Estimate will start construction on about 55 watershed projects, continue construction on 295, complete 70, and provide advance assistance on 310 projects. Loan funds will be provided from the Direct loan account, Farmers Home Administration in 1968 and 1969.
	LA	4,600				
	Exp.	73,943	73,047	61,945	−11,102	
Flood prevention 401	NOA	25,604	25,751	12,395	−13,356	Reduces funds for works of improvement. Loan funds in 1968 and 1969 will be provided from the Direct loan account, Farmers Home Administration.
	LA	80				
	Exp.	27,356	26,389	25,000	−1,389	
Great plains conservation program 354	NOA	18,504	16,336	13,414	−2,922	Program continues at about the same level as in 1968 on the basis of projected obligations.
	Exp.	15,877	16,358	15,700	−658	
Resource conservation and development 354	NOA	4,379	6,121 D135	6,474	218	Provides funds for planning starts in 10 new project areas and for an increase for operating projects. Loan funds will be provided from the Direct loan account, Farmers Home Administration in 1968 and 1969.
	LA	285				
	Exp.	4,139	6,234	6,400	166	
Total, Soil Conservation Service.	NOA	229,545	239,761	196,968	−42,793	
	LA	4,965				
	Exp.	238,162	243,073	231,269	−11,804	

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
ECONOMIC RESEARCH SERVICE						
General and special funds—Continued						
Salaries and expenses 355	NOA	12,421	12,421 D 368	13,964	1,175	Increase is for research on labor and capital problems in farming; water quality and use; land resources and economic development; design of rural economic indicators; assistance to foreign countries in self-help analyses; and for additional pay costs.
	Exp.	12,122	12,562	13,763	1,201	
STATISTICAL REPORTING SERVICE						
Salaries and expenses 355	NOA	13,815	13,819 A 31 D 385	14,674	439	Increase is for evaluating the effectiveness of production and marketing statistics of crop and livestock products.
	Exp.	13,276	14,243	14,629	386	
CONSUMER AND MARKETING SERVICE						
Consumer protective, marketing, and regulatory programs 355	NOA	83,825	89,276 A 5,922 B 4,766	119,846 B −11,655	8,227	Supplemental in 1968 and increases in 1969 are primarily for expansion of the meat and poultry inspection programs. Proposed legislation reflects establishment and operation of a revolving fund for user charges for various marketing services. In addition, proposed legislation eliminates certain obsolete marketing services.
	Exp.	82,923	91,731 A 5,564	119,486 A 463 B −11,030	11,624	

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Payments to States and possessions	NOA	1,750	1,750	1,750	----------	Estimate provides for matching payments to States for programs to improve marketing.
355	Exp.	1,750	1,750	1,750	----------	
Special milk program---------659	NOA	51,000	----------	----------	----------	Estimate reflects continued financing of this program by transfer from the permanent appropriation, Removal of surplus agricultural commodities.
Permanent----------	NOA	53,000	104,000	104,000		
	Exp.	96,066	102,000	102,000	----------	
School lunch program---------659	NOA	168,605	182,825	184,443	20,943	Increase provides for normal growth in the program, $10 million for special assistance to needy schools, $6.5 million for the pilot school breakfast program, $6 million for food service equipment, and $2.3 million for State administrative expenses.
Permanent----------	NOA	45,000	45,000	64,325		
	Exp.	208,298	219,825	246,044	26,219	
Food stamp program---------659	NOA	109,976	161,745	225,000	60,055	Increase provides for an expanded program to reach approximately 3 million participants. Proposed legislation covers increased authorization.
				[B] 20,000		
Reappropriation----------	NOA	29,525	23,200	----------		
	Exp.	114,095	177,945	223,000	60,055	
				[B] 15,000		
Perishable Agricultural Commodities Act fund (permanent, indefinite, special fund)------355	NOA	894	905	905	----------	License fees are used to finance administration of the Act.
	Exp.	851	916	978	62	
Removal of surplus agricultural commodities (permanent, indefinite, special fund)------351	NOA	361,040	404,351	406,558	2,207	30% of gross customs receipts is available to finance this program. Increased expenditures result from larger purchases of commodities for School Lunch Program. Proposed legislation will establish user charges to finance part of administration of market agreements and orders.
	Exp.	145,419	175,000	180,000	3,500	
				[B] −1,500		
Total, Consumer and Marketing Service.	NOA	904,615	1,023,740	1,115,172	91,432	
	Exp.	649,402	774,731	876,191	101,460	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
FOREIGN AGRICULTURAL SERVICE						
General and special funds—Continued						
Salaries and expenses 355	NOA	21,441	22,142	22,414	272	Increase is primarily for strengthening market development, market intelligence, and attaché services.
Permanent	NOA	3,117	3,117	3,117		
	Exp.	20,313	24,092	25,263	1,171	
Salaries and expenses (special foreign currency program) 355	Exp.	836	1,000	1,000		(Program is financed from balances of prior year appropriations.)
Total, Foreign Agricultural Service.	NOA	24,558	25,259	25,531	272	
	Exp.	21,149	25,092	26,263	1,171	
INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE						
Intragovernmental funds:						
Advances and reimbursements 152	Exp.	343				
COMMODITY EXCHANGE AUTHORITY						
General and special funds:						
Salaries and expenses 355	NOA	1,434	1,486	1,584	54	Provides capability to handle increased audit workload.
			D 44			
	Exp.	1,304	1,522	1,580	58	

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AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE						
Expenses, Agricultural Stabilization and Conservation Service. 351	NOA	**128,558**	**137,935**	**143,934**	**5,999**	Provides for additional salary costs.
	Exp.	131,691	140,120	143,700	3,580	
Sugar Act program 351	NOA	**80,000**	**80,000**	**82,300**	**2,300**	Increase is required to make payments to all eligible producers.
	Exp.	81,689	85,655	86,702	1,047	
Agricultural conservation program:						
Contract authorization 354	NOA	**220,000**	**220,000**	**100,000**	**−120,000**	Estimate, although reduced, will provide adequate funds to share the cost of high priority conservation practices.
Liquidation of contract authorization.		(220,000)	(220,000)	(195,500)	(−24,500)	
	Exp.	215,572	221,524	208.250	−13,274	
Cropland adjustment program 351	NOA	**62,000**	**84,500**	**85,700**	**1,200**	Increase required primarily to make initial payments on additional agreements signed under the 1969 program. No additional agreements authorized in 1968.
	Exp.	53,575	84,656	87,877	3,221	
Conservation reserve program 351	NOA	**140,650**	**123,000**	**109,500**	**−13,500**	Requirements for annual rental payments to producers will decrease in 1969 with contracts expiring on about 1.8 million acres in 1968.
	Exp.	140,735	123,419	109,500	−13,919	
Emergency conservation measures 354	NOA	**5,000**	**5,000**	**5,000**	----------	Payments are for cost-sharing assistance to farmers to rehabilitate lands damaged by natural disasters.
	Exp.	5,702	7,700	7,700	----------	
Cropland conversion program 351	NOA	**7,500**	----------	----------	----------	(No program is being conducted in 1968 and 1969. Emphasis will be placed on cropland adjustment program.)
	Exp.	1,655	3,314	3,078	−236	
Indemnity payments to dairy farmers 355	NOA	**400**	**500**	----------	**−500**	Provides payments to farmers for milk excluded from markets due to pesticide residues. Authority for making these payments expires June 30, 1968.
	Exp.	166	510	250	−260	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Con.						
General and special funds—Continued						
Appalachian region conservation program 507	NOA	3,000	----------	----------	----------	This activity is included under Appalachian regional development programs, Funds appropriated to the President.
Reappropriation	NOA	360				
	Exp.	2,800	----------	----------	----------	
Total, Agricultural Stabilization and Conservation Service.	NOA	647,468	650,935	526,434	−124,501	
	Exp.	633,587	666,898	647,057	−19,841	
COMMODITY CREDIT CORPORATION						
Price Support and Related Programs						
Public enterprise funds:						
Price support and related programs: 351						
Contract authorization (permanent, indefinite).	NOA	----------	988,860	----------	−988,860	
Appropriation to liquidate contract authorization.		(809,578)	----------	(350,467)	(350,467)	
Reimbursement for net realized losses.	NOA	2,484,350	1,428,825	3,274,539	1,845,714	Request is for restoration of the remaining 1966 and part of the 1967 realized losses, and will provide sufficient operating capital for 1969.
	LA	603	3,000	----------	−3,000	
	Exp.	1,651,741	2,702,868	2,775,372	72,504	
	NL	603	3,000	----------	−3,000	

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Limitation on administrative expenses.		(34,300)	(31,500)	(31,500)	----------	
Total, price support and related programs.	NOA	2,484,350	2,417,685	3,274,539	856,854	
	LA	603	3,000	----------	−3,000	
	Exp.	1,651,741	2,702,868	2,775,372	72,504	
	NL	603	3,000	----------	−3,000	
Special Activities						
Intragovernmental funds:						
Military housing, barter and exchange 351	Exp.	−2,000	−2,000	−2,000	----------	(Receipts are from Department of Defense for housing constructed in France, using foreign currencies acquired by sale of agricultural commodities.)
National Wool Act (permanent, indefinite, special fund) 351	NOA	38,260	34,793	63,700	28,907	Increase due to higher price support payment rates in 1968 recoverable from 1969 appropriation.
	Exp.	35,051	63,700	62,571	−1,129	
Miscellaneous game bird protection 351	Exp.	−86	−19	----------	19	(Reimbursement from the Department of the Interior is for surplus grain.)
Research to increase domestic consumption of farm commodities. 355	Exp.	3,506	8,388	4,156	−4,232	(This program is carried out by the Agricultural Research Service.)
Loans for conservation purposes 354	Exp.	100	−5,000	−5,000	----------	(Corporation funds may be loaned to the Secretary of Agriculture to carry out the agricultural conservation program.)
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation 351	Exp.	437	1,197	----------	−1,197	(The Corporation is authorized to sell cotton released from the national stockpile. Proceeds, less costs incurred, are deposited in the Treasury as miscellaneous receipts.)
Export credit sales program 351	LA	261,324	−32,100	23,500	55,600	The Food for Peace Act of 1966 authorized the Corporation to finance the export sale of agricultural commodities, including private stocks, under its export credit sales program with reimbursement for costs incurred.
	NL	261,324	−32,100	23,500	55,600	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
COMMODITY CREDIT CORPORATION— Continued						
Special Activities—Continued						
Intragovernmental funds—Continued						
Subtotal	NOA	**38,260**	**34,793**	**63,700**	**28,907**	
	LA	**261,324**	**−32,100**	**23,500**	**55,600**	
	Exp.	37,008	66,266	59,727	−6,539	
	NL	261,324	−32,100	23,500	55,600	
Increase or decrease (−) in amount owed by general fund for foreign assistance programs.	Exp.	−78,321	141,838	−2,543	−144,381	(The estimates indicate amount owed to Commodity Credit Corporation by foreign assistance and special export programs will be −$93,322 thousand in 1967, $48,516 thousand in 1968, and $45,973 in 1969.)
Foreign donations financed by Corporation, excluded from expenditures above.	Exp.	45,488	----------	----------	----------	
Total, special activities financed by Commodity Credit Corporation.	NOA	**38,260**	**34,793**	**63,700**	**28,907**	
	LA	**261,324**	**−32,100**	**23,500**	**55,600**	
	Exp.	4,175	208,104	57,184	−150,920	
	NL	261,324	−32,100	23,500	55,600	
Total, Commodity Credit Corporation, price support and related programs and special activities.	NOA	**2,522,610**	**2,452,478**	**3,338,239**	**885,761**	
	LA	**261,927**	**−29,100**	**23,500**	**52,600**	
	Exp.	1,655,916	2,910,972	2,832,556	−78,416	
	NL	261,927	−29,100	23,500	52,600	

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FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS						
General and special funds:						
Public Law 480:						
Sale of agricultural commodities for foreign currencies and for dollars on credit terms (title I)----------154	NOA	**1,417,000**	**1,305,500**	**361,537**	**−943,963**	Reflects shift from sales for foreign currencies to sale for dollars on credit. Proposes to combine these two programs for interchangeability of available funds. Increase in expenditures is primarily for rice, cotton, ocean transportation, and lower receipts from sale of foreign currencies. This is partly offset by decrease in wheat and higher loan repayments.
	Exp.	1,070,253	890,000	1,002,250	112,250	
Commodities disposed of and other costs incurred in connection with donations abroad (title II)----------154	NOA	**200,000**	**300,000**	**[G] 556,606**	**256,606**	Primarily includes increases in wheat and ocean transportation partly offset by a decrease in dairy products.
	Exp.	381,374	425,000	442,150	17,150	
Total, Public Law 480----	NOA	**1,617,000**	**1,605,500**	**918,143**	**−687,357**	
	Exp.	1,451,627	1,315,000	1,444,400	129,400	
International Wheat Agreement 351	Exp.	−7,511	----------	----------	----------	(International Wheat Agreement Act expired June 30, 1965.)
Bartered materials for supplemental stockpile----------351	NOA	----------	**23,000**	----------	**−23,000**	Expenditures are for value of strategic materials acquired by barter and then transferred to supplemental stockpile. Decrease reflects phasing out the program.
	Exp.	32,540	25,338	1,200	−24,138	
Subtotal, foreign assistance and special export programs.	NOA	**1,617,000**	**1,628,500**	**918,143**	**−710,357**	
	Exp.	1,476,656	1,340,338	1,445,600	105,262	
Increase (−) or decrease in amount owed by general fund to Commodity Credit Corporation.	Exp.	78,321	−141,838	2,543	144,381	(Expenditures shown above have been made by the Commodity Credit Corporation in advance of appropriations in some years. This adjustment line brings the total of this group to the amounts paid by the appropriations to the Corporation during each year.)

[G] Includes $200,000 thousand to carry out authorizing legislation to be proposed.

300-000 O—68——16

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS—Continued						
General and special funds—Continued						
Foreign donations financed by Corporation, included in expenditures above.	Exp.	−45,488				
Total, foreign assistance and special export programs.	NOA	**1,617,000**	**1,628,500**	**918,143**	**−710,357**	
	Exp.	1,509,489	1,198,500	1,448,143	249,643	
Total, Commodity Credit Corporation, foreign assistance programs, and special export programs.	NOA	**4,139,610**	**4,080,978**	**4,256,382**	**175,404**	
	LA	**261,927**	**−29,100**	**23,500**	**52,600**	
	Exp.	3,165,405	4,109,472	4,280,699	171,227	
	NL	261,927	−29,100	23,500	52,600	
FEDERAL CROP INSURANCE CORPORATION						
Administrative and operating expenses 351	NOA	**8,683**	**10,206**	**12,000**	**1,794**	Increase reflects a partial shift in financing from the Corporation fund to direct appropriation, and includes increased salary costs in 1969.
	Exp.	8,632	10,380	12,000	1,620	
Public enterprise funds:						
Federal Crop Insurance Corporation fund 351	Exp.	−6,339	14,844	941	−13,903	(Includes payments for insurance losses offset by premium collections. 1969 losses are estimated at 90% of premiums compared with 118% in 1968.)

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Limitation on administrative and operating expenses.		(3,329)	(2,850)	(1,430)	(−1,420)	Decrease reflects a partial shift in financing from the Corporation fund to direct appropriation.
Total, Federal Crop Insurance Corporation.	NOA	**8,683**	**10,206**	**12,000**	**1,794**	
	Exp.	2,294	25,224	12,941	−12,283	
RURAL ELECTRIFICATION ADMINISTRATION						
General and special funds:						
Loans (authorization to spend debt receipts) 353	LA	**462,000**	**434,600**	**424,000**	**−10,600**	The 1969 estimate plus prior year balances will provide for estimated loan commitments of $345 million for electrification and $125 million for telephone. Proposed legislation would reduce commitments under the regular telephone program by $50 million and provide telephone bank loans in the same amounts.
	NL	411,995	470,500	550,000	79,500	
Repayments deposited in general fund.	LA NL	*−180,249*	*−191,600*	*−189,500*	*2,100*	
Salaries and expenses 353	NOA	**12,426**	**12,457**	**12,937**	**480**	Estimate covers administration expense of rural electrification and telephone programs.
	Exp.	12,210	12,832	12,890	58	
Total, Rural Electrification Administration.	NOA	**12,426**	**12,457**	**12,937**	**480**	
	LA	**281,751**	**243,000**	**234,500**	**−8,500**	
	Exp.	12,210	12,832	12,890	58	
	NL	231,746	278,900	360,500	81,600	
FARMERS HOME ADMINISTRATION						
Rural water and waste disposal grants 352	NOA	**26,000**	**30,000**	**27,250**	**−2,750**	Provides planning and development grants for rural water and sewer systems.
	Exp.	11,147	27,000	33,750	6,750	
Rural renewal 352	NOA	**196**	**300**	**300**	----------	Provides technical and financial assistance to 5 existing projects.
	LA	**1,004**	**1,300**	**1,300**	----------	
	Exp.	1,061	1,800	1,390	−410	
Rural housing for domestic farm labor 352	NOA	**3,000**	**3,500**	**5,000**	**1,500**	Increase is for larger program of grants to nonprofit public or private organizations for low-rent housing and related facilities.
	Exp.	220	3,800	5,000	1,200	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
FARMERS HOME ADMINISTRATION—Continued						
General and special funds—Continued						
Salaries and expenses 352	NOA	51,542	55,941	59,132	3,191	Increase due to servicing of higher number of outstanding loans.
	Exp.	52,167	58,964	58,447	−517	
Payment of sales insufficiencies 352	NOA	----------	13,268	----------	−13,268	Insufficiencies will be financed from balances of prior NOA.
Public enterprise funds:						
Direct loan account 352	LA	488,000	600,000	175,000	−425,000	Receipts and balances will finance an estimated loan program of $337.9 million. Net lending amounts for all years include loans for rural renewal, watershed protection, flood prevention, resource conservation, and development and operating loans.
	Exp.	−39,694	−16,363	−17,227	−864	
	NL	43,237	63,778	32,622	−31,156	
Rural housing direct loan account 352	LA	112,000	150,000	250,000	100,000	Receipts and balances will finance an estimated loan program of $30 million in 1969.
	Exp.	−5,067	−3,162	−2,343	819	
	NL	−29,402	−28,060	−11,145	16,915	
Rural housing insurance fund 352	Exp.	−11,176	2,944	4,395	1,451	(Receipts, including sale of insured loans, and balances will finance an estimated loan program of $475 million in 1969.)
	NL	42,288	−24,080	−2,610	21,470	
Emergency credit revolving fund 352	Exp.	4,708	5,928	6,468	540	(Receipts and balances will finance an estimated loan program of $64 million and administrative expenses of $6 million in 1969.)
	NL	3,888	−28,560	−8,560	20,000	

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Agricultural credit insurance fund (permanent, indefinite, authorization to spend debt receipts) 352	LA	71,239				(Receipts, including sale of insured loans, and balances will finance an estimated loan program of $395 million in 1969. Legislation will be proposed to provide nonfarm enterprise loans for low-income farm families.)
	Exp.	−8,700	7,604	10,636	3,032	
	NL	−17,828	−79,355	−14,080	65,275	
Total, Farmers Home Administration.	NOA	80,738	103,009	91,682	−11,327	
	LA	672,242	751,300	426,300	−325,000	
	Exp.	4,666	88,515	100,516	12,001	
	NL	42,183	−96,277	−3,773	92,504	
RURAL COMMUNITY DEVELOPMENT SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	652	450 D 13	469	6	Increase will provide for additional salary costs in 1969.
	Exp.	664	453	461	8	
Intragovernmental funds:						
Advances and reimbursements 355	Exp.	36	12		−12	
Total, Rural Community Development Service.	NOA	652	463	469	6	
	Exp.	700	465	461	−4	
OFFICE OF THE INSPECTOR GENERAL						
General and special funds:						
Salaries and expenses 355	NOA	11,437	11,976 D 300	12,867	591	Increase provides for additional audit and investigation activities.
	Exp.	11,366	12,007	12,584	577	
PACKERS AND STOCKYARDS ADMINISTRATION						
Packers and Stockyards Act 355	NOA	2,569	2,569 D 71	3,166	526	Increase covers expansion of activities in maintenance of effective competition in packer merchandising and procurement, poultry marketing practices, and testing livestock carcass and poultry scales.
	Exp.	2,380	2,672	3,118	446	

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
OFFICE OF THE GENERAL COUNSEL						
General and special funds—Continued						
Salaries and expenses 355	NOA	4,323	4,325 D 136	5,033	572	Increase required for legal services for new and expanded programs.
	Exp.	4,170	4,452	5,006	554	
OFFICE OF INFORMATION						
Salaries and expenses 355	NOA	1,882	1,928 D 37	1,997	32	Increase provides for additional salary costs.
	Exp.	2,039	1,964	1,991	27	
NATIONAL AGRICULTURAL LIBRARY						
Salaries and expenses 355	NOA	2,458	2,608 D 58	3,419	753	Increase primarily for transferring library operations to new facility at Beltsville, Md.
	Exp.	1,801	2,890	3,510	620	
Library facilities 355	Exp.	830	4,312	2,018	−2,294	(Construction of new facility at Beltsville, Md., will continue.)
Total, National Agricultural Library.	NOA	2,458	2,666	3,419	753	
	Exp.	2,631	7,202	5,528	−1,674	
OFFICE OF MANAGEMENT SERVICES						
Salaries and expenses 355	NOA	2,667	2,667 D 79	2,910	164	Provides for servicing new or expanded programs.
	Exp.	2,612	2,739	2,908	169	

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GENERAL ADMINISTRATION						
Salaries and expenses 355	NOA	4,052	4,487 [D] 127	4,664	50	Increase provides for additional salary costs.
	Exp.	3,728	4,568	4,659	91	
Intragovernmental funds:						
Working capital fund 355	Exp.	11	−116	113	229	(This fund finances central administrative services of over $8 million.)
Total, general administration	NOA	4,052	4,614	4,664	50	
	Exp.	3,739	4,452	4,772	320	
FOREST SERVICE						
General and special funds:						
Forest protection and utilization 402	NOA	259,998	246,346 [A] 41,000	249,149	−38,197	Supplemental in 1968 is for fighting forest fires and is excluded from 1969 estimate. Increase in 1969, after adjustment, is for forest land management, State and private forestry cooperation, and forestry research.
	Exp.	262,017	238,277 [A] 39,000	257,910 [A] 2,000	−17,367	
Cooperative range improvements (special fund) 402	NOA	700	700	700	----------	These funds are advanced to and merged with the previous appropriation.
	Exp.	700	700	700	----------	
Forest roads and trails 402						
Contract authorization:						
Current	NOA	170,000	----------	[F] 125,000	−45,000	Program will construct or reconstruct about 910 miles of multi-purpose roads.
Permanent	NOA	----------	170,000	----------		
Liquidation of contract authorization.		(101,230)	(110,000)	(91,970)	(−18,030)	
	Exp.	102,500	112,622	98,155	−14,467	
Acquisition of lands for national forests, special acts (special fund) 402	NOA	80	80	80	----------	Certain forest receipts otherwise payable to counties in Utah, Nevada, and California are used to acquire lands within national forests.
	Exp.	62	62	80	18	
Other general funds 402	NOA	300	----------	----------	----------	(Prior balances will acquire interest in existing roads or rights-of-way and land in Minnesota and Utah.)
	Exp.	624	474	----------	−474	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Federal Funds—Continued						
FOREST SERVICE—Continued						
General and special funds—Continued						
Assistance to States for tree planting 402	NOA	1,000	1,000	1,000	----------	Aid is given, mainly through grants, for reforestation work.
	Exp.	1,076	1,006	1,007	1	
Timber development organization loans and technical assistance 507	Exp.	61	----------	----------	----------	(This activity included in Appalachian regional development programs.)
Forest Service permanent appropriations (indefinite, special funds) 402	NOA	69,346	72,549	77,010	4,461	Provides for use of a portion of operating revenues from national forests and grasslands for payments to States and counties for schools, roads, trails, and brush disposal. A portion is transferred to and merged with the appropriation, Forest roads and trails.
	Exp.	68,622	72,030	76,572	4,542	
Intragovernmental funds:						
Working capital fund, Forest Service 402	Exp.	−1,651	−708	1,225	1,933	(Provides administrative services to national forests, research experiment stations, and other Federal agencies on a reimbursable basis.)
Advances and reimbursements 402	Exp.	−429	650	----------	−650	
Total, Forest Service	NOA	501,425	531,675	452,939	−78,736	
	Exp.	433,582	464,113	437,649	−26,464	
Subtotal, Federal funds	NOA	6,999,750	7,144,529	7,167,860	23,331	Total Federal funds are distributed as follows:
	LA	1,220,885	965,200	684,300	−280,900	
	Exp.	5,589,580	6,865,076	7,111,676	246,600	
	NL	535,856	153,523	380,227	226,704	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	7,092,841	1,156,800	6,820,512	345,123

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Repayments		---	−191,600	---	−191,600	
(A)		46,922	---	44,564	---	
(B)		4,766	---	---	---	
			1969			
		NOA	*LA*	*Exp.*	*NL*	
Transmitted		7,161,051	873,800	7,108,279	569,727	
Repayments		---	−189,500	---	−189,500	
(A)		---	---	2,463	---	
(B)		6,809	---	934	---	

Trust Funds

AGRICULTURAL RESEARCH SERVICE

Miscellaneous trust funds (permanent)—355	NOA	1,074	1,017	1,393	376	Certain services are financed by fees and contributions from business organizations, States, and others.
	Exp.	1,215	1,191	1,364	173	

COOPERATIVE STATE RESEARCH SERVICE

Miscellaneous contributed funds (permanent)—355	NOA	2	2	2	---	Contributions are received from States and local organizations for work performed under cooperative agreements.
	Exp.	---	2	2	---	

EXTENSION SERVICE

Miscellaneous contributed funds (permanent)—355	NOA	1	1	---	−1	Contributions are received from States, local organizations, and others for work performed under cooperative agreements.
	Exp.	1	1	---	−1	

FARMER COOPERATIVE SERVICE

Miscellaneous contributed funds (permanent)—355	NOA	7	8	8	---	Contributions are received from States, local organizations, and others for work performed under cooperative agreements.
	Exp.	6	11	8	−3	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Trust Funds—Continued						
SOIL CONSERVATION SERVICE						
Miscellaneous contributed funds (permanent)—354	NOA	867	965	1,033	68	Includes funds received from States, local organizations, and individuals for work under cooperative agreements.
	Exp.	843	919	981	62	
ECONOMIC RESEARCH SERVICE						
Miscellaneous contributed funds (permanent)—355	NOA	40	31	30	−1	Includes funds received from States, local organizations, and others for economic research.
	Exp.	160	96	30	−66	
STATISTICAL REPORTING SERVICE						
Miscellaneous contributed funds (permanent)—355	NOA	9	4	4	----------	Contributions are received from States, local organizations, and others for crop and livestock surveys.
	Exp.	9	44	4	−40	
CONSUMER AND MARKETING SERVICE						
Consumer and Marketing Service trust funds (permanent)—355	NOA	29,408	31,778	32,805	1,027	Fees are for various inspection and grading services.
	Exp.	28,796	31,745	32,363	618	
Milk market orders assessment fund (trust revolving fund)—351	Exp.	16	−71	−72	−1	(Operations are financed by assessments on regulated milk handlers.)
Total, Consumer and Marketing Service.	NOA	29,408	31,778	32,805	1,027	
	Exp.	28,812	31,674	32,291	617	

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AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE						
Miscellaneous contributed funds_351	Exp.	----------	2	----------	−2	(Receipts, primarily from State and local organizations, are used for work under cooperative agreements.)
FARMERS HOME ADMINISTRATION						
State rural rehabilitation funds__352	Exp.	−275	2,344	1,054	−1,290	(Funds of 36 States are administered in insured loan programs within those States.)
	NL	484	−3,807	−2,481	1,326	
OFFICE OF INFORMATION						
Miscellaneous contributed funds (permanent)_____355	NOA	----------	1	----------	−1	Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements.
	Exp.	----------	1	----------	−1	
NATIONAL AGRICULTURAL LIBRARY						
Miscellaneous contributed funds (permanent)_____355	NOA	2	1	----------	−1	Miscellaneous funds received from States, local organizations, and others are available for library services.
	Exp.	2	1	----------	−1	
FOREST SERVICE						
Cooperative work (permanent)_402	NOA	**32,176**	**33,000**	**33,000**	----------	Advances from others are used in cooperative work, such as reforestation.
	Exp.	27,739	31,250	32,500	1,250	
Subtotal, trust funds_____	NOA	**63,586**	**66,808**	**68,275**	**1,467**	
	Exp.	58,512	67,536	68,234	698	
	NL	484	−3,807	−2,481	1,326	
Adjustments						
Applicable receipts from the public_____350	NOA	*−31,815*	*−34,034*	*−35,833*	*−1,799*	
	Exp.					
400	NOA	*−222,583*	*−237,858*	*−242,439*	*−4,581*	
	Exp.					
850	NOA	*−93,430*	*−103,946*	*−111,045*	*−7,099*	
	Exp.					
050	NOA	*−8,706*	*−1,000*	*−1,000*	----------	
	Exp.					

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF AGRICULTURE—Continued						
Adjustments—Continued						
Repayments deposited in general fund (included in details above).	LA NL	(*−180,249*)	(*−191,600*)	(*−189,500*)	(*2,100*)	
Total, Department of Agriculture.	NOA	**6,706,802**	**6,834,499**	**6,845,818**	**11,319**	Totals for the Department are distributed as follows:
	LA	**1,220,885**	**965,200**	**684,300**	**−280,900**	
	Exp.	5,291,558	6,555,774	6,789,593	233,819	
	NL	536,340	149,716	377,746	228,030	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	6,782,811	1,156,800	6,511,210	341,316
Repayments	---	−191,600	---	−191,600
(A)	46,922	---	44,564	---
(B)	4,766	---	---	---

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	6,839,009	873,800	6,786,196	567,246
Repayments	---	−189,500	---	−189,500
(A)	---	---	2,463	---
(B)	6,809	---	934	---

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Federal Funds

GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses 506	NOA	4,449	4,509 D 150	5,125	466	Increase is primarily related to centralization of audit functions in the Office of the Secretary.
	Exp.	4,595	4,471	5,145	674	
Intragovernmental funds:						
Working capital fund 506	Exp.	−29	181	−20	−201	
Advances and reimbursements 506	Exp.	−260				
Total, general administration	NOA	4,449	4,659	5,125	466	
	Exp.	4,306	4,652	5,125	473	
BUSINESS ECONOMICS AND STATISTICS						
Office of Business Economics						
General and special funds:						
Salaries and expenses 506	NOA	2,795	2,863 D 80	3,314	371	Increase to develop better data on gross national product by industry, plant and equipment expenditures, and for improvements in the Commerce Department econometric model.
	Exp.	2,619	2,926	3,285	359	
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	6				
Total, Office of Business Economics	NOA	2,795	2,943	3,314	371	
	Exp.	2,625	2,926	3,285	359	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
B Proposed for separate transmittal under proposed legislation.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
BUSINESS ECONOMICS AND STATISTICS—Continued						
Bureau of the Census						
General and special funds:						
Salaries and expenses 506	NOA	**16,390**	**16,746** **D 400**	**18,250**	**1,104**	Increase will enable improvement on data covering service trades, construction, manufacturers' inventories, and State and local government construction expenditures.
	Exp.	16,634	17,120	18,200	1,080	
Preparation for 19th decennial census 506	NOA	**2,750**	**7,617**	**17,487**	**9,870**	Preparation for the census will continue.
	Exp.	3,077	7,245	15,652	8,407	
1967 economic censuses 506	NOA	**3,000**	**7,497**	**6,947**	**−550**	The major portion of data processing will be completed, and publication will begin.
	Exp.	2,816	7,718	7,197	−521	
1967 census of governments 506	NOA	**1,300**	**1,000**	**347**	**−653**	Processing and publication of data will be completed in 1969.
	Exp.	1,211	1,075	361	−714	
Modernization of computing equipment 506	NOA	**1,900**	**4,000**	----------	**−4,000**	This program will be completed in 1968.
	Exp.	444	5,375	----------	−5,375	
1964 census of agriculture 506	NOA	**1,846**	----------	----------	----------	(Final results of the census will be published in 1968.)
	Exp.	2,029	521	----------	−521	
1963 censuses of business, transportation, manufactures, and mineral industries 506	Exp.	126	57	----------	−57	(Activity completed in prior years.)

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Expired accounts----------506	Exp.	1	----------	----------	----------	
Intragovernmental funds:						
Advances and reimbursements-506	Exp.	−937	----------	----------	----------	
Total, Bureau of the Census--	NOA	**27,186**	**37,260**	**43,031**	**5,771**	
	Exp.	25,401	39,111	41,410	2,299	
Total, business economics and statistics.	NOA	**29,981**	**40,203**	**46,345**	**6,142**	
	Exp.	28,026	42,037	44,695	2,658	
ECONOMIC DEVELOPMENT ASSISTANCE						
General and special funds:						
Development facilities--------507	NOA	----------	**153,000**	**169,500**	**16,500**	Increase is primarily for grants and loans to the most disadvantaged areas and for new regional commission supplementary grant programs in 5 regions.
	LA	----------	**22,000**	**33,500**	**11,500**	
	Exp.	----------	5,372	39,620	34,248	
	NL	----------	935	2,900	1,965	
Industrial development loans and guarantees----------507	NOA	----------	**3,500**	**3,500**	----------	Shift in program will provide a substantial increase in industrial loans to economic development centers and a decrease in loans to redevelopment areas.
	LA	----------	**51,500**	**55,000**	**3,500**	
	Exp.	----------	2,903	3,500	597	
	NL	----------	3,832	23,300	19,468	
Planning, technical assistance, and research----------507	NOA	----------	**25,000**	**27,780**	**2,780**	Increase is for development district planning grants and initiating a new planning grant program for States.
	Exp.	----------	9,567	19,320	9,753	
Operations and administration-507	NOA	----------	**19,610**	**21,370**	**1,385**	Increased staff required primarily to keep pace with the increased work load in construction management (1,211 projects under construction in 1968 and over 1,700 in 1969) and loan services.
			[D] **375**			
	Exp.	----------	17,467	20,147	2,680	
Miscellaneous appropriations--507	NOA	**217,847**	----------	----------	----------	(Expenditures are for 1966 and 1967 appropriations. The programs are now funded in the above appropriations.)
	LA	**77,969**	----------	----------	----------	
	Exp.	46,776	114,886	101,600	−13,286	
	NL	40,289	55,823	47,100	−8,723	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
ECONOMIC DEVELOPMENT ASSISTANCE—Continued						
General and special funds—Continued						
Appalachian development highway system 507	NOA	**100,000**				Appalachian Act amendments of 1967 transfer this program to Appalachian regional development programs.
	Exp.	39,888				
Grants for local development districts and for research and demonstration 507	NOA	**2,750**				Appalachian Act amendments of 1967 transfer this program to Appalachian regional development programs.
	Exp.	1,387				
Supplemental grants-in-aid 507	NOA	**29,993**				Appalachian Act amendments of 1967 transfer this program to Appalachian regional development programs.
	Exp.	17,499				
Miscellaneous expired accounts 507	Exp.	2,711	1,393	4,000	2,607	(Expenditures result from prior year obligations of the Area Redevelopment Administration.)
Public enterprise funds:						
Economic development revolving fund 507	Exp.	2,225	−3,442	−7,870	−4,428	(Negative expenditure results from collections and interest on loans outstanding exceeding interest costs payable to Treasury.)
	NL	−10,915	−7,858	−8,130	−272	
Total, economic development assistance.	NOA	**350,590**	**201,485**	**222,150**	**20,665**	
	LA	**77,969**	**73,500**	**88,500**	**15,000**	
	Exp.	110,486	148,146	180,317	32,171	
	NL	29,374	52,732	65,170	12,438	

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PROMOTION OF INDUSTRY AND COMMERCE						
Business and Defense Services Administration						
General and special funds:						
Salaries and expenses.....506	NOA	5,663	5,802 D 143	6,480	535	Increases are to encourage business to participate in youth opportunity and equal employment programs, to meet increased applications for the duty-free importation of certain scientific equipment, and to undertake additional commodity and industry analyses.
	Exp.	5,942	5,642	6,390	748	
International Activities						
Salaries and expenses.....506	NOA	11,358	11,474 A 2,195 D 232	H 22,000	8,099	Supplemental is to accelerate the export promotion program and provide 2 new U.S. trade centers, a new Government-industry program to develop overseas markets, and an export strategy planning staff. Increase for 1969 provides for participation in 10 additional trade fairs, 2 more trade centers, and expansion of the joint market development program.
	Exp.	11,743	11,434 A 2,000	19,580 A 195	6,341	
Salaries and expenses (special foreign currency program)..506	NOA	200	200	200	----------	Program uses excess foreign currencies in developing countries to exhibit American products at trade fairs.
	Exp.	84	237	193	−44	
Export control.....508	NOA	5,093	5,263 D 105	5,358	−10	Estimate provides for continued regulation of and surveillance over the export of strategic commodities.
	Exp.	5,138	5,354	5,327	−27	
Total, international activities.	NOA	16,651	19,469	27,558	8,089	
	Exp.	16,965	19,025	25,295	6,270	

A Proposed for separate transmittal under existing legislation, other than pay supplemental
D Proposed for separate transmittal, civilian pay act supplemental.
H Includes $166 thousand to carry out authorizing legislation to be proposed.

300-000 O—68——17

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
PROMOTION OF INDUSTRY AND COMMERCE—Continued						
Office of Field Services						
General and special funds—Continued						
Salaries and expenses 506	NOA	4,450	4,582 D 114	5,178	482	Increase will provide for additional support to the accelerated export promotion program and to meet increased printing costs for the "Commerce Business Daily."
	Exp.	4,550	4,498	5,084	586	
Participation in U.S. Expositions						
HemisFair 1968 Exposition 506	NOA	6,750	----------	----------	----------	(This exposition runs from April to October 1968. Funds will be used to complete and operate the Federal exhibit.)
	Exp.	491	5,182	1,109	−4,073	
Inter-American Cultural and Trade Center 506	NOA	5,866	----------	----------	----------	(A permanent Federal exhibit scheduled to open in 1969 in Miami Fla., will include a Federal pavilion.)
	Exp.	151	513	1,569	1,056	
1967 Alaska Centennial 506	Exp.	4,311	247	22	−225	(1968 and 1969 expenditures cover dismantling and disposing of U.S. exhibits used during the 1967 celebration of the Centennial of Alaska Purchase.)
Participation in New York World's Fair 506	Exp.	25	10	----------	−10	(Fair closed in 1965. Expenditures are for settlement of outstanding obligations.)
Participation in Century 21 Exposition 506	Exp.	1	44	----------	−44	(Activity completed in 1962. Expenditures are for settlement of outstanding obligations.)

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Total, participation in U.S. expositions.	NOA	12,616				
	Exp.	4,979	5,996	2,700	−3,296	
U.S. Travel Service						
Salaries and expenses 506	NOA	3,000	2,975	4,678	1,703	Increase is for promotional activities and market research to encourage overseas residents to visit the United States.
	Exp.	3,047	2,750	4,500	1,750	
Total, promotion of industry and commerce.	NOA	42,380	33,085	43,894	10,809	
	Exp.	35,484	37,911	43,969	6,058	
SCIENCE AND TECHNOLOGY						
Environmental Science Services Administration						
Salaries and expenses 506	NOA	102,486	104,839 [D] 2,265 [E] 72	119,841	12,665	Increase is for U.S. participation in world weather programs, improved weather observations and forecasts, and expanded oceanographic services.
	Exp.	101,178	105,875	114,818	8,943	
Research and development 506	NOA	20,521	24,000 [D] 412 [E] 12	27,432	3,008	Provides for increased research on severe storms, weather modification, air-sea interaction, and electromagnetic spectrum utilization.
	Exp.	22,049	22,815	22,640	−175	
Research and development (special foreign currency program) 506	NOA	500	750	500	−250	Decrease reflects discontinuance of support for the worldwide standardized seismograph network.
	Exp.	362	500	600	100	
Facilities, equipment, and construction 506	NOA	6,000	5,200	3,200	−2,000	Provides for modernizing weather and marine equipment, and overhauling aircraft used in hurricane research.
	Exp.	15,812	9,215	8,200	−1,015	

[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
SCIENCE AND TECHNOLOGY—Con.						
Environmental Science Services Administration—Continued						
General and special funds—Continued						
Satellite operations 506	NOA	26,984	28,100	27,000	−1,100	Covers continued operation of a satellite system to observe meteorological conditions.
	Exp.	36,308	29,812	30,560	748	
Total, Environmental Science Services Administration.	NOA	156,491	165,650	177,973	12,323	
	Exp.	175,709	168,217	176,818	8,601	
Patent Office						
Salaries and expenses 506	NOA	37,047	38,022 D 800	42,742	3,920	Increase reflects additional patent examiners and rental of new office space. Processing of patent applications is estimated at 100,000 in 1968 and 104,000 in 1969.
	Exp.	36,406	38,950	41,893	2,943	
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	17	----------	----------	----------	
Total, Patent Office	NOA	37,047	38,822	42,742	3,920	
	Exp.	36,424	38,950	41,893	2,943	
National Bureau of Standards						
General and special funds:						
Research and technical services 506	NOA	31,076	31,725 A 80 D 707	36,839	4,327	Supplemental in 1968 is for implementing the 1967 amendments to the Flammable Fabrics Act. Increase in 1969 will strengthen research on physical and technological standards.
	Exp.	32,380	32,328 A 55	35,891 A 25	3,533	

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Research and technical services (special foreign currency program)---506	NOA	500	500	500	----------	Continued support will be given to efforts to develop standard reference data and reference materials.
	Exp.	342	243	400	157	
Plant and facilities---506	NOA	550	240	1,300	1,060	Increase is for large equipment acquisitions and initial funding for relocation of standard frequency broadcast facility.
	Exp.	2,587	1,579	500	−1,079	
Construction of facilities---506	NOA	1,200	----------	----------	----------	(The 1967 budget provided the final increment of the Gaithersburg construction program.)
	Exp.	10,571	6,240	2,000	−4,240	
Civilian industrial technology-506	Exp.	512	274	95	−179	(Contract and grant programs in textile research are being completed.)
Salaries and expenses, Office of Technical Services---506	Exp.	9	−5	----------	5	(This activity was previously transferred to Research and technical services.)
Intragovernmental funds:						
Working capital fund---506	Exp.	4,669	1,138	174	−964	(Estimated Government equity in the fund will be $173.8 million by June 30, 1969.)
Total, National Bureau of Standards.	NOA	33,326	33,252	38,639	5,387	
	Exp.	51,070	41,852	39,085	−2,767	
Office of State Technical Services						
General and special funds:						
Grants and expenses---506	NOA	5,497	6,485	[F] 6,600	115	The increase provides for an expanded program of making scientific findings available to private enterprise.
	Exp.	2,733	5,570	5,800	230	
Total, science and technology-	NOA	232,361	244,209	265,954	21,745	
	Exp.	265,936	254,589	263,596	9,007	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
OCEAN SHIPPING						
Maritime Administration						
General and special funds—Continued						
Ship construction 502	NOA	**106,685**	**143,000**	[F] **119,800**	**−23,200**	Estimate provides construction-differential subsidies for 10 new ships.
	Exp.	81,946	88,000	76,000	−12,000	
Operating-differential subsidies:						
Contract authorization (permanent, indefinite) 502	NOA	**196,936**	**213,000**	**213,000**	----------	In 1969, 14 subsidized operators, using an average of 289 ships, will make 1,754 voyages, the same number as in 1968.
Liquidation of contract authorization.		(175,000)	(200,000)	[F] (206,000)	(6,000)	
	Exp.	175,632	200,192	206,000	5,808	
Research and development 502	NOA	**7,500**	**9,575**	[F] **6,700**	**−2,875**	Continued operation of the NS "Savannah," and a shift to longer term research projects such as competitive merchant ships.
	Exp.	6,217	8,912	8,158	−754	
Salaries and expenses 502	NOA	**15,701**	**15,871**	[I] **16,275**	**404**	Programs for administration and reserve fleet will continue at approximately the 1968 level.
	Exp.	15,550	15,225	15,427	202	
Maritime training 502	NOA	**4,559**	**4,620** [C] 5 [D] 95	[F] **5,177**	**457**	Increase is for additional personnel and essential maintenance costs at the Merchant Marine Academy.
	Exp.	4,188	5,285	4,664	−621	
State marine schools 502	NOA	**360**	**500**	[F] **625**	**125**	Provides for increased maintenance costs on 5 federally provided training ships.
Contract authorization (permanent, indefinite).	NOA	----------	**1,275**	**1,275**		
Liquidation of contract authorization.		(1,275)	(1,275)	[F] (1,275)	----------	
	Exp.	1,584	1,773	1,894	121	

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Sale of vessels, Merchant Marine Act: Repayments deposited in general fund 502	LA NL	−7,530	−6,500	−6,000	500	
Public enterprise funds:						
Federal ship mortgage insurance fund 502	Exp. NL	−4,442 −1,086	−4,046 −1,479	−4,915 −1,478	−869 1	(Guarantees involving a contingent liability of $796 million are estimated to be outstanding at the close of 1969.)
Vessel operations revolving fund 502	Exp.	2,522	625	−1,973	−2,598	(Fund is substantially self-supporting.)
War risk insurance revolving fund 502	Exp.	−170	−327	−361	−34	(Contingent liability in the event of war is estimated at $13 billion.)
Intragovernmental funds:						
Advances and reimbursements 502	Exp.	1,357	1,813	----------	−1,813	
Total, Maritime Administration.	NOA	**331,741**	**387,941**	**362,852**	**−25,089**	
	LA	**−7,530**	**−6,500**	**−6,000**	**500**	
	Exp.	284,384	317,452	304,894	−12,558	
	NL	−8,616	−7,979	−7,478	501	
FOREIGN DIRECT INVESTMENT CONTROL						
General and special funds:						
Salaries and expenses 508	NOA	----------	----------	**4,475**	**4,475**	Provides for a program of mandatory controls to restrict U.S. direct investment abroad.
	Exp.	----------	----------	4,200	4,200	

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.
[I] Includes $5,279 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Federal Funds—Continued						
Subtotal, Federal funds	NOA	**991,502**	**911,582**	**950,795**	**39,213**	Total Federal funds are distributed as follows:
	LA	**70,439**	**67,000**	**82,500**	**15,500**	
	Exp.	728,623	804,787	846,796	42,009	
	NL	20,758	44,753	57,692	12,939	

1968	NOA	LA	Exp.	NL
Enacted	903,340	73,500	797,105	51,253
Repayments	----------	−6,500	----------	−6,500
(A)	2,275	----------	2,055	----------
(C)	5	----------	5	----------
(D)	5,878	----------	5,543	----------
(E)	84	----------	79	----------

1969	NOA	LA	Exp.	NL
Transmitted	950,795	88,500	846,236	63,692
Repayments	----------	−6,000	----------	−6,000
(A)	----------	----------	220	----------
(D)	----------	----------	335	----------
(E)	----------	----------	5	----------

Trust Funds						
GENERAL ADMINISTRATION						
Gifts and bequests (permanent) 506	NOA	**139**	**55**	**52**	**−3**	Fund receives gifts in furtherance of programs in the Department.
	Exp.	57	91	53	−38	

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BUSINESS ECONOMICS AND STATISTICS						
Bureau of the Census						
Special statistical work (permanent) 506	NOA	3,687	4,022	3,230	−792	A reduction is anticipated in special censuses performed at cost for State and local governments.
	Exp.	4,324	4,158	3,765	−393	
ECONOMIC DEVELOPMENT ASSISTANCE						
Economic Development Administration						
Federal action planning commissions' trust fund (permanent) 507	NOA	667	7,620	6,761	−859	Fund is used to finance planning commissions' operating expenses and technical assistance projects.
	Exp.	42	4,911	6,060	1,149	
PROMOTION OF INDUSTRY AND COMMERCE						
Business and Defense Services Administration						
Special statistical work (permanent) 506	NOA	15	8	13	5	Estimates reflect anticipated increase in public demand for special statistical work.
	Exp.	22	11	15	4	
International Activities						
Contributions, educational, and cultural exchange (permanent) 506	NOA	919	1,004	1,895	891	American businessmen participating in trade fairs and trade center shows share the cost through a system of fees. Estimates reflect an increase in the number of planned events.
	Exp.	738	948	1,490	542	
Total, promotion of industry and commerce.	NOA	934	1,012	1,908	896	
	Exp.	760	959	1,505	546	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
E Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF COMMERCE—Continued						
Trust Funds—Continued						
SCIENCE AND TECHNOLOGY						
Environmental Science Services Administration						
Special statistical work (permanent)	NOA	151	174	179	5	Payments from non-Government sources finance special statistical studies.
506	Exp.	160	158	168	10	
National Bureau of Standards						
National Bureau of Standards trust fund (permanent)----------506	NOA	1,688	1,840	2,040	200	Proceeds from the sale of documents are an offset to the cost of preparing transcripts of scientific reports.
	Exp.	1,969	1,824	2,023	199	
Total, science and technology	NOA	1,839	2,014	2,219	205	
	Exp.	2,129	1,982	2,191	209	
OCEAN SHIPPING						
Maritime Administration						
Federal ship mortgage insurance escrow fund (permanent)------502	NOA	8,333	94,200	119,500	25,300	Increase results from new deposits for vessel construction and reconstruction.
	Exp.	17,792	46,622	74,928	28,306	
Subtotal, trust funds--------	NOA	15,599	108,923	133,670	24,747	
	Exp.	25,104	58,723	88,502	29,779	

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Adjustments					
Interfund and intragovernmental transactions 500	NOA Exp.	*−667*	*−7,620*	*−6,761*	*859*
Applicable receipts from the public 500	NOA Exp.	*−33,391*	*−116,017*	*−130,842*	*−14,825*
850	NOA Exp.	*−2,771*	*−2,500*	*−2,200*	*300*
Repayments deposited in general fund (included in details above).	LA NL	*(−7,530)*	*(−6,500)*	*(−6,000)*	*(500)*
Total, Department of Commerce.	NOA	970,272	894,368	944,662	50,294
	LA	70,439	67,000	82,500	15,500
	Exp.	716,898	737,373	795,495	58,122
	NL	20,758	44,753	57,692	12,939

Totals for the Department are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	886,126	73,500	729,691	51,253
Repayments	----------	−6,500	----------	−6,500
(A)	2,275	----------	2,055	--------
(C)	5	----------	5	--------
(D)	5,878	----------	5,543	--------
(E)	84	----------	79	--------
	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	944,662	88,500	794,935	63,692
Repayments	----------	−6,000	----------	−6,000
(A)	----------	----------	220	--------
(D)	----------	----------	335	--------
(E)	----------	----------	5	--------

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY						
Federal Funds						
MILITARY PERSONNEL						
(Functional code 051)						
General and special funds:						
Military personnel, Army	NOA	6,821,064	7,760,300 E 205,915 J −90,500	8,136,000	260,285	Increase reflects higher pay and support costs, and a rise of 23,872 in average strength.
	Exp.	6,696,371	7,770,000	8,060,000	290,000	
Military personnel, Navy	NOA	3,926,436	4,029,100 E 116,012 J 20,900	4,340,000	173,988	Increase reflects higher pay and support costs, and a rise of 25,741 in average strength.
	Exp.	3,854,683	4,025,000	4,300,000	275,000	
Military personnel, Marine Corps	NOA	1,259,400	1,396,300 E 37,523 J −10,000	1,480,000	56,177	Increase reflects higher pay and support costs, and a rise of 16,929 in average strength.
	Exp.	1,228,157	1,375,000	1,460,000	85,000	
Military personnel, Air Force	NOA	5,419,200	5,619,300 E 161,661 J −54,200	5,830,000	103,239	Increase reflects higher pay and support costs, offset in part by a decline of 13,848 in average strength.
	Exp.	5,274,973	5,680,000	5,780,000	100,000	
Reserve personnel, Army	NOA	292,311	297,200 E 7,245 J −14,200	303,400	13,155	Increase reflects larger nonprior service enlisted training level. Program provides year-end paid drill strength of 260,000 in both 1968 and 1969.
	Exp.	261,514	275,000	283,000	8,000	

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Reserve personnel, Navy	NOA	113,400	116,100 [E] 3,880	125,000	5,020	Program provides year-end paid drill strength of 126,000 in both 1968 and 1969, but a somewhat higher grade level in 1969.
	Exp.	112,098	118,000	123,000	5,000	
Reserve personnel, Marine Corps	NOA	37,300	38,300 [E] 937	31,500	−7,737	Program provides year-end paid drill strength of 48,000 in both 1968 and 1969, but a substantially reduced nonprior service enlisted training level in 1969 because of lower personnel losses.
	Exp.	37,417	37,000	31,000	−6,000	
Reserve personnel, Air Force	NOA	70,800	72,300 [E] 1,900 [J] −1,000	75,800	2,600	Increases in basic military and other training costs more than offset reduction in year-end paid drill strength to 47,840.
	Exp.	64,369	65,000	68,000	3,000	
National Guard personnel, Army	NOA	353,333	345,000 [E] 10,127 [J] −32,500	321,300	−1,327	Reduction reflects lower average strength largely offset by larger nonprior service enlisted training level. Program provides year-end paid drill strength of 400,000 in both 1968 and 1969, but lower average strength in 1969.
	Exp.	342,320	310,000	306,000	−4,000	
National Guard personnel, Air Force.	NOA	84,200	87,600 [E] 2,800 [J] −1,000	96,000	6,600	Increase in training costs more than offsets reduction in year-end paid drill strength to 84,232.
	Exp.	84,583	85,000	94,000	9,000	
Retired pay, Defense	NOA	1,839,000	2,020,000 [E] 52,000	2,275,000	203,000	Increase reflects an average of 680,740 retired personnel in 1969, compared with 622,820 in 1968.
	Exp.	1,830,233	2,060,000	2,265,000	205,000	
Servicemen's group life insurance (proposed legislation)	NOA	----------	----------	[B] 23,000	23,000	Legislation will be proposed to increase the benefits under Servicemen's Group Life Insurance.
	Exp.	----------	----------	[B] 23,000	23,000	
Total, military personnel	NOA	20,216,444	22,199,000	23,037,000	838,000	
	Exp.	19,786,720	21,800,000	22,793,000	993,000	

[B] Proposed for separate transmittal under proposed legislation.
[E] Proposed for separate transmittal, military pay act supplemental.
[J] Proposed transfer, other than pay supplemental.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
OPERATION AND MAINTENANCE						
(Functional code 051)						
General and special funds—Continued						
Operation and maintenance, Army	NOA	7,291,048	6,941,495 A 1,160 D 51,597 J 950,000	8,205,000	260,748	Increase reflects support costs for higher force level and activities in Southeast Asia.
	Exp.	7,057,535	7,713,840 A 1,160	8,193,000	478,000	
Operation and maintenance, Navy	NOA	4,662,594	4,652,216 A 441 D 38,500 J 232,000	5,702,200	779,043	Increase primarily reflects a greater number of ships and aircraft scheduled for overhaul in 1969, and inclusion of materials previously financed in procurement appropriations.
	Exp.	4,676,440	4,574,559 A 441	5,486,000	911,000	
Operation and maintenance, Marine Corps.	NOA	431,052	391,440 A 93 D 1,857 J 7,200	437,600	37,010	Increase reflects support costs for higher force level, activities in Southeast Asia, and inclusion of materials previously financed in procurement appropriations.
	Exp.	379,628	399,907 A 93	427,000	27,000	
Operation and maintenance, Air Force.	NOA	5,598,122	5,366,529 A 2,499 D 40,186 J 327,100	6,742,000	1,005,686	Increase reflects inclusion of materials previously financed in procurement appropriations.

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	Exp.	5,469,613	5,582,501 A 2,499	6,481,000	896,000	
Operation and maintenance, Defense agencies.	NOA	915,117	945,445 A 100 D 22,979 J 17,100	1,077,600	91,976	Increase reflects higher personnel costs and increases in contract administration services and communications.
	Exp.	900,063	953,900 A 100	1,030,000	76,000	
Operation and maintenance, Army National Guard.	NOA	231,000	241,000 D 3,128 J —1,300	266,964	24,136	Increase provides additional equipment and civilian technicians required for reorganization of force structure.
	Exp.	235,059	240,000	260,000	20,000	
Operation and maintenance, Air National Guard.	NOA	254,700	272,570 D 1,723 J —400	302,000	28,107	Increase provides for additional flying hours and inclusion of materials previously financed in procurement appropriations.
	Exp.	242,775	260,000	290,000	30,000	
National Board for the Promotion of Rifle Practice, Army.	NOA	494	428 D 5	----------	—433	No funds are requested for 1969.
	Exp.	507	430	20	—410	
Claims, Defense	NOA	34,000	30,000	----------	8,000	An increase in the number of claims filed by private parties is expected.
Indefinite	NOA	----------	----------	38,000		
	Exp.	33,298	30,000	37,500	7,500	
Contingencies, Defense	NOA	15,000	10,000	15,000	5,000	This amount provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses.
	Exp.	153	3,000	5,000	2,000	
Court of Military Appeals	NOA	600	602 D 15	636	19	Increase supports a greater caseload arising from higher military population.
	Exp.	562	600	630	30	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
J Proposed transfer, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
OPERATION AND MAINTENANCE—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Miscellaneous expired accounts	Exp.	4,620	36,970	2,850	−34,120	
Federal employee status for civilian technicians, and increased travel allowances (proposed legislation).	NOA	----------	----------	[B] 52,000	52,000	Legislation will be proposed to provide Federal employee status for civilian technicians of the Army and Air National Guard, and an increase in travel allowances for military personnel.
	Exp.	----------	----------	[B] 47,000	47,000	
Total, operation and maintenance.	NOA	19,433,727	20,547,708	22,839,000	2,291,292	
	Exp.	19,000,253	19,800,000	22,260,000	2,460,000	
PROCUREMENT						
(Functional code 051)						
Procurement of equipment and missiles, Army.	NOA	5,598,300	5,462,500 [D] 3,185 [J] −409,500	[K] 5,626,000	569,815	Increase is primarily for the Sentinel System and combat support of Southeast Asia operations.
	Exp.	4,389,955	5,120,000	5,708,000	588,000	
Procurement of aircraft and missiles, Navy.	NOA	3,483,900	2,939,100 [D] 251 [J] 6,300	[F] 3,222,000	276,349	Increase for aircraft, helicopters, and missiles more than offsets financial adjustment. The 1969 program includes 720 aircraft compared with 521 in 1968.
	Exp.	2,999,403	3,350,000	3,300,000	−50,000	

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Shipbuilding and conversion, Navy.	NOA	1,756,700	1,297,000 [D] 2,315 [J] −233,200	[F] 1,712,300	646,185	Increase is primarily for conversion of ballistic missile submarines to carry Poseidon, for the first new-design nuclear destroyers and general-purpose assault ships, and for fast deployment logistic ships.
	Exp.	1,398,415	1,170,000	1,651,000	481,000	
Other procurement, Navy	NOA	2,255,300	2,336,000 [D] 1,038 [J] −160,800	2,719,000	542,762	Increase reflects inclusion of ship alteration program previously funded in Operation and maintenance, Navy; and procurement of modern ordnance and equipment.
	Exp.	1,668,203	2,190,000	2,603,000	413,000	
Procurement, Marine Corps	NOA	515,900	665,000 [J] −12,200	[L] 735,000	82,200	Increase reflects additional combat support of Southeast Asia operations.
	Exp.	411,314	520,000	650,000	130,000	
Aircraft procurement, Air Force	NOA	5,316,300	5,493,400 [J] −222,700	[F] 4,612,000	−658,700	Decrease reflects financing adjustment, reduced spares and trainer aircraft, and lower support requirements which are partially offset by increases for aircraft and aircraft modifications. The 1969 program includes 919 aircraft compared with 1,078 in 1968.
	Exp.	4,842,449	5,260,000	5,231,000	−29,000	
Missile procurement, Air Force	NOA	1,234,500	1,340,000 [J] 15,100	[F] 1,768,000	412,900	Increase reflects procurement of Minuteman III ballistic missiles, tactical missiles, and other support activities.
	Exp.	1,278,051	1,320,000	1,550,000	230,000	
Other procurement, Air Force	NOA	2,658,600	2,429,800 [J] −280,900	2,763,000	614,100	Increase mainly reflects munitions requirements for Southeast Asia.
	Exp.	1,975,862	2,495,000	2,702,000	207,000	
Procurement, Defense agencies	NOA	51,300	38,000 [J] 6,100	96,700	52,600	Increase reflects procurement of data processing and associated equipment for defense agencies.
	Exp.	40,706	45,000	50,000	5,000	

[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.
[J] Proposed transfer, other than pay supplemental.
[K] Includes $1,991,013 thousand to carry out authorizing legislation to be proposed.
[L] Includes $24,300 thousand to carry out authorizing legislation to be proposed.

300-000 O—68——18

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
PROCUREMENT—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Aircraft and related procurement, Navy.	Exp.	7,499	----------	----------	----------	(Obligated balance transferred to Miscellaneous expired accounts.)
Total, procurement	NOA	**22,870,800**	**20,715,789**	**23,254,000**	**2,538,211**	
	Exp.	19,011,857	21,470,000	23,445,000	1,975,000	
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION						
(Functional code 051)						
Research, development, test, and evaluation, Army.	NOA	**1,597,448**	**1,545,236** **[D]8,155** **[J]−100,000**	**[F]1,661,900**	**208,509**	Increase supports work on antiballistic missile defense, other missile systems, and conventional ordnance.
	Exp.	1,633,950	1,430,000	1,650,000	220,000	
Research, development, test, and evaluation, Navy.	NOA	**1,918,978**	**1,833,177** **[A]3** **[D]8,271** **[J]5,800**	**[F]2,146,400**	**299,149**	Increase supports development of the VSX antisubmarine aircraft, contract definition of several new fleet escort ships, and improvement of fleet air defense weapons.
	Exp.	1,791,101	1,904,997 [A]3	2,130,000	225,000	

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Research, development, test, and evaluation, Air Force.	NOA	3,171,751	3,255,943 A 21 D 8,728 J 108,000	F 3,570,300	197,608	Increase is primarily for the orbiting laboratory (MOL) and other space programs, the airborne warning and control system, and the FX tactical fighter.
	Exp.	3,229,192	3,396,979 A 21	3,500,000	103,000	
Research, development, test, and evaluation, Defense agencies.	NOA	484,280	450,135 D 940	F 502,600	51,525	Increase reflects materials research, communications, and nuclear weapons effects research.
	Exp.	505,424	468,000	490,000	22,000	
Emergency Fund, Defense	NOA	3	23,982	F 125,000	101,018	Funds are transferred to other appropriations for prompt exploitation of research and development opportunities. The 1968 amount is the current balance after such transfers.
	Exp.			30,000	30,000	
Total, research, development, test, and evaluation.	NOA	7,172,460	7,148,391	8,006,200	857,809	
	Exp.	7,159,668	7,200,000	7,800,000	600,000	
MILITARY CONSTRUCTION						
(Functional code 051)						
Military construction, Army	NOA	402,514	372,228 D 1,557	M 688,300	314,515	Increase is primarily for Sentinel System facilities.
	Exp.	447,157	780,000	594,000	−186,000	
Military construction, Navy	NOA	266,918	486,661 D 958	N 367,000	−120,619	Decrease mainly reflects reduced funding for troop housing.
	Exp.	519,096	170,000	350,000	180,000	
Military construction, Air Force	NOA	401,495	400,662 D 569	O 266,000	−135,231	Decrease reflects reduced funding for troop housing and maintenance facilities.
	Exp.	536,856	554,000	425,000	−129,000	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
F To carry out authorizing legislation to be proposed.
J Proposed transfer, other than pay supplemental.
M Includes $616,352 thousand to carry out authorizing legislation to be proposed.
N Includes $325,051 thousand to carry out authorizing legislation to be proposed.
O Includes $226,227 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
MILITARY CONSTRUCTION—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Military construction, Defense agencies.	NOA	9,146	114,540	P 85,400	−29,140	Decrease reflects reduced contingency funding for construction.
	Exp.	12,963	27,000	49,000	22,000	
Military construction, Army National Guard.	NOA	----------	3,000	F 2,700	−300	Obligation levels of $10 million in 1968 and 1969 include completion of prior year projects.
	Exp.	653	6,000	9,000	3,000	
Military construction, Air National Guard.	NOA	9,400	9,500 D 13	F 8,300	−1,213	Obligation levels of $10 million in 1968 and $14 million in 1969 include completion of prior year projects.
	Exp.	8,155	9,000	9,000	----------	
Military construction, Army Reserve.	NOA	----------	3,000 D 3	F 3,000	−3	Obligation levels of $4.8 million in 1968 and $8.3 million in 1969 include completion of prior year projects.
	Exp.	40	2,000	4,000	2,000	
Military construction, Naval Reserve.	NOA	5,400	5,000	F 5,000	----------	Obligation levels of $8.8 million in 1968 and $8.2 million in 1969 include completion of prior year projects.
	Exp.	3,543	6,969	6,000	−969	
Military construction, Air Force Reserve.	NOA	3,600	3,900 D 13	F 4,300	387	Obligation levels of $5 million in 1968 and 1969 include completion of prior year projects.
	Exp.	5,278	5,000	4,000	−1,000	
Loran stations, Defense	NOA	----------	3,600	----------	−3,600	Additional facilities are not required for this navigation system in 1969.
	Exp.	1,839	5,031	----------	−5,031	

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Total, military construction	NOA	1,098,474	1,405,204	1,430,000	24,796	
	Exp.	1,535,579	1,565,000	1,450,000	−115,000	
FAMILY HOUSING						
(Functional code 051)						
Family housing, Defense	NOA	507,196	671,271 [D]196	[F]589,700	−81,767	Decrease primarily reflects reduced new construction.
	Exp.	481,585	518,000	555,000	37,000	
Homeowners assistance fund, Defense.	NOA	----------	20,000	[F]11,800	−8,200	Decrease reflects carryover of funds from 1968.
	Exp.	----------	2,000	15,000	13,000	
Total, family housing	NOA	507,196	691,467	601,500	−89,967	
	Exp.	481,585	520,000	570,000	50,000	
CIVIL DEFENSE						
(Functional code 051)						
Operation and maintenance, civil defense.	NOA	66,099	66,100	[Q] 55,200	−10,900	Decrease reflects reductions in training and education programs, and grants for supplies and equipment.
	Exp.	65,432	61,000	57,600	−3,400	
Research, shelter survey and marking, civil defense.	NOA	35,000	20,000	21,600	1,600	Increase provides for increased cost of shelter planning and development services.
	Exp.	33,866	31,000	31,000	----------	
Construction of facilities, civil defense.	Exp.	759	1,000	400	−600	(Decrease reflects construction completion.)
Total, civil defense	NOA	101,099	86,100	76,800	−9,300	
	Exp.	100,058	93,000	89,000	−4,000	

[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.
[P] Includes $83,700 thousand to carry out authorizing legislation to be proposed.
[Q] Includes $20,130 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
SPECIAL FOREIGN CURRENCY PROGRAM						
(Functional code 051)						
General and special funds—Continued						
Special foreign currency program	NOA	7,348	11,200 [J] −11,200	12,800	12,800	Increase reflects financing in 1969 of undertakings deferred from 1968 and greater use of excess foreign currency.
	Exp.	11	2,000	6,000	4,000	
REVOLVING AND MANAGEMENT FUNDS						
(Functional code 051)						
Public enterprise funds:						
Defense production guarantees	Exp.	−1,048	−730	−565	165	(A reduction in the purchase of defaulted loans is expected.)
	NL	311	430	−535	−965	
Laundry service, Naval Academy	Exp.	−23	----------	----------	----------	(Collections are expected to offset expenditures.)
Civil defense procurement fund	Exp.	−1	----------	----------	----------	(No activity is forecast.)
Intragovernmental funds:						
Army stock fund	NOA	351,000	60,000 [J] −60,000	----------	----------	(Sales are expected to exceed purchases in 1969.)
Contract authorization (permanent, indefinite)	NOA	123,672	----------			
	Exp.	76,712	−165,700	−181,000	−15,300	

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Navy stock fund	NOA	**77,000**				(Decrease reflects sale of inventory without replacement.)
Contract authorization (permanent, indefinite).	NOA	**77,045**				
	Exp.	49,884	−24,000	−472,000	−448,000	
Marine Corps stock fund (contract authorization) (permanent, indefinite).	NOA	**30,671**				(Sales are expected to exceed purchases in 1969.)
	Exp.	50,408	3,000	−26,000	−29,000	
Air Force stock fund (contract authorization) (permanent, indefinite).	NOA	**13,504**				(Decrease reflects sale of inventory without replacement.)
	Exp.	9,537	−16,000	−617,000	−601,000	
Defense stock fund	NOA	**107,000**	**118,400**		**−118,400**	Sales are expected to exceed purchases in 1969.
Contract authorization (permanent, indefinite).	NOA	**233,654**				
	Exp.	431,685	117,400	−375,000	−492,400	
Army industrial fund	Exp.	−109,464	528,000	46,900	−481,100	(Decrease caused by refunds in 1968 of prepayments received from customers for prior year's orders.)
Navy industrial fund	Exp.	105,818	1,027,600	−21,300	−1,048,900	(Decrease caused by refunds in 1968 of prepayments received from customers for prior year's orders.)
Air Force industrial fund	Exp.	−69,445	−72,400	−36,500	35,900	(Increase reflects funding of depot maintenance.)
Defense industrial fund	Exp.	2,159	−1,800	11,000	12,800	(Increase reflects one-time prepaid charges for expansion of automatic switch networks.)
Army management fund	Exp.	−22,136	8,200		−8,200	(Fund will operate at $643 million level in 1969.)
Navy management fund	Exp.	−3,935	−9,000	56,000	65,000	(Increase reflects lag in collections.)
Air Force management fund	Exp.	−5,818	5,000	1,000	−4,000	(Liquidation of prior year obligations continues.)
Naval working fund	Exp.	−2,627				(Estimate reflects activity of $18 million in 1969.)

[J] Proposed transfer, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Federal Funds—Continued						
REVOLVING AND MANAGEMENT FUNDS—Continued						
(Functional code 051)—Continued						
Intragovernmental funds—Continued						
Consolidated working funds, Army	Exp.	6	----------	----------	----------	(Account will be inactive in 1969.)
Total, revolving and management funds.	NOA	**1,013,546**	**118,400**	----------	**−118,400**	
	Exp.	511,712	1,399,570	−1,614,465	−3,014,035	
	NL	311	430	−535	−965	
Subtotal, Federal funds	NOA	**72,421,092**	**72,912,059**	**79,257,300**	**6,345,241**	Total Federal funds are distributed as follows:
	Exp.	67,587,440	73,849,570	76,798,535	2,948,965	
	NL	311	430	−535	−965	

	1968		
	NOA	*Exp.*	*NL*
Enacted	72,111,560	73,063,402	430
(A)	4,317	4,317	------
(D)	196,182	185,440	------
(E)	600,000	596,411	------

	1969		
	NOA	*Exp.*	*NL*
Transmitted	79,182,300	76,714,204	−535
(B)	75,000	70,000	------
(D)	----------	10,742	------
(E)	----------	3,589	------

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Trust Funds						
DEPARTMENT OF THE ARMY						
Army trust funds (permanent)--051	NOA	**798**	**399**	**19**	**−380**	Decrease reflects termination of funding of joint development of the main battle tank with the Federal Republic of Germany through this account.
	Exp.	13,242	2,367	23	−2,344	
DEPARTMENT OF THE NAVY						
Navy trust funds (permanent)--051	NOA	**7,225**	**7,308**	**7,244**	**−64**	Funds are used for the benefit of naval personnel.
	Exp.	7,003	7,276	7,310	34	
DEPARTMENT OF THE AIR FORCE						
Air Force general gift fund (permanent)---051	NOA	**11**	**3**	**7**	**4**	Increase reflects gifts which are limited by the donors to specific purposes.
	Exp.	5	7	7	----------	
Subtotal, trust funds	NOA	**8,034**	**7,710**	**7,270**	**−440**	
	Exp.	20,250	9,650	7,340	−2,310	
Adjustments						
Interfund and intragovernmental transactions---050	NOA	*−7,050*	*−7,100*	*−7,100*	----------	
	Exp.					

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—MILITARY—Continued						
Adjustments—Continued						
Applicable receipts from the public 050	NOA	*−132,927*	*−155,841*	*−138,939*	*16,902*	
	Exp.					
850	NOA	*−1,727*	*−2,172*	*−2,174*	*−2*	
	Exp.					
Total, Department of Defense—Military.	NOA	**72,287,422**	**72,754,656**	**79,116,357**	**6,361,701**	Totals for the Department are distributed as follows:
	Exp.	67,465,986	73,694,107	76,657,662	2,963,555	
	NL	311	430	−535	−965	

	1968		
	NOA	*Exp.*	*NL*
Enacted	71,954,157	72,907,939	430
(A)	4,317	4,317	------
(D)	196,182	185,440	------
(E)	600,000	596,411	------

	1969		
	NOA	*Exp.*	*NL*
Transmitted	79,041,357	76,573,331	−535
(B)	75,000	70,000	------
(D)	----------	10,742	------
(E)	----------	3,589	------

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Federal Funds

DEPARTMENT OF THE ARMY

Cemeterial Expenses

General and special funds:						
Salaries and expenses 805	NOA	17,148	21,200	15,652	−5,548	Reduction reflects decrease in Arlington Cemetery construction and land development.
	Exp.	14,798	19,269	17,252	−2,017	
Corps of Engineers—Civil						
General investigations 401	NOA	32,450	34,445	37,100	2,655	Provides funds for 303 flood control, navigation, and beach erosion studies, of which 34 will be started in 1969. A comprehensive river basin survey for the Great Basin region will be started.
	Exp.	28,257	35,000	38,000	3,000	
Construction, general 401	NOA	965,955	967,599	904,000	−63,599	Funds in 1969 will provide for construction of 259 projects, of which 4 are special projects; 204 will continue; 10 costing $121 million will be started; and 42 costing $463 million will be completed, including 1 project started in 1969. Preconstruction planning will continue on 75 projects and will be initiated on 18 projects.
	Exp.	986,179	967,330	923,300	−44,030	
Operation and maintenance, general 401	NOA	178,900	190,000 [C] 2,400 [D] 1,825 [E] 9	223,70	29,466	Workload in 1969 involves maintenance of 531 projects.
	Exp.	176,750	194,300	224,000	29,700	
Flood control and coastal emergencies 401	NOA	7,000	----------	5,000	5,000	Provides funds for emergency operations to combat flood disaster situations.
	Exp.	6,022	9,500	5,000	−4,500	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay ac supplemental.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—CIVIL—Continued						
Federal Funds—Continued						
DEPARTMENT OF THE ARMY—Con.						
Corps of Engineers—Civil—Continued						
General and special funds—Continued						
General expenses 401	NOA	18,014	18,950 D 546 E 19	21,200	1,685	Increase is for improved planning and technical review capability in complex water resource development field.
	Exp.	17,922	19,425	21,200	1,775	
Flood control, Mississippi River and tributaries 401	NOA	87,135	87,135	69,600	−17,535	Construction is continued on 9 major project features, and provision is made for project operation and essential maintenance.
	Exp.	87,534	84,200	75,000	−9,200	
Permanent appropriations (indefinite, special funds) 401	NOA	3,510	3,500	3,500	----------	Fees paid by mine operators for depositing mine debris in restraining works are used for their maintenance. Half of the receipts from Federal Power Commission licenses are used for maintenance of navigation improvements. Three-fourths of receipts from lease of Federal lands acquired for flood control, navigation, and allied purposes are paid to States in which the projects are situated.
	Exp.	3,857	5,245	3,500	−1,745	
Intragovernmental funds:						
Advances and reimbursements, Corps of Engineers—Civil 401	Exp.	−26,351	----------	----------	----------	
Revolving fund, Corps of Engineers—Civil 401	Exp.	−1,838	----------	----------	----------	(The fund provides centralized services and facilities to agency programs.)

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Subtotal, Federal funds, Corps of Engineers—Civil.	NOA	**1,292,964**	**1,306,428**	**1,264,100**	**−42,328**
	Exp.	1,278,332	1,315,000	1,290,000	−25,000
Trust Funds					
Corps of Engineers—Civil trust funds (permanent)----------401	NOA	**25,870**	**20,778**	**18,522**	**−2,256**
	Exp.	22,979	26,000	23,000	−3,000
Adjustments					
Applicable receipts from the public 400	NOA	*−33,022*	*−27,572*	*−25,790*	*1,782*
	Exp.				
Total, Corps of Engineers—Civil.	NOA	**1,285,812**	**1,299,634**	**1,256,832**	**−42,802**
	Exp.	1,268,289	1,313,428	1,287,210	−26,218

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

Total Federal funds are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted----	1,301,629	1,310,775	----------	----------
Transmitted	----------	----------	1,264,100	1,289,426
([C])-------	2,400	2,000	----------	400
([D])-------	2,371	2,201	----------	170
([E])-------	28	24	----------	4

Contributions and advances from local interests are used in construction and maintenance work. Unused balances are returned.

Totals for the Corps of Engineers—Civil are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted----	1,294,835	1,309,203	----------	----------
Transmitted	----------	----------	1,256,832	1,286,636
([C])-------	2,400	2,000	----------	400
([D])-------	2,371	2,201	----------	170
([E])-------	28	24	----------	4

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—CIVIL—Continued						
Federal Funds						
Ryukyu Islands						
General and special funds:						
Administration 910	NOA	14,948	14,956 A 5,500 C 78 D 53 E 12	20,772	173	Includes $17.5 million for aid to the Ryukyuan economy. Remaining funds support administrative costs of the High Commissioner and the Advisory Committee announced by the President on Nov. 15, 1967.
	Exp.	15,032	15,130 A 5,161	20,113 A 254	76	
Construction of power systems 910	NL	205	430	----------	−430	(Construction of Kin powerplant has been completed.)
Pretreaty claims 910	NOA	21,040	----------	----------	----------	(Provides payments to island inhabitants for pretreaty damage by U.S. Forces.)
	Exp.	9,100	10,000	1,940	−8,060	
Total, Ryukyu Islands	NOA	35,988	20,599	20,772	173	
	Exp.	24,132	30,291	22,307	−7,984	
	NL	205	430	----------	−430	
THE PANAMA CANAL						
Canal Zone Government:						
Operating expenses 910	NOA	34,746	36,000	37,869	1,869	Increase provides for additional patient loads in hospitals and clinics and rising school enrollments.
	Exp.	32,839	35,926	37,669	1,743	
Capital outlay 910	NOA	2,000	4,500	1,061	−3,439	Estimate includes $451 thousand for routine recurring projects and $569 thousand for replacing and adding equipment.
	Exp.	4,960	5,045	5,414	369	

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Public enterprise funds:						
Panama Canal Company fund-502	Exp.	−12,769	−5,625	−2,095	3,530	(Receipts from operations are expected to increase $2.5 million while gross expenditures increase $6 million.)
Limitation on general and administrative expenses.		(12,278)	(13,000)	(13,691)	(691)	Increase provides for support of rising workload throughout Panama Canal Company and expanded training programs.
Subtotal, Federal funds, The Panama Canal.	NOA	**36,746**	**40,500**	**38,930**	**−1,570**	
	Exp.	25,030	35,346	40,988	5,642	
Adjustments						
Interfund and intragovernmental transactions-900	NOA	*−15,774*	*−16,215*	*−17,388*	*−1,173*	
	Exp.					
Applicable receipts from the public 850	NOA	*−70*	*−51*	*−51*	----------	
	Exp.					
900	NOA	*−14,232*	*−15,853*	*−16,961*	*−1,108*	
	Exp.					
Total, The Panama Canal---	NOA	**6,670**	**8,381**	**4,530**	**−3,851**	
	Exp.	−5,046	3,227	6,588	3,361	
Federal Funds						
MISCELLANEOUS ACCOUNTS						
General and special funds:						
Wildlife conservation, etc., military reservations (permanent indefinite, special funds)---404	NOA	**253**	**267**	**270**	**3**	Fishing and hunting license fees are used for wildlife conservation.
	Exp.	204	253	254	1	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—CIVIL—Continued						
Adjustments						
Applicable receipts from the public 400	NOA Exp.	−252	−267	−268	−1	
Total, miscellaneous accounts	NOA	1		2	2	
	Exp.	−48	−14	−14		
Trust Funds						
SOLDIERS' HOME						
Operation and maintenance 805	NOA	7,685	8,024 [C]140 [D]50	8,602	388	Receipts include fines, forfeitures, and pay stoppages of Army and Air Force enlisted personnel. Increase provides for an estimated rise from 1,840 to 1,875 domiciliary members and from 425 to 435 hospital patients.
	Exp.	7,489	8,150	8,613	463	
Capital outlay 805	NOA	3,575	305	726	421	Increase reflects construction of a 55-bed hospital addition.
	Exp.	106	3,615	997	−2,618	
Payment of claims (permanent, indefinite) 805	NOA	1	1	1		Amounts are for refunds of charges erroneously deducted from the pay of military personnel.
	Exp.	1	1	1		

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Trust revolving fund 805	Exp.	−3			
Subtotal, trust funds, Soldiers' Home.	NOA	11,261	8,520	9,329	809
	Exp.	7,593	11,766	9,611	−2,155
Adjustments					
Applicable receipts from the public 800	NOA	*−140*	*−140*	*−140*	
	Exp.				
Total, Soldiers' Home	NOA	11,121	8,380	9,189	809
	Exp.	7,453	11,626	9,471	−2,155

(Fund finances certain supply inventories of the Home.)

Total trust funds are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	8,330	11,587		
Transmitted			9,329	9,600
(C)	140	132		
(D)	50	47		

Totals for the Soldiers' Home are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	8,190	11,447		
Transmitted			9,189	9,460
(C)	140	132		8
(D)	50	47		3

C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

300-000 O—68——19

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF DEFENSE—CIVIL—Continued						
Summary						
Total, Federal funds	NOA	**1,383,099**	**1,388,994**	**1,339,724**	**−49,270**	Total Federal funds are distributed as follows:
	Exp.	1,342,496	1,400,159	1,370,801	−29,358	
	NL	205	430		−430	
Total, trust funds	NOA	**37,131**	**29,298**	**27,851**	**−1,447**	Total trust funds are distributed as follows:
	Exp.	30,572	37,766	32,611	−5,155	

Total Federal funds	1968 NOA	1968 Exp.	1968 NL
Enacted	1,378,552	1,390,643	430
(A)	5,500	5,161	----------
(C)	2,478	2,070	----------
(D)	2,424	2,249	----------
(E)	40	36	----------

Total Federal funds	1969 NOA	1969 Exp.
Transmitted	1,339,724	1,369,960
(A)	----------	254
(C)	----------	408
(D)	----------	175
(E)	----------	4

Total trust funds	1968 NOA	1968 Exp.	1969 NOA	1969 Exp.
Enacted	29,108	37,587	----------	----------
Transmitted	----------	----------	27,851	32,600
(C)	140	132	----------	8
(D)	50	47	----------	3

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Adjustments:					
Interfund and intragovernmental transaction 900	NOA	*−15,774*	*−16,215*	*−17,388*	*−1,173*
	Exp.				
Applicable receipts from the public 400	NOA	*−33,274*	*−27,839*	*−26,058*	*1,781*
	Exp.				
800	NOA	*−140*	*−140*	*−140*	----------
	Exp.				
850	NOA	*−93*	*−51*	*−51*	----------
	Exp.				
900	NOA	*−14,232*	*−15,853*	*−16,961*	*−1,108*
	Exp.				
Total, Department of Defense—Civil.	NOA	**1,356,717**	**1,358,194**	**1,306,977**	**−51,217**
	Exp.	1,309,555	1,377,827	1,342,814	−35,013
	NL	205	430	----------	−430

Totals for the Department of Defense—Civil are distributed as follows:

	1968		
	NOA	*Exp.*	*NL*
Enacted	1,347,562	1,368,132	430
(A)	5,500	5,161	---
(C)	2,618	2,202	---
(D)	2,474	2,296	---
(E)	40	36	---
	1969		
	NOA	*Exp.*	
Transmitted	1,306,977	1,341,962	
(A)	---	254	
(C)	---	416	
(D)	---	178	
(E)	---	4	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
Federal Funds						
FOOD AND DRUG ADMINISTRATION						
General and special funds:						
Salaries and expenses 651	NOA	**61,236**	**65,933**	**69,801**	**3,868**	Provides for extending manufacturing practice standards, adding 140 plants to the industry self-certification program, and increasing drug reliability through the National Center for Drug Analysis.
	Exp.	57,647	62,100	63,619	1,519	
Buildings and facilities 651	NOA	**3,130**	**1,150**	**100**	**−1,050**	Decrease due to completion of funding for nonrecurring construction.
	Exp.	631	3,301	5,081	1,780	
Public enterprise funds:						
Revolving fund for certification and other services 651	Exp.	−69	−99	----------	99	(Industry fees finance certification of antibiotics, insulin, color additives, establishment of pesticides tolerances, and expenses of certain advisory committees.)
Total, Food and Drug Administration.	NOA	**64,366**	**67,083**	**69,901**	**2,818**	
	Exp.	58,209	65,302	68,700	3,398	
OFFICE OF EDUCATION						
General and special funds:						
Elementary and secondary educational activities 701	NOA	**1,342,372**	**1,676,713**	**[R]1,560,703**	**−116,010**	Decreases in special grants for equipment and books are partly offset by new project grants to prevent school dropouts, for education of children whose native language is not English, and grants for evaluation and planning of Federal school aid programs.
	LA	----------	**1,000**	**1,000**	----------	
	Exp.	1,265,971	1,422,575	1,408,199	−14,376	
	NL	----------	299	931	632	

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Repayment deposited in general fund.	LA NL	----------	----------	*—100*	*—100*	
School assistance in federally affected areas----------701	NOA Exp.	**469,137** 447,074	**439,137** 371,941	**410,335** 415,507	**—28,802** 43,566	In 1969, payments will be made to 4,500 school districts in areas affected by Federal activities on behalf of 2,688,000 children. Despite 1969 decrease, program level will be higher than 1968 by applying funds not obligated in 1968.
Education professions development activities----------704	NOA Exp.	---------- ----------	---------- ----------	[S]**215, 913** 57, 000	**215, 913** 57, 000	Increases are for new teacher training programs under Education Professions Development Act of 1967. Teacher institutes and fellowships previously in Higher educational and Elementary and secondary activities are now included in this account. In total, 39,000 teachers will participate and 20,000 college students will be preparing for school and college teaching.
Teacher Corps----------701	NOA Exp.	**11, 324** 12, 521	**13, 500** 13, 287	**31, 235** 21, 698	**17, 735** 8, 411	Increase permits recruitment of 1,500 new interns and experienced teachers each year; total Corps members in service will be 2,483.
Higher educational activities--702	NOA LA Exp. NL	**950, 717** ---------- 454, 273 69, 105	**1, 156, 194** **2, 000** 912, 000 32, 000	[T]**706, 127** [B]**23, 000** **2, 000** 945, 324 31, 900	**—427, 067** 33, 324 —100	Decrease for construction of academic facilities is offset in part by increases for student aid programs. Appropriations for graduate fellowships now included in Education professions development activities, above. Legislation will be proposed for college services to disadvantaged students and for interinstitutional sharing of resources.
Repayment deposited in general fund.	LA NL	----------	----------	*—500*	*—500*	
Expansion and improvement of vocational education----------704	NOA Exp.	**278, 016** 243, 957	**252, 900** 260, 000	**249, 995** [B]**15, 000** 239, 347 [B]7, 000	**12, 095** —13, 653	Supports in-school vocational programs for 4,000,000 high school and post-high school students. Legislation is proposed for innovative occupational education programs, especially for disadvantaged youth.
Libraries and community services----------704	NOA Exp.	**76,000** 57,407	**156,500** 100,000	[U]**149,199** 140,848	**—7,301** 40,848	Increase for adult literacy offset by larger decrease in library construction.

[B] Proposed for separate transmittal under proposed legislation.
[R] Includes $39,950 thousand to carry out authorizing legislation to be proposed.
[S] Includes $86,600 thousand to carry out authorizing legislation to be proposed.
[T] Includes $543,000 thousand to carry out authorizing legislation to be proposed.
[U] Includes $48,750 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
OFFICE OF EDUCATION—Continued						
General and special funds—Continued						
Educational improvement for the handicapped 701	NOA	**35,075**	**53,400**	**85,225**	**31,825**	Provides for expansion of school and preschool classes for 53,300 students, and for teacher training.
	Exp.	25,175	39,700	64,000	24,300	
Research and training 704	NOA	**70,000**	**90,967**	[v] **142,300**	**51,333**	Increases are for experimental prototypes including a model school in Washington, D.C., and evaluations of current Federal education programs.
	Exp.	50,541	64,980	95,000	30,020	
Foreign language training and area programs 702	NOA	**3,000**	**15,700**	[w] **19,250**	**3,550**	Increase will support language and area centers at universities.
	Exp.	2,276	4,100	14,000	9,900	
Educational research and training (special foreign currency program) 704	NOA	**1,000**	----------	**4,000**	**4,000**	Increase in excess foreign currencies will support both education research and training of U.S. scholars overseas.
	Exp.	1,199	1,325	1,300	−25	
Salaries and expenses 704	NOA	**35,499**	**37,520**	**46,100**	**8,580**	Increase provides staff for programs authorized by 1967 legislation and expansion of educational data systems.
	Exp.	35,899	37,848	45,000	7,152	
Civil rights educational activities 701	NOA	**8,028**	**10,000**	**14,976**	**4,976**	Provides additional assistance to States and school boards in alleviating desegregation problems.
	Exp.	8,798	9,700	13,300	3,600	
Defense educational activities: (Assistance for elementary and secondary education) 701	NOA	**113,450**	----------	----------	----------	(Appropriations now included in Elementary and secondary activities.)
	LA	**1,500**	----------	----------	----------	
	Exp.	98,444	71,300	8,000	−63,300	
	NL	559	300	----------	−300	

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Repayments deposited in general fund.	LA NL	*−2,433*	*−200*	*−200*		
(Assistance to higher education)_____702	NOA LA Exp. NL	**284,957** **2,000** 241,124 1,684	 98,891 9	 	 −98,891 −9	(Appropriations now included in Higher education activities.)
Repayments deposited in general fund.	LA NL	*−509*	*−500*	*−1,000*	*−500*	
(Other aid to education)___704	NOA Exp.	**44,450** 46,356	 23,500	 3,000	 −20,500	(Appropriation now included in Reseach and training.)
Total, defense educational activities.	NOA LA Exp. NL	**442,857** **558** 385,924 −699	 **−700** 193,691 −391	 **−1,200** 11,000 −1,200	 **−500** −182,691 −809	
Arts and humanities educational activities_____701	NOA Exp.	**1,000** 730	**1,000** 965	 520	**−1,000** −445	Appropriations now included under Elementary and secondary and Education professions development activities.
Colleges for agriculture and the mechanic arts (permanent)_702	NOA Exp.	**2,550** 2,550	**2,550** 2,550	**2,550** 2,550	 	Annual grants of $50 thousand are made to each State and Puerto Rico.
Promotion of vocational education, act of Feb. 23, 1917 (permanent)_____704	NOA Exp.	**7,161** 6,300	**7,161** 10,952	**7,161** 7,161	 −3,791	Matching grants are made to States for training in vocational subjects.
Public enterprise funds:						
Student loan insurance fund__702	NOA Exp.	**3,200** 	 104	 1,948	 1,844	(Insures loans to college and vocational students made by banks and other credit institutions.)

[V] Includes $3,550 thousand to carry out authorizing legislation to be proposed.
[W] Includes $16,050 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
OFFICE OF EDUCATION—Continued						
Public enterprise funds—Continued						
Higher education facilities loan fund: 702						
Appropriation	NOA		925		2,350	Increase is for interest insufficiencies on participation certificates.
Current, indefinite	NOA	485		3,275		
Permanent, indefinite	NOA		1,700	1,700		
Appropriation	LA	200,000		100,000		Funds will make available $100 million in loans in 1969 for construction of classrooms, libraries, and laboratories.
Authorization to spend debt receipts.	LA	100,000	100,000			
	Exp.	−915	77	961	884	
	NL	12,852	35,951	48,642	12,691	
Intragovernmental funds:						
Advances and reimbursements 704	Exp.	−8,699	713		−713	
Total, Office of Education	NOA	3,737,421	3,915,867	3,688,044	−227,823	
	LA	300,558	102,300	101,200	−1,100	
	Exp.	2,990,981	3,446,508	3,491,663	45,155	
	NL	81,258	67,859	79,673	11,814	
PUBLIC HEALTH SERVICE						
Office of the Surgeon General						
General and special funds:						
Salaries and expenses 651	NOA	7,798	8,582	9,073	491	Increase provides strengthened central management.
	Exp.	8,416	7,882	9,014	1,132	

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Comprehensive health planning and services 651	NOA	4,250	140,585 [A] 20,000	195,383	34,798	1968 supplemental will expand rat control programs. 1969 increase covers expanded grants for comprehensive statewide and area health planning, support of broadened State and local health service programs, and project grants to combat local, regional, or national health problems.
	Exp.	37	67,000 [A] 5,000	95,000 [A] 15,000	38,000	
Total, Office of the Surgeon General.	NOA	12,048	169,167	204,456	35,289	
	Exp.	8,453	79,882	119,014	39,132	
Health Manpower						
Health manpower education and utilization 651	NOA	500	158,063	197,400	39,337	Increase is for aid to students and colleges providing training in allied health professions, and to medical and dental schools in greatest need of financial support.
	Exp.	508	75,258	121,080	45,822	
Construction of health educational facilities 651	NOA	160,727	203,000	84,800	−118,200	$67.6 million of the 1968 appropriation has been deferred for use in 1969. Revised 1968 and 1969 programs continue construction of facilities for health manpower education.
	Exp.	29,165	88,000	90,000	2,000	
Dental services and resources 651	NOA	9,693				(This activity transferred to Health manpower education and utilization.)
	Exp.	9,210	4,956		−4,956	
Nursing services and resources 651	NOA	25,518				(This activity transferred to Health manpower education and utilization.)
	Exp.	22,626	11,199		−11,199	
Total, health manpower	NOA	196,438	361,063	282,200	−78,863	
	Exp.	61,509	179,413	211,080	31,667	
Disease Prevention and Environmental Control						
Chronic diseases 651	NOA	91,591	27,942	29,779	1,837	Provides additional support for chronic respiratory and arthritic diseases, smoking and health, and domestic nutrition studies.
	Exp.	70,705	69,000	30,000	−39,000	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
PUBLIC HEALTH SERVICE—Continued						
Disease Prevention and Environmental Control—Continued						
General and special funds—Continued						
Communicable diseases 651	NOA	**44,220**	**70,347**	**63,407**	**−6,940**	Provides for new clinical laboratory improvement program, and increases for epidemiology and venereal disease control. These increases are more than offset by the discontinuance of special assistance to States for the vaccination of children against selected diseases. This program has been included under the Partnership-for-Health program.
	Exp.	45,102	64,000	60,000	−4,000	
Air pollution 651	NOA	**40,061**	**64,185** **[A] 16,000**	**106,733**	**26,548**	Supplemental in 1968 is primarily for fuel combustion research. 1969 increase will provide for continued implementation of the Air Quality Act of 1967.
	Exp.	30,664	50,000 [A] 3,000	74,000 [A] 6,000	27,000	
Urban and industrial health 651	NOA	**21,962**	**41,750**	**45,611**	**3,861**	Increase is for solid waste research and demonstrations, and for research into the health effects of contaminants in drinking water.
	Exp.	17,164	30,102	33,000	2,898	
Radiological health 651	NOA	**20,895**	**15,687**	**18,077**	**2,390**	Increase represents transfer of funds to this account for management activities. Additional research on health effects of radiation will be supported.
	Exp.	20,990	17,235	17,000	−235	
Injury control 651	NOA	**5,668**	----------	----------	----------	(This program was transferred to Urban and industrial health and Patient care and special health services.)
	Exp.	4,662	2,532	----------	−2,532	

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Control of tuberculosis 651	NOA	21,597				(This program was transferred to Communicable diseases and Comprehensive health planning and services.)
	Exp.	17,054	6,144	1,224	−4,920	
Control of venereal diseases 651	NOA	10,593				(This program was transferred to Communicable diseases and Comprehensive health planning and services.)
	Exp.	9,558	1,990		−1,990	
Occupational health 651	NOA	6,592				(This program was transferred to Urban and industrial health.)
	Exp.	5,787	3,142		−3,142	
Foreign quarantine activities 651	NOA	8,202				(This program was transferred to Communicable diseases.)
	Exp.	8,150	665		−665	
Total, disease prevention and environmental control.	NOA	271,381	235,911	263,607	27,696	
	Exp.	229,836	247,810	221,224	−26,586	
Health Services						
Community health services 651	NOA	128,114	54,240 [A] 12,427	[X] 59,500	−7,167	1968 supplemental provides additional funds for a National Center for Health Services Research and Development and for mental retardation construction grants. Decrease in 1969 due to transfer of mental retardation research and construction grants to Social and Rehabilitation Services.
	Exp.	103,767	70,410 [A] 8,000	60,549 [A] 1,451	−16,410	
Limitation payable from trust funds.			(4,075)	(4,320)	(245)	
Patient care and special health services 651	NOA	64,181	65,113	71,193	6,080	1969 estimate provides for improved staffing and services in Public Health Service hospitals and clinics for 1.7 million outpatient visits and care for an average of 2,465 patients per day.
	Exp.	63,938	64,971	70,000	5,029	
Hospital construction activities 651	NOA	313,525	293,487	258,368	−35,119	A portion of the 1968 NOA has been deferred for use in 1969. Revised programs for 1968 and proposed for 1969 will provide $262.8 and $290.8 million, respectively, for construction of health facilities.
	Exp.	208,135	222,000	215,000	−7,000	
Indian health activities 651	NOA	76,324	83,879 [A] 1,000	95,907	11,028	1968 supplemental will finance higher-than-anticipated costs of contract medical care. The 1969 increase provides for expansion of preventive care programs, family planning activities, and increased training of nonprofessional health personnel.
	Exp.	72,963	78,706 [A] 700	89,700 [A] 300	10,594	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[X] Includes $8,100 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
PUBLIC HEALTH SERVICE—Continued						
Health Services—Continued						
General and special funds—Continued						
Construction of Indian health facilities 651	NOA	**14,489**	**16,848**	**16,100**	**−748**	The estimate includes construction of 6 field health facilities, alterations at 14 hospitals, and 89 sanitation projects serving 6,500 families.
	Exp.	10,300	19,297	19,584	287	
Emergency health activities 059	NOA	**10,000**	**8,947**	**2,400**	**−6,547**	1968 program level will be maintained from available prior year funds.
	Exp.	6,416	8,000	5,000	−3,000	
Medical care services 651	NOA	**10,359**				(This activity was transferred to Community health services.)
	Exp.	4,074	6,134		−6,134	
Limitations payable from trust funds.		(3,512)				
Total, health services	NOA	**616,992**	**535,941**	**503,468**	**−32,473**	
	Exp.	469,593	478,218	461,584	−16,634	
National Institutes of Health						
Biologics standards 651	NOA	**7,904**	**8,649**	**8,499**	**−150**	Estimate is for continuation of studies on tumor-producing factors in vaccines, for research on existing and prospective vaccines, such as rubella, and for regulatory activities.
	Exp.	5,397	8,012	8,009	−3	
National Cancer Institute 651	NOA	**175,644**	**183,356**	**187,707**	**4,351**	Increase is for additional research grants for cancer centers and for task forces, notably the lung cancer task force.
	Exp.	154,604	164,974	165,000	26	

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National Heart Institute 651	NOA	164,758	165,898	169,735	3,837	Increase is for the artificial heart/myocardial infarction program, studies of the biochemical aspects of disease, and cardiovascular research and training centers.
	Exp.	139,841	150,465	152,000	1,535	
National Institute of Dental Research 651	NOA	28,296	30,288	30,414	126	Estimate is for continued development of university-based dental research institutes, and clinical trials of new caries preventive agents and methods.
	Exp.	24,315	25,099	25,100	1	
National Institute of Arthritis and Metabolic Diseases 651	NOA	135,675	143,954	146,489	2,535	Increase is for artificial kidney-chronic uremia program, and for research in diabetes, gastroenterology, and arthritis.
	Exp.	128,918	131,500	131,500	----------	
National Institute of Neurological Diseases and Blindness 651	NOA	116,284	126,956	131,195	4,239	Increase is for emphasis on research in degenerative disorders, including Parkinsonism, head injury, stroke, and disorders of vision, speech, and hearing.
	Exp.	102,947	107,329	110,700	3,371	
National Institute of Allergy and Infectious Diseases 651	NOA	90,658	94,422	98,562	4,140	Increase covers research in immunology, viral diseases, chronic and degenerative diseases, and transplantation, immunology, and vaccine development.
	Exp.	82,266	77,179	80,000	2,821	
National Institute of General Medical Services 651	NOA	145,088	160,250	165,777	5,527	Increase covers continuation of research in anesthesiology and diagnostic radiology, strengthening of research in pharmacology and toxicology, and in clinical research training.
	Exp.	127,134	128,113	130,000	1,887	
National Institute of Child Health and Human Development 651	NOA	64,922	68,621	75,394	6,773	Increase is for research and research training programs in reproduction, population research, fertility control, and a new program for mental retardation research centers.
	Exp.	58,260	61,000	63,000	2,000	
Regional medical programs 651	NOA	45,004	58,814	[Y] 68,922	10,108	Increase permits expansion of operational grant programs in 54 regions to increase the availability and utilization of advanced diagnosis in heart, cancer, stroke, and related diseases.
	Exp.	4,468	18,131	40,000	21,869	
Environmental health sciences 651	NOA	24,298	17,289	18,099	810	Estimate includes research training programs in the environmental health sciences and staffing of the National Environmental Health Sciences Center in North Carolina.
	Exp.	16,958	17,023	17,000	−23	

[Y] Includes $62,900 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
PUBLIC HEALTH SERVICE—Continued						
National Institutes of Health—Continued						
General and special funds—Continued						
General research and services, National Institutes of Health 651	NOA	68,522	81,141	87,500	6,359	Increase includes funds for the initial operational costs of the new International Center. Estimate reflects continuation of programs to upgrade laboratory animal resources, engineering development, international research, and computer research and technology.
	Exp.	53,920	70,360	71,400	1,040	
Grants for construction of health research facilities 651	NOA	56,000	35,000	8,400	−26,600	Estimate provides grant funds for construction of non-Federal research facilities. A $20 million program level will be achieved in 1969 through the use of funds brought forward from 1968.
	Exp.	38,773	39,000	39,000		
John E. Fogarty International Center for Advanced Study in the Health Sciences 651	NOA		500		−500	Construction planning will be initiated in 1968 for a new facility at the NIH campus, at Bethesda, Md.
	Exp.		64	414	350	
Construction of mental health-neurology research facility 651	Exp.	4,261	4,000	1,400	−2,600	(Expenditures are payments of prior obligations. Completion is scheduled for January 1968.)
Total, National Institutes of Health.	NOA	1,123,053	1,175,138	1,196,693	21,555	
	Exp.	942,062	1,002,249	1,034,523	32,274	

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National Institute of Mental Health						
Mental health research and services 651	NOA	**265,104**	**245,703**	**277,639**	**31,936**	Increase is for research, training, and narcotic addict rehabilitation. Includes $15 million in demonstration grants for experiments in early childhood development.
	Exp.	203 789	217,700	225,000	7,300	
Community mental health resource support 651	NOA	**50,000**	**100,168**	**[z] 87,300**	**−12,868**	Decrease reflects deferral to 1969 of 1968 funds for construction of community mental health centers.
	Exp.	4,305	40,000	50,000	10,000	
Saint Elizabeths Hospital:						
Salaries and expenses (indefinite) 651	NOA	**10,171**	**10,731**	**11,077**	**346**	Provides for staffing increases and other improvements, partially funded by anticipated increase in reimbursements of $1.4 million for care of District of Columbia and other Federal patients.
	Exp.	9 464	9,900	10,500	600	
Buildings and facilities 651	NOA	**2,298**	**1,237**	**1,302**	**65**	The 1969 estimate provides for 7 miscellaneous repair and improvement projects.
	Exp.	941	3,054	3,735	681	
Total, National Institute of Mental Health.	NOA	**327,573**	**357,839**	**377,318**	**19,479**	
	Exp.	218,499	270,654	289,235	18,581	
Other						
National health statistics 651	NOA	**9,312**	**8,317**	**9,501**	**1,184**	Increase covers new program assistance to State vital statistics agencies and for collection of family planning statistics.
	Exp.	7,492	8,220	9,210	990	
National Library of Medicine 651	NOA	**20,192**	**21,674**	**19,172**	**−2,502**	Decrease due to reduction in medical library construction grants partially offset by increases in the Toxicology Information Exchange and automated library and retrieval system.
	Exp.	7,682	12,498	15,000	2,502	
Buildings and facilities 651	NOA	**18,279**	**10,715**	**12,495**	**1,780**	Increases mainly for repairs and improvements, an environmental health facility in Morgantown, W. Va., and completion of a multilevel parking facility.
	Exp.	20,247	20,633	22,417	1,784	
Scientific activities overseas (special foreign currency program) 651	NOA	**10,000**	**15,000**	**30,000**	**15,000**	Supports overseas scientific research through the use of excess foreign currencies.
	Exp.	6,833	10,000	17,000	7,000	

[z] Includes $8,000 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
PUBLIC HEALTH SERVICE—Continued						
Other—Continued						
General and special funds—Continued						
Retired pay of commissioned officers (indefinite) 651	NOA	10,838	13,800	15,090	1,290	Retired officers will increase from 785 to 873. Increase also provides for expanded dependents' medical care benefits.
	Exp.	8,416	13,000	15,000	2,000	
Expired accounts, Public Health Service 651	Exp.	4,974	1,292	----------	−1,292	
Public enterprise funds:						
Health education loans:						
Health professions education fund: 651						
Appropriation (payment of sales insufficiencies).	NOA	----------	15	----------	139	Funds available from participation sales in 1968 will finance loans to approximately 11,800 health profession students in 1969. Increase in interest insufficiencies due to higher sales.
Indefinite	NOA	----------	----------	154		
Appropriation	NOA	10,000	2,000	----------	−13,500	
Authorization to spend debt receipts.	NOA	----------	11,500			
	Exp.	−2,380	11,459	11,302	−157	
Nurse training fund: 651						
Appropriation (payment of sales insufficiencies).	NOA	----------	5	----------	41	Funds available from participation sales in 1968 will finance loans to approximately 11,500 nursing students in 1969. Increase in interest insufficiencies due to higher sales.
Indefinite	NOA	----------	----------	46		
Appropriation	NOA	2,000	4,390	----------	−7,890	
Authorization to spend debt receipts.	NOA	----------	3,500			
	Exp.	−6,347	6,494	6,902	408	

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Payment of sales insufficiencies 651	NOA		230		−230	An indefinite appropriation directly to the funds concerned is proposed for 1969.
Operation of commissaries, narcotic hospitals 651	Exp.	−2	−3		3	(Provides canteen services at 2 narcotics hospitals.)
Intragovernmental funds:						
Public Health Service management fund 651	Exp.	−220				(Finances management services of the Bureaus of Health Services and Disease Prevention and Environmental Control.)
National Institutes of Health management fund 651	Exp.	−825				(Finances management services of the National Institutes of Health.)
Service and supply fund 651	Exp.	−610	−78	−33	45	(Finances procurement services for the Public Health Service.)
Working capital fund, narcotic hospitals 651	Exp.	2	−56	−7	49	(Finances occupational therapy industries for narcotics patients.)
General research support grants 651	Exp.	−9,205				(Grants from funds available to National Institutes of Health and National Institute of Mental Health are made to the health profession's schools and some graduate schools for institutional research purposes. A special advancement award program seeks to strengthen the research capabilities of selected schools.)
Advances and reimbursements 651	Exp.	−3,453	54	3	−51	
Total, other Public Health Service.	NOA	**80,621**	**91,146**	**86,458**	**−4,688**	
	Exp.	32,604	83,513	96,794	13,281	
Total, Public Health Service	NOA	**2,628,106**	**2,926,205**	**2,914,200**	**−12,005**	
	Exp.	1,962,556	2,341,739	2,433,454	91,715	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
SOCIAL AND REHABILITATION SERVICE						
General and special funds:						
Grants to States for maintenance payments 653	NOA	----------	----------	**3,051,900**	**3,051,900**	Formerly an activity of Grants to States for public assistance. Estimate reflects reduced costs for old-age assistance due to benefit increases under Social Security offset by increases for aid to families with dependent children. A monthly average of 8.8 million people, including 4.6 million children will receive federally aided maintenance payments in 1969.
NOA comparable to 1969 request		*(2,607,202)*	*(2,984,758)*			
	Exp.	----------	46,000	2,945,600	2,899,600	
Work incentive activities 652	NOA	----------	[A] **40,000**	**135,000**	**95,000**	A 1968 supplemental is required to implement the new grant program of work incentives. Increased 1969 requirements will provide training for 82,000 welfare clients, employment in work projects for 20,000, and care for about 35,000 children.
	Exp.	----------	[A] 15,000	94,000 [A] 25,000	104,000	
Grants to States for medical assistance 651	NOA	----------	----------	**2,118,300**	**2,118,300**	Formerly an activity of Grants to States for public assistance. Increase covers higher medical prices, greater utilization of services, larger numbers of persons receiving services, and an increase from 43 States in 1968 to 48 States in 1969 participating in the Medicaid program. The 1969 level reflects initial reduction in the scope of Medicaid as a result of the 1967 social security amendments.
NOA comparable to 1969 request		*(1,171,568)*	*(1,807,642)*			
	Exp.	----------	----------	2,093,300	2,093,300	
Social services, administration, training, and demonstration projects 653	NOA	----------	----------	**594,800**	**594,800**	Formerly a subactivity of Grants to States for public assistance. 1969 increase is primarily due to recently enacted requirement for intensified social services under aid to families with dependent children.
NOA comparable to 1969 request		*(391,230)*	*(466,900)*			
	Exp.	----------	----------	587,856	587,856	

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Grants to States for public assistance:						
(Income maintenance payments)--653	NOA	2,607,202	2,529,500 [A] 455,258	---- ----	−2,984,758	1968 supplemental covers costs of unanticipated caseload increase under aid to families with dependent children. In 1969, this activity will be funded under Grants to States for maintenance payments.
	Exp.	2,610,059	2,490,000 [A] 440,000	[A] 15,258	−2,914,742	
(Medical assistance)----651	NOA	1,171,568	1,239,300 [A] 568,342	---- ----	−1,807,642	Medicaid supplemental required to meet Federal share of unforeseen program cost in 1968 due to higher-than-anticipated medical prices and increased utilization of services. 1969 activity will be funded as indicated above.
	Exp.	1,173,000	1,221,000 [A] 540,015	[A] 28,327	−1,732,688	
(Social services, administration, training, and demonstration projects)----653	NOA	391,230	355,500 [A] 111,400	---- ----	−466,900	1968 supplemental is required to cover the Federal share of caseload-related costs. 1969 activity will be funded as indicated above.
	Exp.	392,000	350,233 [A] 110,000	[A] 1,400	−458,833	
Total, grants to States for public assistance.	NOA	4,170,000	5,259,300	---- ----	−5,259,300	
	Exp.	4,175,059	5,151,248	[A] 44,985	−5,106,263	
Assistance for repatriated U.S. nationals----653	NOA	460	525	545	20	Provides income maintenance, social services, and medical care for mentally ill and other indigent repatriates.
	Exp.	400	507	535	28	
Grants for rehabilitation services and facilities----659	NOA	258,560	311,550 [A] 1,900	[A A] 375,490	62,040	1968 supplemental required for States to complete comprehensive planning. 1969 increases will assist States to rehabilitate about 230,000 disabled individuals, 15% more than in 1968.
	Exp.	208,277	299,882 [A] 627	365,338 [A] 1,273	66,102	
Mental retardation----659	NOA	---- ----	---- ----	30,056	30,056	Previously funded under Community health and Hospital construction activities. Will provide improvement grants to 110 State residential institutions, serving 40,000 retardates; construction and initial staffing grants for community facilities; and construction grants for university-affiliated facilities.
	Exp.	---- ----	---- ----	10,800	10,800	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[A A] Includes $26,090 to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
SOCIAL AND REHABILITATION SERVICE—Continued						
General and special funds—Continued						
Maternal and child health and welfare 651	NOA	228,900	235,600	297,500	61,900	Increase reflects higher medical prices, expansion of family planning services, stepped-up early detection and treatment of handicapping illnesses of children, pilot projects for delivering comprehensive health services to mothers and children, special dental projects, and services for teenage unmarried mothers.
	Exp.	183,741	223,000	269,000	46,000	
Development of programs for the aging 659	NOA	10,275	18,450	26,000	7,550	Increases will support additional project grants for services for the elderly.
	Exp.	6,817	13,029	26,202	13,173	
Rehabilitation research and training 659	NOA	60,325	63,937	[BB]67,925	3,988	Supports 414 research and demonstration projects, 14,135 traineeships, 658 teaching grants, and 19 research and training centers.
	Exp.	51,881	61,766	66,345	4,579	
Cooperative research or demonstration projects 659	NOA	3,150	3,150	5,000	1,850	Increased support for innovative demonstrations related to changes in delivery systems to promote self-support and directed research for development of information essential to evaluation and program planning.
	Exp.	1,389	3,300	4,000	700	
Research and training (special foreign currency program) 659	NOA	4,500	5,000	7,500	2,500	Excess foreign currencies in 8 countries support the exchange of rehabilitation experts and the use of overseas facilities for rehabilitation, social welfare, and maternal and child health research.
	Exp.	3,451	4,820	6,824	2,004	

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Salaries and expenses, Social and Rehabilitation Service---659	NOA	19,612	21,380	27,800	6,420	Consolidates Federal administrative costs heretofore provided under 6 appropriations of the Welfare, Vocational Rehabilitation, and Aging Administrations and mental retardation activity from the Public Health Service.
NOA comparable to 1969 request		(23,367)	(24,738)			
	Exp.	17,747	20,943	27,382	6,439	
Limitation payable from social security trust funds.		(299)	(336)	(348)	(12)	
Assistance to refugees in the United States---653	NOA	47,721	45,220	56,134	6,414	Increase due primarily to maintenance payments and health services required by elderly Cuban refugees.
Reappropriation	NOA	1,033	4,500			
	LA	3,279	3,780	4,140	360	
	Exp.	38,391	47,920	54,660	6,740	
	NL	3,050	4,030	4,440	410	
Repayments deposited in general fund.	LA		—250	—300	—50	
	NL					
Grants for correctional rehabilitation study---659	NOA	800	800		—800	Study will be completed in 1968.
	Exp.	452	800	600	—200	
Juvenile delinquency and youth offenses---659	NOA	8,207				(Authorization for this program expired in 1967; new program under pending legislation to be implemented in 1969.)
	Exp.	7,028	6,338		—6,338	
Juvenile delinquency prevention and control---659	NOA			[B]25,000	25,000	Will support programs for the prevention, treatment, and control of juvenile delinquency.
	Exp.			[B]20,000	20,000	
Intragovernmental funds:						
Advances and reimbursements-659	Exp.	1				
Total, Social and Rehabilitation Service.	NOA	4,813,543	6,011,312	6,818,950	807,638	
	LA	3,279	3,530	3,840	310	
	Exp.	4,694,634	5,895,180	6,643,700	748,520	
	NL	3,050	3,780	4,140	360	

[B] Proposed for separate transmittal under proposed legislation.
[BB] Includes $64,306 to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
SOCIAL SECURITY ADMINISTRATION						
General and special funds:						
Payment to trust funds for health insurance for the aged 651	NOA	**924,050**	**906,631** [A] **373,028**	**1,360,227**	**80,568**	1968 supplemental will (1) reimburse the trust fund for higher-than-previously-estimated benefit payments and administrative costs for the uninsured, and (2) increase the matching contribution for supplementary medical insurance because of larger-than-budgeted numbers of enrollees and the higher monthly premium effective Apr. 1, 1968. 1969 increase reflects the full-year effect of the premium increase and larger number of enrollees in the SMI program, partially offset by lower costs resulting from a reduced number of uninsured.
	Exp.	949,850	906,631 [A] 373,028	1,360,227	80,568	
Payment for military service credits 659	NOA	**105,000**	**105,000**	**105,000**	----------	Provides for 4th of 50 installments to pay the Government's obligation to the Social Security trust funds for costs resulting from military service.
	Exp.	105,000	105,000	105,000	----------	
Payment for special benefits for the aged 654	NOA	----------	----------	**225,545**	**225,545**	Reimburses the old-age and survivors' insurance trust fund for payments to certain noninsured individuals aged 72 and over.
	Exp.	----------	----------	225,545	225,545	
Public enterprise funds:						
Operating funds, Bureau of Federal Credit Unions 659	Exp.	−8	385	415	30	(The chartering, supervision, and examination of Federal credit unions are financed by fees for services performed.)
Intragovernmental funds:						
Advances and reimbursements 659	Exp.	−3	7	----------	−7	
Total, Social Security Administration.	NOA	**1,029,050**	**1,384,659**	**1,690,772**	**306,113**	
	Exp.	1,054,839	1,385,051	1,691,187	306,136	

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SPECIAL INSTITUTIONS						
American Printing House for the Blind						
General and special funds:						
Education of the blind 704	NOA	1,028	1,225	1,340	115	Increase reflects larger school enrollment of blind children and increases in per capita costs.
	Exp.	1,026	1,225	1,340	115	
National Technical Institute for the Deaf						
National Technical Institute for the Deaf 704	NOA	491	2,615	800	−1,815	Decrease due to nonrecurring appropriation for site acquisition and architectural engineering in 1968.
	Exp.	231	1,000	1,100	100	
Model Secondary School for the Deaf						
Salaries and expenses 701	NOA	----------	425	400	−25	Covers pilot operation of exemplary secondary school for the deaf.
	Exp.	----------	335	310	−25	
Construction 701	NOA	----------	275	445	170	Increase provides for construction planning and site preparation.
	Exp.	----------	----------	100	100	
Total, Model Secondary School for the Deaf.	NOA	----------	700	845	145	
	Exp.	----------	335	410	75	
Gallaudet College						
Salaries and expenses 702	NOA	2,542	2,878 [D]41	3,785	866	Provides for 7% rise in enrollment, increase in faculty salaries, and improvements in instructional program.
	Exp.	2,431	2,857	3,625	768	
Construction 702	NOA	70	2,196	675	−1,521	Decrease due to completion of funding for dormitory construction.
	Exp.	287	1,473	594	−879	
Total, Gallaudet College	NOA	2,612	5,115	4,460	−655	
	Exp.	2,718	4,330	4,219	−111	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
SPECIAL INSTITUTIONS—Continued						
Howard University						
General and special funds—Continued						
Salaries and expenses 702	NOA	13,534	15,300 D 234	18,330	2,796	Provides for 4% enrollment growth, increase in faculty salaries, and improvement of graduate schools of medicine, dentistry, engineering, and architecture.
	Exp.	12,827	14,800	17,682	2,882	
Construction 702	NOA	3,342	3,926	2,209	−1,717	Estimate is primarily for construction of a dormitory and power-plant facilities. Decrease reflects completion of prior projects.
	Exp.	954	3,100	3,224	124	
Freedmen's Hospital 651	NOA	6,639	6,700 D 237	8,739	1,802	Increase provides additional staffing, equipment, and supplies to improve patient care.
	Exp.	5,454	6,861	7,725	864	
Total, Howard University	NOA	23,515	26,397	29,278	2,881	
	Exp.	19,235	24,761	28,631	3,870	
Total, special institutions	NOA	27,646	36,052	36,723	671	
	Exp.	23,210	31,651	35,700	4,049	
OFFICE OF THE SECRETARY						
Salaries and expenses, Office of the Secretary 659	NOA	7,574	7,139	10,705	3,526	Increase provides additional staff for executive direction, program coordination, and civil rights compliance.
Reappropriation	NOA	----------	40			
	Exp.	5,935	7,450	9,850	2,400	

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Limitation payable from social security trust funds.		(1,272)	(1,211)	(1,459)	(248)	
Salaries and expenses, Office of Field Coordination 659	NOA	1,959	2,161	2,908	747	Increase is for better coordination of programs in the field and regional office management services to meet increased workloads.
	Exp.	1,931	2,080	2,780	700	
Limitation payable from social security trust funds and Bureau of Federal Credit Unions operating fund.		(1,805)	(1,815)	(2,379)	(564)	
Salaries and expenses, Office of the Comptroller 659	NOA	4,486	6,748	9,144	2,396	Increasing number and complexity of agency programs require additional audit staff.
	Exp.	4,652	6,445	8,470	2,025	
Limitation payable from social security trust funds.		(688)	(991)	(1,335)	(344)	
Salaries and expenses, Office of Administration 659	NOA	----------	2,427	3,312	885	Increase is for staff support for administrative management activities.
	Exp.	----------	2,257	3,007	750	
Limitation payable from social security trust funds and Bureau of Federal Credit Unions operating fund.		----------	(271)	(352)	(81)	
Surplus property utilization 659	NOA	1,123	1,158	1,186	28	Provides for distribution of surplus real and personal property to State agencies for education, public health, and civil defense purposes.
	Exp.	1,092	1,147	1,185	38	
Salaries and expenses, Office of General Counsel 659	NOA	1,737	1,935	2,125	190	Small increase to meet new program responsibilities of Secretary, operating agencies, and regional offices.
	Exp.	1,528	1,855	2,040	185	
Limitation payable from social security trust funds and Bureau of Federal Credit Unions operating fund.		(1,330)	(1,373)	(1,375)	(2)	
Educational broadcasting facilities 704	NOA	3,304	[A] 435	13,087	12,652	Provides matching grants for educational television and radio facilities under new authorizations enacted in 1967. The supplemental will cover 1968 administrative costs.
	Exp.	8,222	6,700	8,775	1,718	
			[A] 396	[A] 39		

[A] Proposed for separate transmittal under existing legislation, other than pay settlement.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Federal Funds—Continued						
OFFICE OF THE SECRETARY—Con.						
General and special funds—Continued						
Public broadcasting program 704	NOA	----------	[A] 4,000	[B] 20,000	16,000	1968 supplemental will provide grants under existing legislation. Legislation will be proposed in 1969 to authorize Federal grants to the recently established Corporation for Public Broadcasting, and for advance funding.
	Exp.	----------	[A] 4,000	[B] 20,000	16,000	
Higher education for international understanding 702	NOA	----------	----------	10,820	10,820	Grants for programs at colleges and universities to increase knowledge of foreign countries and cultures.
	Exp.	----------	----------	7,800	7,800	
Intragovernmental funds:						
Working capital fund 659	Exp.	−1,053	756	−238	−994	
Advances and reimbursements 659	Exp.	−338	−25	−25	----------	
Total, Office of the Secretary.	NOA	20,183	26,043	73,287	47,244	
	Exp.	21,969	33,061	63,683	30,622	
Subtotal, Federal funds	NOA	12,320,315	14,367,221	15,291,877	924,656	Total Federal funds are distributed as follows:
	LA	303,837	105,830	105,040	−790	
	Exp.	10,806,398	13,198,492	14,428,087	1,229,595	
	NL	84,308	71,639	83,813	12,174	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	12,762,919	106,780	11,698,240	72,589
Repayments	----------	−950	----------	−950
([A])	1,603,790	-------	1,499,766	-------
([D])	512	-------	486	-------

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Trust Funds

SOCIAL SECURITY ADMINISTRATION

Limitation on salaries and expenses		(600,459)	(631,500) [A] (72,555) [D] (12,373)	(778,145)	(61,717)	1968 supplemental covers additional work created by 1967 amendments to the Social Security Act, higher than budgeted costs of the health insurance program, and reducing pending caseloads in all programs. 1969 estimate provides for a 2.8% increase in social security workload, and a 3.6% increase in output of health insurance carriers and fiscal intermediaries.
Limitation on construction		(43,189)	----------	----------	----------	Previous limitation will cover construction activity in 1968 and 1969.
Federal old-age and survivors insurance trust fund (permanent) 654	NOA	**23,257,203**	**24,005,030**	**27,301,843**	**3,296,813**	The old-age and survivors, and disability insurance programs provide insurance against income loss due to death, retirement, or disability. The Social Security Amendments of 1967 provided for a decrease in combined employee-employer tax rate from 7.8% to 7.6% on Jan. 1, 1968, increasing to 8.4% on Jan. 1, 1969. The contribution base was increased from $6,600 to $7,800 on Jan. 1, 1968. The percentage of taxable wages appropriated to the disability insurance trust fund (now 0.7%) increased to 0.95% on Jan. 1, 1968.
	LA	**114,000**	----------	**−114,000**	**−114,000**	
Receipts appropriated:						
(Employment taxes)		**(20,731,593)**	**(21,003,000)**	**(23,602,000)**	**(2,599,000)**	
(Deposits by States)		**(1,835,408)**	**(2,033,000)**	**(2,300,000)**	**(267,000)**	
(Interest on investments)		**(725,228)**	**(891,000)**	**(982,000)**	**(91,000)**	
(Reimbursement for military service credits).		**(78,000)**	**(78,000)**	**(78,000)**	----------	
(Federal payment for benefits for certain uninsured persons).		----------	----------	**(225,545)**	**(225,545)**	
(Other)		**(974)**	**(30)**	**(298)**	**(268)**	

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	15,208,877	107,140	14,287,013	85,913
Repayments	----------	−2,100	----------	−2,100
([A])	----------	-------	94,048	-------
([B])	83,000	-------	47,000	-------
([D])	----------	-------	26	-------

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Trust Funds—Continued						
SOCIAL SECURITY ADMINISTRATION—Continued						
Federal old-age and survivors insurance trust fund—Continued						
Expenditures:	Exp.	19,728,065	21,650,374	24,680,936	3,030,562	Increases in expenditures reflect additional beneficiaries and an increase in average payments. The 1967 amendments to the Social Security Act further increased expenditures by raising average benefits by 13% and the minimum benefit for retired workers by 25%. Combined with other new benefits, the changes increase total benefits by $2.1 billion in 1968 and $3.4 billion in 1969. This will be partially offset by increases in taxes of $1 billion in 1968 and $3.7 billion more in 1969.
	NL	114,000	----------	−114,000	−114,000	
[Benefit payments]		(18,885,714)	(20,742,000)	(23,711,000)	(2,969,000)	
[Vocational rehabilitation services].		(90)	(291)	(672)	(381)	
(Administrative expenses and construction).		(334,215)	(414,916) [A] (43,166)	(456,934) [A] (330)	(−818)	
(Payment to railroad retirement account).		(508,046)	(450,000)	(512,000)	(62,000)	
(Investments in non-Federal securities).		(114,000)	----------	(−114,000)	(−114,000)	
Federal disability insurance trust fund (permanent) 654	NOA	2,258,024	2,838,292	3,729,049	890,757	The numbers of beneficiaries are as follows (in thousands):
	LA	74,000	----------	−74,000	−74,000	
Receipts appropriated:						
(Employment taxes)		(2,066,166)	(2,499,000)	(3,203,000)	(704,000)	
(Deposits by States)		(183,231)	(243,000)	(311,000)	(68,000)	
(Interest on investments)		(66,241)	(80,000)	(125,000)	(45,000)	
(Reimbursement for military service credits).		(16,000)	(16,000)	(16,000)	----------	
(Other)		(386)	(292)	(49)	(−243)	
Expenditures:	Exp.	1,996,575	2,267,777	2,691,391	423,614	
	NL	74,000	----------	−74,000	−74,000	
(Benefit payments)		(1,860,789)	(2,118,000)	(2,521,000)	(403,000)	

	1967 actual	*1968 estimate*	*1969 estimate*
Retired workers and their dependents.	14,789	15,437	15,925
Survivors of deceased workers	5,420	5,724	6,076
Disabled children of retired and deceased workers.	210	229	256
Disabled workers and their dependents.	2,060	2,258	2,468
Noninsured and transitionally insured persons over age 72.	729	779	690

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(Vocational rehabilitation services).		(6,534)	(15,387)	(17,024)	(1,637)	
(Administrative expenses and construction).		(98,617)	(109,818) [A] (4,572)	(134,367)	(19,977)	
(Payment to railroad retirement account).		(30,634)	(20,000)	(19,000)	(−1,000)	
(Investment in non-Federal securities).		(74,000)	----------	(−74,000)	(−74,000)	
Federal hospital insurance trust fund	NOA	3,073,730	4,277,642	5,033,235	755,593	Federal hospital insurance for the aged (Medicare) consists of 2 trust funds: (1) the hospital insurance fund which pays for services rendered to almost all the aged by hospitals, extended care facilities, and home health agencies; and (2) the supplementary medical insurance fund which pays for doctors' bills and related services for over 90% of the aged who have voluntarily enrolled in the supplementary program. The hospital insurance program is currently financed by a 1.2% employer-employee payroll tax for persons covered by the social security and railroad retirement systems, and by general fund payments for services rendered to eligible aged persons not insured by either of these systems. The supplementary program is financed by a monthly premium payment by each enrollee which is matched by appropriations. The current $3 monthly premium payment will increase to $4 on Apr. 1, 1969.
(permanent)-----651	LA	15,000	----------	−15,000	−15,000	
Receipts appropriated:						
(Employment taxes)----------		(2,482,722)	(3,289,000)	(3,964,000)	(675,000)	
(Deposits by States)----------		(205,962)	(324,000)	(392,000)	(68,000)	
(Federal payment for hospital insurance expenditures for the uninsured).		(326,850)	(540,935)	(465,227)	(−75,708)	
(Interest on investments)-----		(45,882)	(68,000)	(131,000)	(63,000)	
(Reimbursement for military service credits).		(11,000)	(11,000)	(11,000)	----------	
(Receipts from railroad retirement account).		(16,305)	(44,049)	(55,000)	(10,951)	
(Other)----------		(8)	(658)	(8)	(−650)	
Expenditures:	Exp.	2,595,713	3,452,446	3,962,060	509,614	Increased hospital insurance trust fund expenditures in 1969 result from: (1) growth in the number of covered aged; (2) higher hospital and extended care facility costs; (3) increased utilization.
	NL	15,000	----------	−15,000	−15,000	
(Benefit payments)----------		(2,507,773)	(3,369,000)	(3,865,000)	(496,000)	
(Investment in non-Federal securities.)		(15,000)	----------	(−15,000)	−15,000	
(Administrative expenses and construction).		(88,940)	(81,165) [A] (2,282)	(97,052) [A] (8)	(13,613)	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Trust Funds—Continued						
SOCIAL SECURITY ADMINISTRATION— Continued						
Federal supplementary medical insurance trust fund (permanent). 651	NOA	**1,284,734**	**1,473,268**	**1,809,011**	**335,743**	1969 estimates for the supplementary medical insurance trust fund reflect the normal increase in enrollees and full-year effect of the increased monthly premium. Increased expenditures in 1969 result from this increase in enrollees, estimates of higher physicians' charges, and expanded benefits provided in the 1967 amendments to the Social Security Act.
Receipts appropriated:						
(Contributions)		**(646,682)**	**(714,000)**	**(895,000)**	**(181,000)**	
(Federal contributions)		**(623,000)**	**(738,724)**	**(895,000)**	**(156,276)**	
(Interest on investments)		**(15,041)**	**(20,000)**	**(19,000)**	**(−1,000)**	
(Other)		**(11)**	**(544)**	**(11)**	**(−533)**	
Expenditures:	Exp.	798,943	1,611,895	1,822,845	210,950	The number of beneficiaries are as follows (in millions):
(Benefit payments)		(664,261)	(1,473,000)	(1,656,000)	(183,000)	
(Administrative expenses and construction).		(134,682)	(117,035) [A] (21,861)	(166,509) [A] (336)	(27,950)	

	1967 actual	*1968 estimate*	*1969 estimate*
Hospital insurance program	4.4	4.5	4.6
Supplementary medical insurance program	7.4	7.5	7.6

Total, Social Security Administration.	NOA	**29,873,691**	**32,594,232**	**37,873,138**	**5,278,906**	
	LA	**203,000**	----------	**−203,000**	**−203,000**	
	Exp.	25,120,296	28,982,492	33,157,232	4,174,740	
	NL	203,000	----------	−203,000	−203,000	
PUBLIC HEALTH SERVICE						
Public Health Service trust funds (permanent) 651	NOA	**364**	**411**	**260**	**−151**	Gifts and contributions are expended for the specified purposes or are used to further the work of the Public Health Service.
	Exp.	311	388	375	−13	

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SPECIAL INSTITUTIONS					
Freedman's Hospital trust funds 651	Exp.	----------	3	----------	−3
OFFICE OF THE SECRETARY					
Advances and reimbursements 659	Exp.	35	----------	----------	----------
Subtotal, trust funds	NOA	29,874,055	32,594,643	37,873,398	5,278,755
	LA	203,000	----------	−203,000	−203,000
	Exp.	25,120,642	28,982,683	33,157,607	4,174,724
	NL	203,000	----------	−203,000	−203,000
Adjustments					
Interfund and intragovernmental transactions 650	NOA Exp.	*−1,055,962*	*−1,386,103*	*−1,691,040*	*−304,937*
Applicable receipts from the public 650	NOA Exp.	*−4,342*	*−4,290*	*−3,141*	*1,149*
700	NOA Exp.	*−512*	*−3,139*	*−2,146*	*993*
850	NOA Exp.	*−623*	*−741*	*−773*	*−32*
Repayments deposited in general fund (included in detail above).	LA NL	*(−2,942)*	*(−950)*	*(−2,100)*	*(−1,150)*

(These funds are for the benefit of the Hospital.)

Total trust funds are distributed as follows:

	1968	
	NOA	*Exp.*
Enacted	32,594,643	28,899,444
(A)	----------	71,880
(D)	----------	11,559

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	37,873,398	−203,000	33,154,631	−203,000
(A)	----------	----------	1,348	----------
(D)	----------	----------	1,628	----------

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[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Total, Department of Health, Education, and Welfare.	NOA	**41,132,931**	**45,567,591**	**51,468,175**	**5,900,584**	Totals for the Department are distributed as follows:
	LA	**506,837**	**105,830**	**−97,960**	**−203,790**	
	Exp.	34,865,601	40,787,102	45,888,594	5,101,492	
	NL	287,308	71,639	−119,187	−190,826	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	43,963, 89	106,780	39,203,411	72,589
Repayments		−950		−950
(A)	1,603,790		1,571,646	
(D)	512		12,045	

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	51,385,175	−95,860	45,744,544	−117,087
Repayments		−2,100		−2,100
(A)			95,396	
(B)	83,000		47,000	
(D)			1,654	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Funds

RENEWAL AND HOUSING ASSISTANCE

General and special funds:						
Grants for neighborhood facilities	NOA	**17,000**	**30,000**	**40,000**	**10,000**	Estimate will fund about 130 facilities to provide needed services in low-income neighborhoods, 28 more than assisted in 1968.
553	Exp.	834	15,000	32,000	17,000	

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Alaska housing 551	NOA	----------	----------	1,000	1,000	Estimate is for the start of a new program to assist the State of Alaska in providing housing for low-income residents.
	Exp.	----------	----------	1,000	1,000	
Salaries and expenses, renewal and housing assistance:						
(Public housing programs) 552	NOA	----------	18,903	21,738	2,307	Increases are for additional staff and administrative costs for renewal and housing assistance programs.
			[D]528			
	Exp.	----------	19,431	21,738	2,307	
(Urban renewal and community facilities) 553	NOA	----------	12,710	14,622	1,560	
			[D]352			
	Exp.	----------	13,062	14,622	1,560	
Total, salaries and expenses, renewal and housing assistance.	NOA	----------	32,493	36,360	3,867	
	Exp.	----------	32,493	36,360	3,867	
Public enterprise funds:						
Urban renewal programs 553	NOA	15,395	----------	----------	400,000	An appropriation of $750 million is already enacted for 1969. An additional $500 million is requested to fund projects in approved Model Cities programs. The budget also includes a $1,400 million advance appropriation for 1970.
Contract authorization:						
Current	NOA	----------	100,000	[CC]500,000		
Permanent	NOA	725,000	750,000	750,000		
Liquidation of contract authorization.		(725,000)	(850,000)	(1,250,000)	(400,000)	
	Exp.	387,141	499,105	699,110	200,005	
	NL	58,263	895	11,890	10,995	
Rehabilitation loan fund 551	NOA	1,396	----------	----------	----------	(Balances of prior year loan authority will allow $20 million in loans in 1969, covering 3,560 residential and business properties in urban renewal and code enforcement areas.)
	Exp.	1,370	−87	−529	−442	
	NL	5,308	16,587	19,029	2,442	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[CC] Includes $350,000 thousand to carry out authorizing legislation to be proposed.

300-000 O—68—21

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
Federal Funds—Continued						
RENEWAL AND HOUSING ASSISTANCE—Continued						
Public enterprise funds—Continued						
Low-rent public housing:						
Annual contributions 552	NOA	255,000	275,000 [A] 24,000	358,000	59,000	The supplemental in 1968 and the increase in 1969 reflect a rising number of dwellings eligible for annual contributions, reaching 758,735 in 1969.
Administrative expenses	NOA	13,725				
	Exp.	257,173	265,301 [A] 15,000	326,308 [A] 9,000	55,007	
	NL	10,528	19,944	−15,053	−34,997	
Limitation on nonadministrative expenses.		(1,123)				
Housing for the elderly or handicapped fund 551	LA	80,000	25,000		−100,000	The estimate, together with balances of previously enacted loan authority, will permit $85 million in new loans covering about 6,900 units of rental housing for elderly or handicapped persons and families with low or moderate incomes.
Authorization to spend debt receipts.	LA		100,000	25,000		
Appropriation for participation sales insufficiencies:						
Current, indefinite	NOA			3,260	2,104	Increase is for interest insufficiencies on participation certificates.
Current, definite	NOA		1,156			
	Exp.	−4,446	−5,481	−5,388	93	
	NL	77,469	89,050	98,425	9,375	
Limitation on administrative expenses.		(1,232)	(1,232) [D] (40)	(1,282)	(10)	

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College housing loans: 702						
Authorization to spend debt receipts:						Loan authority previously enacted will be used under proposed legislation providing a revised interest rate to assure that loans are made to colleges which cannot borrow privately at reasonable interest rates. Space for about 50,000 students will be provided through $300 million in new loan approvals. The $285 million in loan authority is from participation sales authorization. Increase in NOA is for interest insufficiencies on participation sales.
Current	LA	**600,000**	**1,600,000**	**285,000**	**−1,315,000**	
Permanent	LA		**300,000**	**300,000**		
Appropriation for participation sales insufficiencies:						
Permanent, indefinite	NOA		**10,739**	**12,061**	**39,504**	
Current, indefinite	NOA	**1,541**		**51,230**		
Current, definite	NOA		**13,048**			
	Exp.	−3,794	16,816	69,114	52,298	
	NL	362,063	316,130	257,100	−59,030	
Limitation on administrative expenses.		(2,089)	(2,200) [D](75)	(2,285)	(10)	
Total, renewal and housing assistance.	NOA	**1,029,057**	**1,236,436**	**1,751,911**	**515,475**	
	LA	**680,000**	**2,025,000**	**610,000**	**−1,415,000**	
	Exp.	638,278	838,147	1,166,975	328,828	
	NL	513,631	442,606	371,391	−71,215	
METROPOLITAN DEVELOPMENT						
General and special funds:						
Urban planning grants 553	NOA	**33,000**	**45,000**	[DD]**55,000**	**10,000**	Estimate will fund 980 planning grants to State, local, metropolitan, and regional planning bodies.
	Exp.	21,849	31,000	46,000	15,000	
Metropolitan development incentive grants 553	NOA			[B]**10,000**	**10,000**	Proposed legislation is for incentive grants for certain Federal aid projects in metropolitan areas which show that areawide development activities are carried out in accordance with comprehensive planning.
	Exp.			[B]3,000	3,000	
Open space land programs 553	NOA	**821**				(Balance of contract authorization provided in 1966 will support 605 grant approvals in 1969 totaling $85 million to preserve 76,420 acres of open space land, create 120 small urban parks and carry out related activities.)
Liquidation of contract authorization.		(54,179)	(75,000)	(85,000)	(10,000)	
	Exp.	19,860	60,021	60,000	−21	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[DD] Includes $16,162 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
Federal Funds—Continued						
METROPOLITAN DEVELOPMENT—Con.						
General and special funds—Continued						
Grants for basic water and sewer facilities 553	NOA	**100,000**	**165,000**	**150,000**	**−15,000**	Grants will be approved for water and sewer facilities for 290 communities in 1969.
	Exp.	5,691	90,000	130,000	40,000	
Grants to aid advance acquisition of land 553	Exp.		30	500	470	(Balance of $5 million 1966 appropriation will support grants to pay interest costs on 5-year loans for acquisition of land to be used for future State and local public facilities.)
Salaries and expenses, metropolitan development 553	NOA		**6,031** [D]**195**	**8,700**	**2,474**	Increase will provide for additional staff and other administrative costs for metropolitan development programs.
	Exp.		6,226	8,700	2,474	
Public enterprise funds:						
Public works planning fund 553	Exp.	10,476	5,090	2,040	−3,050	(Repayments of previous advances will fund $8.5 million of approvals without additional NOA.)
Urban mass transportation fund 553	NOA	**735**		**15,000**	**65,000**	$175 million appropriation, already enacted, will support $10 million of research and development and $165 million of grants for design, construction, and improvement of urban mass transportation systems. An additional $15 million appropriation is requested to begin a $25 million research and development program. Budget proposes $230 million advance appropriation for 1970.
Permanent	NOA	**130,000**	**125,000**	**175,000**		
	Exp.	42,915	99,800	149,810	50,010	
	NL	−200	−200	−200		

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Public facility loans:						
Current, indefinite 553	NOA	342		3,125	2,237	Increase in NOA will pay interest insufficiencies on a larger face amount of participation certificates outstanding. Loan authority is from additional participation sales authorization.
Current, definite	NOA		868			
Permanent, indefinite	NOA		1,325	1,305		
Authorization to spend debt receipts.	NOA	269	473	68		
	LA	79,731	79,527	79,932		
	Exp.	254	1,516	4,677	3,161	
	NL	55,914	41,374	49,730	8,356	
Limitation on administrative expenses.		(1,205)	(1,187) [D] (40)	(1,235)	(8)	
Revolving fund (liquidating programs) 551	Exp.	−566	−2,457	−174	2,283	(The expenditure increase reflects the liquidation in 1968 of $1.9 million in assets acquired under expired programs.)
	NL	−493	−450	−425	25	
Limitation on administrative expenses.		(110)	(100)	(104)	(4)	
Total, metropolitan development.	NOA	265,167	343,892	418,198	74,306	
	LA	79,731	79,527	79,932	405	
	Exp.	100,479	291,226	404,553	113,327	
	NL	55,221	40,724	49,105	8,381	
DEMONSTRATIONS AND INTERGOVERNMENTAL RELATIONS						
General and special funds:						
Model Cities programs 553	NOA	11,000	212,000	500,000	288,000	Increase is for supplementary grants to cities to assist in the social and physical restoration of large blighted neighborhoods.
	Exp.	732	25,000	250,000	225,000	
Urban information and technical assistance 553	NOA		2,200	5,000	2,800	Increase in matching grants to States will help them provide a larger number of smaller communities with information and technical assistance on urban problems.
	Exp.		500	3,000	2,500	
Community development training programs 553	NOA		3,000	7,000	4,000	Increase in matching grants to States will help them provide additional training in community development skills.
	Exp.		500	4,700	4,200	
Fellowships for city planning and urban studies 553	NOA	500	500	500		Estimate will provide 100 graduate fellowships in city planning and related fields.
	Exp.	30	348	491	143	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
Federal Funds—Continued						
DEMONSTRATIONS AND INTERGOVERNMENTAL RELATIONS—Con.						
General and special funds—Continued						
Salaries and expenses, demonstration and intergovernmental relations 553	NOA		1,814 D 45	1,860	1	Provides for administrative costs of demonstrations and intergovernmental relations programs other than the Model Cities programs.
	Exp.		1,859	1,860	1	
Total, demonstrations and intergovernmental relations.	NOA	11,500	219,559	514,360	294,801	
	Exp.	762	28,207	260,051	231,844	
URBAN TECHNOLOGY AND RESEARCH						
Urban research and technology 553	NOA	500	10,000	20,000	10,000	Increase is for research into urban and housing problems and technologies, and includes support for Institute for Urban Development.
	Exp.	708	3,000	7,300	4,300	
Low income housing demonstration programs 551	NOA	75				(Existing contract authority will allow continuation of grants for testing and demonstrating new and improved methods of housing low income families.)
Liquidation of contract authorization.		(1,500)	(2,000)	(4,496)	(2,496)	
	Exp.	2,357	1,800	3,800	2,000	
Special studies 551	NOA	1,500				(Report on earthquake insurance is due Oct. 31, 1968. Report on housing and building codes, zoning, tax policies, and development standards is due Dec. 31, 1968.)
	Exp.	612	1,294	395	−899	
Total, urban technology and research.	NOA	2,075	10,000	20,000	10,000	
	Exp.	3,677	6,094	11,495	5,401	

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MORTGAGE CREDIT						
Federal Housing Administration						
Rent supplement program 551	NOA	**2,900**	**6,100**	**16,600**	**10,500**	Increase reflects growing number of housing units occupied. Approval is requested for an increase of $65 million in annual payment contracts to help provide an additional 72,000 units for low income families.
	Exp.	809	3,600	16,100	12,500	
Public enterprise funds:						
Community disposal operations fund 552	Exp.	−5,806	−3,205	−7,417	−4,212	(Receipts from sales of properties and mortgages will exceed costs of selling properties at Los Alamos, N. Mex.)
	NL	3,600	2,320	−725	−3,045	
Federal Housing Administration fund 551	Exp.	28,977	−95,524	−87,178	8,346	(Receipts from premiums, fees, and sales of property acquired in connection with defaults of insured mortgages will offset insurance claims payments and other expenses to a lesser extent in 1969 than in 1968. Increased applications will cause higher operating expenses.)
	NL	17,348	61,619	113,300	51,681	
Limitation on administrative expenses.		(10,650)	(11,000)	(11,950)	(950)	
Limitation on nonadministrative expenses.		(85,000)	(87,000)	(95,600)	(8,600)	
Federal National Mortgage Association						
Loans to secondary market operations (authorization to spend debt receipts) 551	NOA	**110,000**				(Expenditure increase reflects purchase of preferred stock in the FNMA secondary market operations as needed to support borrowing from the public.)
	Exp.		20,000	28,000	8,000	
Special assistance functions (authorization to spend debt receipts): 551						
Current	LA	**800,000**	**250,000**	**655,000**	**380,000**	Increase represents additional authority for participation sales. Total program of $575 million of reservations and commitments for mortgage purchases is primarily for low and moderate income housing.
Permanent	LA		**550,000**	**525,000**		
	Exp.	−3,352	420	20,360	19,940	
	NL	109,344	639,180	410,240	−228,940	

[1] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
Federal Funds—Continued						
MORTGAGE CREDIT—Continued						
Federal National Mortgage Association—Continued						
Public enterprise funds—Continued						
Management and liquidating functions (authorization to spend debt receipts): 551						
Current	LA	**440,000**	**355,000**	**550,000**	**112,292**	Loan authority is from participation sales authorization. Decrease in net lending is due to lesser need to acquire mortgages on sale of FHA-acquired housing as revised interest rate makes private financing available.
Permanent	LA	**16,037**	**82,708**			
	Exp.	−12,558	1,420	2,095	675	
	NL	420,924	366,580	52,405	−314,175	
Participation sales fund:						
(Financing farm and rural housing) 352	Exp.	6,606	−17,303	−5,745	11,558	This fund retains and invests collections on loan obligations placed in participation pools and distributes interest and principal to certificate holders. Sales of participations in 1968 are projected at $4 billion and in 1969 at $3.2 billion in pools of loans of the Farmers Home Administration, the Small Business Administration, the Department of Housing and Urban Development, the Public Health Service, the Office of Education, and the Veterans Administration.
	NL	13,745		−13,745	−13,745	
(Advancement of business) 506	Exp.	−7,797	−9,453	−9,249	204	
	NL	32,501		−34,336	−34,336	
(Aids to private housing) 551	Exp.	−15,740	−16,765	−3,783	12,982	
	NL	56,264		−71,344	−71,344	
(Urban renewal and community facilities) 553	Exp.	105	−33	179	212	
	NL	286		−286	−286	
(Assistance to higher education) 702	Exp.	−136	1,981	2,222	241	
	NL	1,862		−1,862	−1,862	
(Veterans readjustment benefits) 803	Exp.	−14,634	−4,158	−10,642	−6,484	
	NL	42,519		−57,599	−57,599	

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Limitation on administrative expenses.		(9,931)	(9,600) [D] (340)	(10,340)	(400)	
Total, mortgage credit	NOA	**112,900**	**6,100**	**16,600**	**10,500**	
	LA	**1,256,037**	**1,237,708**	**1,730,000**	**492,292**	
	Exp.	−23,526	−119,020	−55,058	63,962	
	NL	698,393	1,069,699	396,048	−673,651	
DEPARTMENTAL MANAGEMENT						
General and special funds:						
General administration 553	NOA		**3,972** [D] **135**	**8,000**	**3,893**	Increase will provide for additional staff and other administrative costs of overall departmental supervision.
	Exp.		4,107	8,000	3,893	
Regional management and services 553	NOA		**5,252** [D] **160**	**8,925**	**3,513**	Increase will provide for additional staff and other administrative costs of regional office management and certain common regional programs.
	Exp.		5,412	8,925	3,513	
Office building equipment and furnishings 553	NOA	**575**				(1967 appropriation was for new equipment and furnishings for the new headquarters building in Washington.)
	Exp.	−85	660		−660	
Salaries and expenses, Office of the Secretary 553	NOA	**13,354**				(Account formerly financed various administrative costs now funded from other accounts.)
	Exp.	13,004	3,132		−3,132	
Payment of participation sales insufficiencies 551	NOA		**7,928**		**−7,928**	1968 appropriation is amount not transferred to other accounts to meet 1968 insufficiencies.
Proposed housing and urban development legislation 550	NOA			[B] **30,000**	**30,000**	First year cost of new and revised housing and urban development programs.
	Exp.			[B] 14,000	14,000	
Intragovernmental funds:						
Administrative operations fund 553	Exp.		−200	−3,045	−2,845	(Funds available for operating costs are consolidated into a single fund to facilitate financing complex operations.)

[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
Federal Funds—Continued						
DEPARTMENTAL MANAGEMENT—Con.						
Intragovernmental funds—Continued						
Working capital fund 551	NOA	----------	----------	**2,000**	**2,000**	Appropriation is for equipment and working capital to handle certain consolidated services of the Department.
	Exp.	----------	250	200	−50	
Total, departmental management.	NOA	**13,929**	**17,447**	**48,925**	**31,478**	
	Exp.	12,919	13,361	28,080	14,719	
Subtotal, Federal funds	NOA	**1,434,628**	**1,833,434**	**2,769,994**	**936,560**	Total Federal funds are distributed as follows:
	LA	**2,015,768**	**3,342,235**	**2,419,932**	**−922,303**	
	Exp.	732,589	1,058,015	1,816,096	758,081	
	NL	1,267,245	1,553,029	816,544	−736,485	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	1,808,019	3,342,235	1,041,600	1,553,029
(A)	24,000	----------	15,000	----------
(D)	1,415	----------	1,415	----------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	2,729,994	2,419,932	1,790,096	816,544
(A)	----------	----------	9,000	----------
(B)	40,000	----------	17,000	----------

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Trust Funds

MORTGAGE CREDIT

Federal National Mortgage Association

Secondary market operations (trust revolving fund) (authorization to spend debt receipts): 551						
Current	LA	**3,822,510**			**−377,655**	Mortgage purchases of $1 billion reflect proposals to lift ceiling on mortgage interest rates and to transfer operations to private ownership. Loan Authority reflects increase in authorization to borrow from public, which is limited to 15 times invested capital and retained earnings.
Permanent	LA	**108,762**	**536,655**	**159,000**		
	Exp.	−23,506	−63,100	−53,300	9,800	
	NL	830,655	2,012,100	643,300	−1,368,800	
Adjustments						
Interfund and intragovernmental transactions 550	NOA	*−13,718*	*−9,394*	*−6,700*	*2,694*	
	Exp.					
Applicable receipts from the public 550	NOA	*−38*	*−38*	*−38*		
	Exp.					
Total, Department of Housing and Urban Development.	NOA	**1,420,872**	**1,824,002**	**2,763,256**	**939,254**	Totals for the Department are distributed as follows:
	LA	**5,947,040**	**3,878,890**	**2,578,932**	**−1,299,958**	
	Exp.	695,327	985,483	1,756,058	770,575	
	NL	2,097,900	3,565,129	1,459,844	−2,105,285	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	1,798,587	3,878,890	969,068	3,565,129
(A)	24,000	---	15,000	---
(D)	1,415	---	1,415	---

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	2,723,256	2,578,932	1,730,058	1,459,844
(A)	---	---	9,000	---
(B)	40,000	---	17,000	---

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR						
Federal Funds						
PUBLIC LAND MANAGEMENT						
Bureau of Land Management						
General and special funds:						
Management of lands and resources 401	NOA	56,773	49,135 [A] 11,000 [D] 733	51,750	−9,118	1968 supplemental is for firefighting and rehabilitation. 1969 estimate provides for oil shale title clearance and cadastral survey, the Outer Continental Shelf leasing program, and replacement of obsolete, unsafe fire equipment.
	Exp.	57,392	50,131 [A] 10,000	50,289 [A] 1,000	−8,842	
Construction and maintenance 401	NOA	3,032	3,900	4,156	256	Provides for continued construction of the Boise Interagency Fire Center and for construction of district office building at Baker, Oreg.
	Exp.	3,634	3,708	4,327	619	
Public lands development roads and trails: 401						
Contract authorization:						
Current	NOA	3,000	----------	[F] 3,500	−1,500	Approximately 145 miles of grading, 72 miles of road surfacing, construction of 3 bridges, and 25 miles of trails are planned in 1969.
Permanent	NOA	----------	5,000	----------		
Liquidation of contract authorization.		(2,000)	(2,600)	(4,500)	(1,900)	
	Exp.	1,871	2,972	4,500	1,528	
Oregon and California grant lands (indefinite, special fund) 401	NOA	11,496	10,881	12,175	1,294	25% of the revenues from these lands is available for road construction and maintenance, reforestation, protection, and development, operation, and maintenance of recreation facilities.
	Exp.	19,591	12,200	12,000	−200	
Range improvements (indefinite, special fund) 401	NOA	1,474	1,444	1,500	56	Amounts usually equal to 33% of grazing revenues are used for range improvement work.
	Exp.	1,561	1,420	1,300	−120	

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Permanent appropriations:						
Special fund 401	NOA	2,115	2,125	2,223	98	Revenues from mineral leasing, sale of timber, grazing leases and permits, and other revenue-producing operations are used in resource programs, or are paid to the States and counties. Permanent appropriation of receipts from land and water resources are devoted, in general, to improvements of roads, recreation facilities, and grazing lands. Those from forest resources may be used for expenses of timber sales, or for State or county roads, schools, etc. Mineral revenues are largely paid to States for educational and other purposes.
	Exp.	2,610	2,325	2,223	−102	
Special fund 402	NOA	21,209	22,380	22,495	115	
	Exp.	21,210	22,380	22,495	115	
Special fund 403	NOA	48,067	49,986	50,205	219	
	Exp.	48,368	49,986	50,205	219	
Intragovernmental funds:						
Advances and reimbursements 401	Exp.	−23	19	----------	−19	
Total, Bureau of Land Management.	NOA	147,166	156,584	148,004	−8,580	
	Exp.	156,214	155,141	148,339	−6,802	
Bureau of Indian Affairs						
General and special funds:						
Education and welfare services:						
Appropriation 704	NOA	117,523	125,568 A 2,260 D 2,267	153,423	23,328	1968 supplemental is due to failure in a salmon run and a flood disaster in Alaska. The increase in 1969 provides for an additional 1,970 students and basic improvements in Federal Indian schools, a new kindergarten program, 1,000 more persons in the vocational training and job placement programs, and expanded efforts for repair of substandard Indian dwellings and maintaining law and order.
Contract authorization (permanent, indefinite) 704	NOA	910	1,300	1,300	----------	
Liquidation of contract authorization.		(1,100)	(910)	(1,300)	(390)	
	Exp.	112,294	113,972 A 2,034	152,556 A 226	36,770	
Resources management 401	NOA	45,126	47,179 A 800 D 1,372	53,588	4,237	The 1968 supplemental is for firefighting. The increase in 1969 is primarily for maintenance of new schools and for the mutual-help and low-rent housing programs.
	Exp.	43,665	48,006 A 700	48,699 A 100	93	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
F To carry out authorizing legislation to be proposed.

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Table. 14 **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Bureau of Indian Affairs—Continued						
General and special funds—Continued						
Construction 401	NOA	**56,063**	**40,770**	**32,299**	**−8,471**	The estimate includes construction of 7 new schools, additions to 14 existing schools, and construction of utility, irrigation, and water pollution control facilities.
	Exp.	40,713	37,921	35,135	−2,786	
Road construction (contract authorization):						
Current 401	NOA	**19,000**		[F] **20,000**	**−3,000**	The 1969 program includes 336 miles of grading, 555 miles of surfacing, and 2,000 feet of bridge construction.
Permanent	NOA		**23,000**			
Liquidation of contract authorization.		(16,889)	(18,000)	(20,000)	(2,000)	
	Exp.	15,579	19,600	20,000	400	
General administrative expenses 409	NOA	**4,627**	**4,627** [D] **140**	**4,817**	**50**	Administration is continued at about the present level.
	Exp.	4,824	4,630	4,684	54	
Miscellaneous appropriations (permanent, indefinite, special funds) 401	NOA	**7,318**	**7,081**	**7,471**	**390**	Revenue from irrigation and electric power projects is used to operate and maintain the projects.
	Exp.	6,938	6,144	6,957	813	
409	NOA	**13**	**10**	**10**		Revenue from mineral deposits is used for acquisition of lands and loans to Indians in Oklahoma.
	Exp.	52	103	10	−93	
Public enterprise funds:						
Revolving fund for loans 401	LA		**450**	**450**		Provides for loans to tribes to hire expert witnesses to appear before the Indians Claims Commission.
	Exp.	−630	931	750	−181	
	NL	1,423	1,300	−300	−1,600	

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Liquidation of Hoonah housing project revolving funds____409	NL	−4	109	6	−103	(Balances are used for liquidation.)
Intragovernmental funds:						
Advances and reimbursements_409	Exp.	−243	879	----------	−879	
Total, Bureau of Indian Affairs.	NOA	**250,580**	**256,374**	**272,908**	**16,534**	
	LA	----------	**450**	**450**	----------	
	Exp.	223,191	234,920	269,117	34,197	
	NL	1,419	1,409	−294	−1,703	
Bureau of Outdoor Recreation						
General and special funds:						
Salaries and expenses_____405	NOA	**3,990**	**4,190** [D]**105**	**4,215**	−80	Nationwide planning program reduced due to completion of first nationwide outdoor recreation plan.
	Exp.	3,577	4,530	4,249	−281	
Land and water conservation__405	NOA	----------	**9,191**	**30,000**	**10,826**	Estimate covers all anticipated receipts and an advance appropriation of $30 million, to be used for Federal acquisition of recreation lands and for assistance to States for planning, acquisition, and development of recreation areas.
Indefinite (special fund)_____	NOA	**94,972**	**109,983**	**100,000**		
	Exp.	64,722	100,281	156,157	55,876	
Intragovernmental funds:						
Advances and reimbursements_405	Exp.	−43	77	----------	−77	
Total, Bureau of Outdoor Recreation.	NOA	**98,962**	**123,469**	**134,215**	**10,746**	
	Exp.	68,255	104,888	160,406	55,518	
Office of Territories						
General and special funds:						
Administration of territories__910	NOA	**10,209**	**11,255**	**10,500**	−755	Estimate includes expanded grants and loans to Guam for capital improvements and to Samoa for operating expenses and construction projects.
	LA	**304**	**4,358**	**5,719**	**1,361**	
	Exp.	10,112	12,557	17,949	5,392	
	NL	5,000	5,400	4,500	−900	
Trust Territory of the Pacific Islands_____910	NOA	**19,194**	**24,000**	**34,000**	**10,000**	Provides for improved operations and facilities for education, health, and economic development in the Trust Territory.
	Exp.	14,848	26,127	35,310	9,183	

[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Office of Territories—Continued						
General and special funds—Continued						
Claims of inhabitants of Rongelap Atoll 910	Exp.	48	1	----------	−1	(Final payment on claims will be made in 1968.)
Internal revenue collections for the Virgin Islands (permanent, indefinite, special fund) 910	NOA	**11,074**	**12,368**	**12,468**	**100**	Payments are made to the Virgin Islands equal to taxes collected on island products sold in the United States.
	Exp.	11,074	12,368	12,468	100	
Total, Office of Territories	NOA	**40,477**	**47,623**	**56,968**	**9,345**	
	LA	**304**	**4,358**	**5,719**	**1,361**	
	Exp.	36,082	51,053	65,727	14,674	
	NL	5,000	5,400	4,500	−900	
Total, public land management.	NOA	**537,185**	**584,050**	**612,095**	**28,045**	
	LA	**304**	**4,808**	**6,169**	**1,361**	
	Exp.	483,742	546,002	643,589	97,587	
	NL	6,419	6,809	4,206	−2,603	
MINERAL RESOURCES						
Geological Survey						
Surveys, investigations and research 409	NOA	**81,545**	**85,499** D**1,577**	**94,756**	**7,680**	Increases are in urban and heavy use topographic mapping, oil shale studies, earthquake research, flood plain mapping, ground water studies, cooperative Federal-State water resources programs, the International Hydrological Decade, marine resources evaluation and studies concerning remote sensing from satellites and from conventional aircraft.
	Exp.	79,697	85,557	94,543	8,986	

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Miscellaneous appropriations (permanent, indefinite) 403	NOA	1				(Payments to small lead and zinc producers to stabilize mining operations.)
	Exp.	60	378	380	2	
Intragovernmental funds:						
Advances and reimbursements 409	Exp.	−97	−100		100	
Total, Geological Survey	NOA	81,546	87,076	94,756	7,680	
	Exp.	79,659	85,835	94,923	9,088	
Bureau of Mines						
General and special funds:						
Conservation and development of mineral resources 403	NOA	35,093	35,797 D 718	39,015	2,500	Increase is for oil shale research, underground tunneling technology, and minerals resource studies partially offset by decreases in metallurgy and bituminous coal.
	Exp.	34,261	38,130	38,738	608	
Health and safety 652	NOA	9,695	10,717 A 300 D 67	11,449	365	Increase is for a health and safety program for uranium miners.
	Exp.	9,626	10,697 A 250	11,804 A 50	907	
General administrative expenses 403	NOA	1,532	1,532 D 45	1,592	15	Estimate provides for support of research and resource development work at about the same level.
	Exp.	1,494	1,568	1,568		
Drainage of anthracite mines 403	Exp.	155	100	200	100	(Increase provides Federal share of costs of installation of pumps.)
Appalachian region mining area restoration 507	NOA	6,972				This account is transferred to Appalachian regional development programs.
	Exp.	1,928				
Solid waste disposal 403	NOA	4,300	3,367	2,167	−1,200	Decrease reflects stabilization of program level.
	Exp.	1,819	4,300	2,500	−1,800	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
MINERAL RESOURCES—Continued						
Bureau of Mines—Continued						
Public enterprise funds:						
Helium fund (authorization to spend debt receipts) 403	NOA	**26,000**	**16,200**	**17,600**	**1,400**	Estimate continues conservation of helium at previous level. Increase in NOA reflects lower level of carryover funds available.
	Exp.	23,194	25,816	21,033	−4,783	
Intragovernmental funds:						
Advances and reimbursements 403	Exp.	145	----------	----------	----------	
Total, Bureau of Mines	NOA	**83,591**	**68,743**	**71,823**	**3,080**	
	Exp.	72,620	80,861	75,893	−4,968	
Office of Coal Research						
General and special funds:						
Salaries and expenses 403	NOA	**8,203**	**10,980**	**13,900**	**2,920**	Provides for continuation of pilot plant construction.
	Exp.	9,987	10,393	14,000	3,607	
Office of Oil and Gas						
Salaries and expenses 403	NOA	**748**	**740** D25	**869**	**104**	Provides for larger workload of the Oil Import Administration.
	Exp.	731	763	869	106	
Total, mineral resources	NOA	**174,088**	**167,564**	**181,348**	**13,784**	
	Exp.	162,997	177,852	185,685	7,833	

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FISH AND WILDLIFE AND PARKS						
Office of the Commissioner of Fish and Wildlife						
Salaries and expenses 404	Exp.	92	3	----------	−3	(Activities from this account are now funded in the Office of the Secretary, Bureau of Commercial Fisheries, and the Bureau of Sport Fisheries and Wildlife.)
Bureau of Commercial Fisheries						
Management and investigations of resources 404	NOA	21,971	23,725	27,014	3,289	Increase is primarily for accelerating fish protein concentrate development.
	Exp.	22,029	23,375	26,266	2,891	
Management and investigations of resources (special foreign currency program) 404	NOA	500	100	100	----------	Excess foreign currencies are used for translation of fisheries literature.
	Exp.	304	200	200	----------	
Construction 404	NOA	1,245	1,730	----------	−1,730	Decrease reflects completion of some construction and deferral of other work.
	Exp.	5,096	2,600	1,200	−1,400	
Construction of fishing vessels 404	NOA	3,000	6,002	6,004	2	Program provides partial subsidization of construction costs on American fishing vessels.
	Exp.	1,349	6,540	6,000	−540	
Federal aid for commercial fisheries research and development 404	NOA	4,714	4,720	4,722	2	Program provides for the same level of cost-sharing apportionments to States for commercial fishery research and development.
	Exp.	2,679	4,500	4,500	----------	
Anadromous and Great Lakes fisheries conservation 404	NOA	2,675	2,393	2,334	−59	Decrease reflects lower level of matching funds available for State and local agencies for conservation projects.
	Exp.	301	1,475	1,800	325	
General administrative expenses 404	NOA	693	720	730	10	Activity will continue at about the same level.
	Exp.	699	718	725	7	
Administration of Pribilof Islands (indefinite, special fund) 404	NOA	2,496	2,496	2,633	137	Increase reflects additional personnel, maintenance, and operations costs.
	Exp.	2,164	2,380	2,700	320	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
FISH AND WILDLIFE AND PARKS—Con.						
Bureau of Commercial Fisheries—Continued						
General and special funds—Continued						
Promote and develop fishery products and research pertaining to American fisheries (permanent, indefinite, special fund) 404	NOA	6,778	7,444	7,000	−444	A sum equal to 30% of customs duties on fishery products is appropriated for biological research, technological development, and general administrative services. The decrease reflects reduction in anticipated receipts.
	Exp.	6,493	7,700	7,300	−400	
Payment to Alaska from Pribilof Islands fund (permanent, indefinite, special fund) 404	NOA	300	332	112	−220	Decrease reflects reduction of available receipts from sale of fur sealskins.
	Exp.	300	332	112	−220	
Public enterprise funds:						
Federal ship mortgage insurance fund, fishing vessels 404	Exp.	−490	−121	−125	−4	(Premiums and fees are reserved for possible losses.)
Fisheries loan fund 404	Exp.	−24	−56	1,268	1,324	(Increase reflects 4-year interest payments due to the Treasury.)
	NL	1,354	1,357	1,054	−303	
Limitation on administrative expenses.		(316)	(344)	(347)	(3)	
Intragovernmental funds:						
Advances and reimbursements 404	Exp.	−388	----------	----------	----------	
Total, Bureau of Commercial Fisheries.	NOA	44,372	49,662	50,649	987	
	Exp.	40,512	49,643	51,946	2,303	
	NL	1,354	1,357	1,054	−303	

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Bureau of Sport Fisheries and Wildlife						
General and special funds:						
Management and investigations of resources 404	NOA	38,878	44,129 D 798	46,354	1,427	Increases are for operation of 6 new refuges, 1 new fish hatchery, 2 new fish research labs, a renovated plane and purchase of a new boat, special area studies, research on chemical tools, increased ADP costs, and a new cooperative unit at Delaware State College.
	Exp.	38,186	44,977	46,021	1,044	
Construction 404	NOA	8,619	4,476 A 1,072	1,203	−4,345	Supplemental for 1968 is for construction and storm damage repairs at a laboratory and 8 wildlife refuges. Projects for 1969 include development of water management facilities, road construction, fencing and construction of recreational facilities, and water rights investigations.
Reappropriation	NOA	918				
	Exp.	7,830	9,000 A 1,000	4,800 A 72	−5,128	
General administrative expenses 404	NOA	1,572	1,572 D 45	1,634	17	Activity will continue at same level.
	Exp.	1,518	1,644	1,650	6	
Migratory bird conservation account 404	NOA	6,000	7,500	7,500		The sum of $7.5 million is to be advanced from general revenues (to be repaid later). In addition, estimated receipts from sale of Federal duck hunting stamps are used for the acquisition of migratory waterfowl lands.
Permanent (indefinite, special fund).	NOA	5,385	5,000	5,000		
	Exp.	15,015	10,300	9,440	−860	
Appalachian region fish and wildlife restoration projects 507	NOA	500				This activity is now included in Appalachian regional development programs.
	Exp.	62				
Anadromous and Great Lakes fisheries conservation 404	NOA	2,675	2,425 D 5	2,325	−105	States are reimbursed up to 50% of the cost of approved anadromous fishery projects.
	Exp.	160	2,005	1,800	−205	
Miscellaneous appropriations (permanent, indefinite, special funds) 404	NOA	35,845	41,230	40,066	−1,164	Assistance to States is provided by appropriations equal to the 10% excise tax on sport fishing equipment and the 11% excise tax on manufacture of firearms and cartridges. 75% of net proceeds from sales of refuge products is used for refuge management and enforcement of game protection laws, and 25% goes to counties in which such refuges are located for schools and roads.
	Exp.	28,031	29,900	38,430	8,530	
Total, Bureau of Sport Fisheries and Wildlife.	NOA	100,392	108,252	104,082	−4,170	
	Exp.	90,802	98,826	102,213	3,387	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
FISH AND WILDLIFE AND PARKS—Con.						
National Park Service						
General and special funds—Continued						
Management and protection 405	NOA	37,446	40,638 A2,100 D996	44,531	797	A 1968 supplemental is needed for fire suppression. 1969 increase provides for full-year operation of 5 new areas and new facilities to serve an anticipated increase of 17.6 million visitors. Increases are partially offset by a funding adjustment to General administrative expenses.
	Exp.	35,634	41,171 A2,100	44,530	1,259	
Maintenance and rehabilitation of physical facilities 405	NOA	27,728	29,820 D98 C474	32,990	2,598	The increase will provide maintenance for 4 new areas and permit better maintenance of roads and facilities.
	Exp.	26,969	29,396	32,987	3,591	
General administrative expenses 405	NOA	2,569	2,569 D75	2,969	325	Increased NOA for 1969 reflects funding adjustment transferring expenses of the National Capital Regional Office from Management and protection.
	Exp.	2,483	2,624	2,956	332	
Preservation of historic properties 405	NOA	----------	770 D13	1,168	385	Increase is for additional grants to the National Trust for the Preservation of Historic Properties and to the States.
	Exp.	----------	763	1,168	405	
Construction 405	NOA	22,823	11,612	13,889	2,277	Funds are provided for construction in 2 new areas and in existing park areas, including the program for beautification of the Nation's Capital, and acquisition of water rights.
	Exp.	21,984	22,295	17,212	−5,083	

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Parkway and road construction (contract authorization):						
Current 405	NOA	**34,000**	----------	----------	**−41,000**	Work, financed by prior appropriations, will be carried out on 4 parkways, 102 miles of major roads, minor roads, trails, and parking areas.
Permanent	NOA	----------	**41,000**	----------		
Liquidation of contract authorization.		(32,500)	(32,800)	(27,000)	(−11,000)	
	Exp.	31,684	32,165	34,228	2,063	
Miscellaneous appropriations (permanent, indefinite, special fund) 405	NOA	**107**	**118**	**120**	**2**	Park visitor fees are used to provide educational facilities to dependents of park personnel, payment of tax losses to Wyoming, and for certain other costs.
	Exp.	95	117	120	3	
Intragovernmental funds:						
Advances and reimbursements 405	Exp.	1	25	----------	−25	
Total, National Park Service	NOA	**124,673**	**130,283**	**95,667**	**−34,616**	
	Exp.	118,850	130,656	133,201	2,545	
Total, fish and wildlife and parks.	NOA	**269,437**	**288,197**	**250,398**	**−37,799**	
	Exp.	250,256	279,128	287,360	8,232	
	NL	1,354	1,357	1,054	−303	
WATER AND POWER DEVELOPMENT						
Bureau of Reclamation						
General and special funds:						
General investigations 401	NOA	**15,053**	**16,259**	**16,877**	**618**	Program includes project planning, economic studies, and engineering research, including atmospheric water research.
	Exp.	14,892	16,000	17,300	1,300	
Construction and rehabilitation 401	NOA	**192,724**	**181,817**	[EE] **178,065**	**−3,752**	Carryover balances with amount requested will finance construction on 47 projects and units estimated to cost $6.3 billion; of these, one will be a new project start estimated to cost $13 million.
	Exp.	183,941	166,953	180,965	14,012	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[EE] Includes $31,100 thousand to carry out authorizing legislation to be proposed

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Bureau of Reclamation—Continued						
General and special funds—Continued						
Operation and maintenance 401	NOA	**42,346**	**47,201**	**51,230**	**4,029**	Increase reflects new facilities coming into maintenance status, and costs of power purchase and wheeling requirements.
	Exp.	40,528	48,740	49,700	960	
General administrative expenses 401	NOA	**11,180**	**11,683**	**12,135**	**452**	Activity will continue at about the same level.
	Exp.	11,032	11,670	12,120	450	
Loan program 401	NOA	**117**	**270**	**151**	**−119**	Decrease reflects reduced funding requirements on projects started in prior years.
	LA	**12,878**	**14,730**	**4,349**	**−10,381**	
	Exp.	128	270	151	−119	
	NL	16,739	14,120	7,529	−6,591	
Repayments deposited in Reclamation fund 401	LA NL	*−81*	*−823*	*−823*	----------	Repayments on loans made in prior years.
Emergency fund 401	NOA	**1,000**	----------	----------	----------	(This fund assures continued project operation in emergencies.)
	Exp.	75	−695	500	1,195	
Recreational and fish and wildlife facilities, Colorado River storage project 401	NOA	**3,800**	**2,750**	**2,673**	**−77**	Provides for development of recreational fish and wildlife facilities.
	Exp.	4,337	4,810	4,933	123	
Other miscellaneous appropriations (permanent, special funds) 401	NOA	**3,331**	**3,588**	**3,600**	**12**	Includes appropriations of Colorado River Dam Fund revenues for payment of interest to the Treasury and other specific items.
	Exp.	3,348	3,589	3,595	6	

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Public enterprise funds:						
Upper Colorado River Basin fund 401	NOA	46,378	38,231	23,000	−15,231	Decrease reflects reduced requirements for major storage dams and transmission lines.
	Exp.	43,638	39,690	29,850	−9,840	
Continuing fund for emergency expenses, Fort Peck project, Montana 401	Exp.	−2,426	−1,265	−1,443	−178	(Receipts from power sales are used for operation and maintenance of power transmission facilities.)
Intragovernmental funds:						
Advances and reimbursements 401	Exp.	−82				
Total, Bureau of Reclamation.	NOA	315,929	301,799	287,731	−14,068	
	LA	12,797	13,907	3,526	−10,381	
	Exp.	299,411	289,762	297,671	7,909	
	NL	16,658	13,297	6,706	−6,591	
Alaska Power Administration						
General and special funds:						
General investigations 401	NOA		466	671	205	Provides for coordinated planning of hydroelectric projects.
	Exp.		488	632	144	
Operation and maintenance 401	NOA		404	410	6	Covers continued operation and maintenance of the Eklutna project and initial maintenance of the Snettisham project.
	Exp.		367	416	49	
Total, Alaska Power Administration.	NOA		870	1,081	211	
	Exp.		855	1,048	193	
Bonneville Power Administration						
Construction 401	NOA	108,761	110,497	116,500	6,003	Continues construction of extra-high-voltage transmission facilities for the Pacific Northwest and of the Pacific Northwest-Southwest power interties.
	Exp.	105,696	115,173	118,321	3,148	
Operation and maintenance 401	NOA	16,958	18,498	20,600	2,102	Increase will provide for the operation and maintenance of transmission facilities added to the power system.
	Exp.	16,630	18,500	20,600	2,100	
Total, Bonneville Power Administration.	NOA	125,719	128,995	137,100	8,105	
	Exp.	122,326	133,673	138,921	5,248	

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Southeastern Power Administration						
General and special funds—Continued						
Operation and maintenance...401	NOA	**1,000**	**850**	**1,000**	**150**	Provides for continuation and analysis of a growing power marketing program.
	Exp.	536	850	1,000	150	
Southwestern Power Administration						
Construction.....401	NOA	**3,950**	**4,989**	**5,300**	**311**	Provides for planning and construction of additional transmission lines, substation capacity, and related facilities.
	Exp.	3,406	4,187	5,221	1,034	
Operation and maintenance...401	NOA	**2,107**	**2,266**	**2,423**	**157**	Increase will provide for the operation and maintenance of transmission facilities added to the power system.
	Exp.	2,066	2,267	2,417	150	
Continuing fund (special fund) 401	NOA	**3,700**	**3,200**	**3,200**	----------	Provides for energy purchases and rentals of transmission lines.
	Exp.	2,644	3,200	3,200	----------	
Total, Southwestern Power Administration.	NOA	**9,757**	**10,455**	**10,923**	**468**	
	Exp.	8,116	9,654	10,838	1,184	
Total, water and power development.	NOA	**452,405**	**442,969**	**437,835**	**−5,134**	
	LA	**12,797**	**13,907**	**3,526**	**−10,381**	
	Exp.	430,389	434,794	449,478	14,684	
	NL	16,658	13,297	6,706	−6,591	

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WATER POLLUTION CONTROL						
Office of Saline Water						
Saline water conversion 401	NOA	29,820	19,800	FF 27,358	7,558	Increase will sustain program growth in high-priority desalting research and development activities.
	Exp.	15,160	23,881	26,840	2,959	
Prototype desalting plant 401	NOA	----------	A 2,000	3,000	1,000	Increase provides for scheduled financial participation in a large non-Federal electric power generating and desalting plant in southern California funded initially in supplemental.
	Exp.	----------	A 1,750	3,000	1,500	
				A 250		
Construction, operation, and maintenance.	Exp.	1,660	453	----------	−453	(Facilities financed by this account are being completed.)
Total, Office of Saline Water	NOA	29,820	21,800	30,358	8,558	
	Exp.	16,820	26,084	30,090	4,006	
Federal Water Pollution Control Administration						
Buildings and facilities 401	NOA	4,624	----------	----------	----------	(Carryover balances will provide for planning 3 water pollution control laboratories.)
Reappropriation	NOA	1,656				
	Exp.	1,960	3,000	2,500	−500	
Water supply and water pollution control 401	NOA	55,083	92,582	101,435	8,853	Increase includes accelerating research and development activities and increasing comprehensive river basin planning grants.
	Exp.	46,799	66,000	108,000	42,000	
Construction grants for waste treatment works 401	NOA	173,000	203,000	225,000	22,000	Provides increase of $22 million for grants for waste treatment plants.
	Exp.	84,476	118,933	137,000	18,067	
Intragovernmental funds: Advances and reimbursements 401	Exp.	−3,044	2,500	500	−2,000	
Total, Federal Water Pollution Control Administration.	NOA	234,362	295,582	326,435	30,853	
	Exp.	130,190	190,433	248,000	57,567	
Total, water pollution control	NOA	264,182	317,382	356,793	39,411	
	Exp.	147,010	216,517	278,090	61,573	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
FF Includes $23,876 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Federal Funds—Continued						
SECRETARIAL OFFICES						
Office of the Solicitor						
General and special funds:						
Salaries and expenses 409	NOA	4,980	5,098 D144	5,530	288	Increase is for additional patent and oil shale title clearance work.
	Exp.	4,872	5,237	5,590	353	
Office of the Secretary						
Salaries and expenses 409	NOA	6,507	7,042 D232	8,530	1,256	Increase reflects central funding of the Natural Resources Library and transfer of funding responsibility for the Lower Colorado Land Use Office from the Bureau of Reclamation.
	Exp.	6,175	7,400	8,520	1,120	
Intragovernmental funds:						
Working capital fund 409	Exp.	−47	−4	−4	----------	
Advances and reimbursements 409	Exp.	−34	275	----------	−275	
Total, Office of the Secretary	NOA	6,507	7,274	8,530	1,256	
	Exp.	6,093	7,671	8,516	845	

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Office of Water Resources Research						
General and special funds:						
Salaries and expenses 401	NOA	**6,910**	**11,130**	**12,717**	**1,587**	Increase provides for support of water resources research and for a larger information center program.
	Exp.	6,226	9,385	11,020	1,635	
Total, secretarial offices	NOA	**18,397**	**23,646**	**26,777**	**3,131**	
	Exp.	17,191	22,293	25,126	2,833	
VIRGIN ISLANDS CORPORATION						
Public enterprise funds:						
Operating fund 910	Exp.	−554	−683	----------	683	(In 1968 the Corporation will liquidate its remaining activities.)
Subtotal, Federal funds	NOA	**1,715,694**	**1,823,808**	**1,865,246**	**41,438**	Total Federal funds are distributed as follows:
	LA	**13,101**	**18,715**	**9,695**	**−9,020**	
	Exp.	1,491,032	1,675,903	1,869,328	193,425	
	NL	24,431	21,463	11,966	−9,497	

1968

	NOA	LA	Exp.	NL
Enacted	1,794,347	19,538	1,648,824	22,286
Repayments	---------	−823	---------	−823
(A)	19,532	---------	17,834	--------
(C)	474	---------	456	--------
(D)	9,455	---------	8,789	--------

1969

	NOA	LA	Exp.	NL
Transmitted	1,865,246	10,518	1,866,946	12,789
Repayments	---------	−823	---------	−823
(A)	---------	---------	1,698	--------
(C)	---------	---------	18	--------
(D)	---------	---------	666	--------

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Trust Funds						
PUBLIC LAND MANAGEMENT						
Bureau of Land Management						
Bureau of Land Management trust funds (permanent)----------401	NOA	556	585	665	80	Non-Federal contributions and advances are deposited for land management activities.
	Exp.	498	715	715	----------	
Bureau of Indian Affairs						
Indian moneys, proceeds of labor, agencies, schools, etc. (permanent) 409	NOA	3,094	3,600	3,600	----------	Certain revenues from Indian reservations, agencies, and schools are used for support of schools and agency functions.
	Exp.	2,874	3,135	3,500	365	
Tribal funds (permanent)------409	NOA	80,595	73,026	70,619	−2,407	Certain funds of Indian tribes are maintained in trust and administered by the Secretary for their benefit.
	Exp.	174,245	139,608	118,870	−20,738	
Total, Bureau of Indian Affairs.	NOA	83,689	76,626	74,219	−2,407	
	Exp.	177,119	142,743	122,370	−20,373	
Bureau of Outdoor Recreation						
Contributed funds (permanent)-405	Exp.	10	----------	----------	----------	(Contributions are used for specified purposes of the Bureau of Outdoor Recreation.)
Total, public land management.	NOA	84,245	77,211	74,884	−2,327	
	Exp.	177,627	143,458	123,085	−20,373	

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MINERAL RESOURCES						
Geological Survey						
Advances, authorized services (permanent)---409	NOA	**2,814**	**3,000**	**3,000**	----------	States, counties, and municipalities contribute funds for topographic mapping and water resources investigations.
	Exp.	2,815	3,000	3,000	----------	
Bureau of Mines						
Contributed funds (permanent)-403	NOA	**1,292**	**1,000**	**1,000**	----------	States, counties, municipalities, and private sources contribute funds for minerals and mining research.
	Exp.	1,538	1,100	1,100	----------	
Office of Coal Research						
Cooperation with States (permanent)---403	NOA	**97**	----------	----------	----------	(The Secretary is authorized to accept financial assistance in connection with coal research and development.)
	Exp.	2	80	14	−66	
Total, mineral resources----	NOA	**4,203**	**4,000**	**4,000**	----------	
	Exp.	4,355	4,180	4,114	−66	
FISH AND WILDLIFE AND PARKS						
Bureau of Commercial Fisheries						
Contributed funds (permanent)-404	NOA	**825**	**844**	**762**	**−82**	Decrease results from termination of some cooperative agreements with non-Federal agencies.
	Exp.	864	867	772	−95	
Inspection and grading of fishery products (permanent)---404	NOA	**619**	**750**	**800**	**50**	Reflects an increase in this voluntary program.
	Exp.	669	744	802	58	
Total, Bureau of Commercial Fisheries.	NOA	**1,444**	**1,594**	**1,562**	**−32**	
	Exp.	1,534	1,611	1,574	−37	
Bureau of Sport Fisheries and Wildlife						
Miscellaneous trust funds (permanent)---404	NOA	**133**	**76**	**81**	**5**	Contributions and receipts are used for work of the Bureau of Sport Fisheries and Wildlife.
	Exp.	172	159	85	−74	

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF THE INTERIOR—Continued						
Trust Funds—Continued						
FISH AND WILDLIFE AND PARKS—Con.						
National Park Service						
National Park Service trust funds (permanent)-----405	NOA	7,642	8,245	14,743	6,498	Donations are mainly used for specified purposes of the National Park Service.
	Exp.	7,135	9,110	14,925	5,815	
Total, Fish and Wildlife and parks.	NOA	9,219	9,915	16,386	6,471	
	Exp.	8,840	10,880	16,584	5,704	
WATER AND POWER DEVELOPMENT						
Bureau of Reclamation						
Reclamation trust funds (permanent)-----401	NOA	907	974	745	−229	Construction or investigations are financed by non-Federal entities.
	Exp.	720	1,237	866	−371	
Bonneville Power Administration						
Construction of electric transmission lines and substations, contributions, Bonneville Power project (permanent)-----401	NOA	1,795	2,150	575	−1,575	Customer contributions are used to construct service facilities.
	Exp.	1,763	1,880	900	−980	
Total, water and power development.	NOA	2,702	3,124	1,320	−1,804	
	Exp.	2,483	3,117	1,766	−1,351	
WATER POLLUTION CONTROL						
Office of Saline Water						
Cooperation with foreign agencies (permanent):						
Appropriation-----	NOA	354	-----	-----	−11,670	Funds provided by the Government of Saudi Arabia to finance a desalting plant.
Contract authorization-----	NOA	6,019	11,670			

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Liquidation of contract authorization 401	Exp.	329	(5,400) 5,414	(10,500) 10,500	(5,100) 5,086
Subtotal, trust funds	NOA Exp.	**106,742** 193,634	**105,920** 167,049	**96,590** 156,049	**−9,330** −11,000
Adjustments					
Interfund and intragovernmental transactions 400	NOA Exp.	*−22,222*			
Applicable receipts from the public 400	NOA Exp.	*−1,154,304*	*−1,082,148*	*−1,110,798*	*−28,650*
850	NOA Exp.	*−3,099*	*−3,275*	*−3,732*	*−457*
Repayments deposited in reclamation fund (included in details above).	LA NL	(−81)	(−823)	(−823)	
Total, Department of the Interior.	NOA LA Exp. NL	**642,811** **13,101** 505,041 24,431	**844,305** **18,715** 757,529 21,463	**847,306** **9,695** 910,847 11,966	**3,001** **−9,020** 153,318 −9,497

Totals for the Department are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	814,844	19,538	730,450	22,286
Repayments		−823		−823
(A)	19,532		17,834	
(C)	474		456	
(D)	9,455		8,789	

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	847,306	10,518	908,465	12,789
Repayments		−823		−823
(A)			1,698	
(C)			18	
(D)			666	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF JUSTICE						
Federal Funds						
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses, general administration 908	NOA	**5,743**	**5,858** [C] **4** [D] **174**	**6,903**	**867**	Increase provides for improved management support and direct field supervision of certain parolees.
	Exp.	5,733	5,969	6,709	740	
Salaries and expenses, general legal activities 908	NOA	**21,981**	**22,373** [D] **716**	**24,852**	**1,763**	Increase reflects expanded emphasis on organized crime prosecutions, enforcement of the Civil Rights Act of 1964, and other civil rights litigation.
	Exp.	22,149	22,690	24,126	1,436	
Salaries and expenses, Antitrust Division 508	NOA	**7,495**	**7,620** [D] **239**	**7,991**	**132**	Additional funds required for pay and other cost increases.
	Exp.	7,535	7,730	7,809	79	
Salaries and expenses, U.S. attorneys and marshals 908	NOA	**35,170**	**36,400** [D] **1,442**	**38,546**	**704**	Additional funds required for pay and other cost increases.
	Exp.	34,586	37,680	38,362	682	
Fees and expenses of witnesses 908	NOA	**2,800**	**3,100**	**3,200**	**100**	1969 requirements are expected to exceed 1968 because of increased trial activity.
	Exp.	2,820	3,100	3,100	----------	
Law enforcement assistance 908	NOA	**7,222**	**7,500**	**20,000**	**12,500**	Increase reflects additional efforts to improve State and local law enforcement, corrections, and administration of justice.
	Exp.	5,507	7,000	14,200	7,200	

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Salaries and expenses, Community Relations Service 908	NOA	1,396	2,000 [D] 51	2,808	757	Increase is to strengthen conciliation services authorized by the Civil Rights Act of 1964. Regional offices will be established in 3 cities.
	Exp.	1,218	1,911	2,803	892	
Intragovernmental funds:						
Advances and reimbursements 908	Exp.	14				
Total, legal activities and general administration.	NOA	81,807	87,477	104,300	16,823	
	Exp.	79,561	86,080	97,109	11,029	
FEDERAL BUREAU OF INVESTIGATION						
General and special funds:						
Salaries and expenses 908	NOA	182,119	186,483 [C] 42 [D] 8,370	206,695	11,800	Increase will provide for additional civil rights investigators, expanded fingerprint and name check services, and expansion of the National Crime Information Center.
	Exp.	185,166	195,468	205,615	10,147	
IMMIGRATION AND NATURALIZATION SERVICE						
Salaries and expenses 908	NOA	78,732	79,907 [C] 24 [D] 3,773	86,941	3,237	Number of persons inspected will increase by 7 million.
	Exp.	80,230	81,561	86,516	4,955	
FEDERAL PRISON SYSTEM						
Salaries and expenses, Bureau of Prisons 908	NOA	60,707	61,750 [C] 114 [D] 1,261 [E] 75	61,752	−1,448	Provides for activating new institution at Morgantown, W. Va., treating additional prisoners under Narcotic Addict Rehabilitation Act, establishing more community treatment centers, expanding research and evaluation, providing advisory services to State and local correctional systems, and other medical and rehabilitation improvements. NOA will be reduced by transfer of $5,150 thousand from Buildings and facilities. Prison population will average 19,500 in 1968 and 19,000 in 1969.
	Exp.	59,547	63,238	65,276	2,038	

[C] Proposed for separate transmittal, wage-board supplemental.
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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF JUSTICE—Continued						
Federal Funds—Continued						
FEDERAL PRISON SYSTEM—Con.						
General and special funds—Continued						
Buildings and facilities 908	Exp.	6,301	6,625	10,200	3,575	(Provides for various repair, rehabilitation, and improvement projects and replanning a psychiatric research institution at Butner, N.C., with funds from balances of prior appropriations.)
Support of U.S. prisoners 908	NOA	**4,930**	**4,500** **[A] 1,100**	**4,900**	**−700**	Supplemental in 1968 will provide for unanticipated increases in Federal prisoners housed in non-Federal institutions. 1969 estimate assumes fewer prisoners in this category, partially offset by an increase in average cost per man-day from $4.61 to $4.90.
	Exp.	5,149	4,459 [A] 300	4,834 [A] 800	875	
Intragovernmental funds:						
Federal Prison Industries, Inc.:						
Prison Industries funds 908	Exp.	−7,310	−5,031	−5,000	31	(Provides vocational training for 9,000 inmates and full-time employment of 5,300 inmates. Increased emphasis will be placed on coordinating industrial operations with inmate treatment programs.)
Limitation on administrative and vocational training expenses.		(2,214)	(2,714)	(3,607)	(793)	
Total, Federal Prison System.	NOA	**65,637**	**68,800**	**66,652**	**−2,148**	
	Exp.	63,687	69,591	76,110	6,519	

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CONTROL OF CRIME

General and special funds:						
Control of crime 908	NOA	----------	[B] 30,000	[B] 80,000	50,000	Supplemental in 1968 provides for initial activity under proposed legislation to authorize assistance to State and local governments in planning and improving systems of criminal justice. 1969 estimate provides for full-year operation.
	Exp.	----------	[B] 10,000	[B] 39,000	29,000	
Subtotal, Federal funds	NOA	408,295	464,876	544,588	79,712	Total Federal funds are distributed as follows:
	Exp.	408,645	442,700	504,350	61,650	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	417,491	417,315	----------	----------
Transmitted	----------	----------	464,588	463,350
([A])	1,100	300	----------	800
([B])	30,000	10,000	80,000	39,000
([C])	184	165	----------	19
([D])	16,026	14,849	----------	1,177
([E])	75	71	----------	4

Trust Funds

Limitation on general administrative expenses, alien property activities.		(80)	(48) (106)	(136)	(−18)	Seized property of enemy nations of World War II or their nationals is being liquidated and used for payment of claims and settlements. The increase in 1968 is for expenses resulting from recent court decisions.
Alien property fund, World War II (trust revolving fund) 151	Exp.	1,815	4,057	53,006	48,949	(Property in the United States of the governments and nationals of Germany and Japan seized during World War II is being liquidated and used for payment of claims and settlements.)
International Claims Settlement Act, title II fund (trust revolving fund) 151	Exp.	675	----------	----------	----------	(Property in the United States of the governments and nationals of Bulgaria, Hungary, and Rumania seized during World War II have been liquidated and used for payment of claims and settlements.)

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF JUSTICE—Continued						
Trust Funds—Continued						
Commissary funds, Federal prisons (trust revolving fund) 908	Exp.	−39				(Profits from sales of sundries in prison commissaries are used for the benefit of prison inmates.)
Subtotal, trust funds	Exp.	2,451	4,057	53,006	48,949	
Adjustments						
Applicable receipts from the public 900	NOA	−2,557	−2,565	−2,565		
	Exp.	−2,557	−2,565	−2,565		
Total, Department of Justice	NOA	405,738	462,311	542,023	79,712	Totals for Department are distributed as follows:
	Exp.	408,539	444,192	554,791	110,599	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	414,926	418,807		
Transmitted			462,023	513,791
(A)	1,100	300		800
(B)	30,000	10,000	80,000	39,000
(C)	184	165		19
(D)	16,026	14,849		1,177
(E)	75	71		4

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Federal Funds

MANPOWER ADMINISTRATION

General and special funds:						
Manpower development and training activities 652	NOA	390,004	385,497	413,096	27,599	Increase is for on-the-job training for the disadvantaged, expansion of short-term employability training, added support of State and local manpower program planning, and area manpower surveys.
	Exp.	274,829	444,000	430,000	−14,000	
Salaries and expenses, Office of Manpower Administrator 652	NOA	30,962	30,696 [D] −428	29,422 [B] 4,600	3,754	Provides for additional personnel to plan, coordinate, and evaluate an expanded Federal manpower effort and an expansion of research on manpower problems. Proposed legislation is to continue experimental labor mobility and placement assistance programs.
	Exp.	29,043	34,572	35,000 [B] 2,300	2,728	
Salaries and expenses, Bureau of Apprenticeship and Training 652	NOA	8,256	8,259 [D] 142	9,262	861	Provides additional personnel for expansion of on-the-job training activities.
	Exp.	7,914	7,900	8,900	1,000	
Unemployment compensation for Federal employees and ex-servicemen 652	NOA	76,467	65,000 [A] 28,800	92,200	−1,600	Higher weekly benefits are more than offset by transfer of financing Auto Products Trade Act and Trade Expansion Act costs to Trade adjustment activities.
	Exp.	79,006	62,584 [A] 28,800	92,200	816	
Trade adjustment activities 652	NOA	----------	----------	1,300 [B] 10,000	11,300	For 1967 and 1968, these costs were financed in the preceding account. Increase reflects proposed revision in adjustment assistance provisions of the Trade Expansion Act.
	Exp.	−160	----------	1,300 [B] 8,000	9,300	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF LABOR—Continued						
Federal Funds—Continued						
MANPOWER ADMINISTRATION—Con.						
General and special funds—Continued						
Salaries and expenses, Bureau of Employment Security....652	NOA	2,726	2,630 D 42	3,026	354	Increase supports additional personnel to expand manpower programs.
	Exp.	2,275	4,050	3,077	−973	
Limitation on salaries and expenses, Unemployment trust fund.		(18,167)	(17,990) A (262) D (476)	(20,947)	(2,219)	Increase reflects greater technical assistance in administration to State employment security agencies.
Miscellaneous expired accounts 652	Exp.	−728	99	----------	−99	
Public enterprise funds:						
Revolving fund for advances to employment security administration account, Unemployment trust fund.....652	NOA	----------	----------	43,000	43,000	Increase will be used to finance larger temporary advances to the Unemployment trust fund.
	Exp.	−3,545	−3,900	−4,000	−100	
Farm labor supply revolving fund 652	Exp.	42	----------	----------	----------	(Liquidation of the fund was completed in 1967.)
Intragovernmental funds:						
Advances and reimbursements, Manpower Administration..652	Exp.	−5,117	----------	----------	----------	
Total, Manpower Administration.	NOA	508,415	520,638	605,906	85,268	
	Exp.	383,560	578,105	576,777	−1,328	

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LABOR-MANAGEMENT RELATIONS						
General and special funds:						
Salaries and expenses, Labor-Management Services Administration 652	NOA	8,578	8,532 [D] 25	9,063	506	Increase reflects expanded veterans reemployment activity.
	Exp.	8,264	8,400	8,900	500	
WAGE AND LABOR STANDARDS						
Salaries and expenses, Wage and Labor Standards Administration 652	NOA	9,187	10,738 [D] 26	12,177 [B] −3,475	−2,062	Provides for the administrative costs of Bureau of Labor Standards, Bureau of Employees' Compensation, and Women's Bureau. Increased research, planning and evaluation of wage and labor standards programs, and safety enforcement activities will be more than offset by income from new legislation proposing user charges.
	Exp.	9,017	10,718	12,313 [B] −3,475	−1,880	
Intragovernmental funds:						
Advances and reimbursements 652	Exp.	−159	102	----------	−102	
General and special funds:						
Claims and expenses, Bureau of Employees' Compensation 906	NOA	56,571	56,061	52,691	−3,370	Decrease reflects greater reimbursements by Federal agencies, partially offset by higher benefit costs.
	Exp.	56,516	56,061	52,691	−3,370	
Salaries and expenses, Wage and Hour Division 652	NOA	22,716	24,134 [D] 73	26,211	2,004	The 1966 amendments to the Fair Labor Standards Act provide for coverage of an additional 100,000 establishments for the first time in 1969.
	Exp.	22,092	25,000	26,000	1,000	
Total, Wage and Labor Standards.	NOA	88,474	91,032	87,604	−3,428	
	Exp.	87,467	91,881	87,529	−4,352	
BUREAU OF LABOR STATISTICS						
Salaries and expenses 652	NOA	20,588	20,931 [D] 54	22,669	1,684	Increase is for improved statistics and statistical research on prices, wages, and labor-management relations.
	Exp.	20,740	21,200	22,668	1,468	
Intragovernmental funds:						
Advances and reimbursements 652	Exp.	−321	251	----------	−251	
Total, Bureau of Labor Statistics.	NOA	20,588	20,985	22,669	1,684	
	Exp.	20,420	21,451	22,668	1,217	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF LABOR—Continued						
Federal Funds—Continued						
BUREAU OF INTERNATIONAL LABOR AFFAIRS						
General and special funds:						
Salaries and expenses 652	NOA	1,250	1,348	1,410	62	Program will continue at about the 1968 level.
	Exp.	1,154	1,300	1,407	107	
Special foreign currency program 652	NOA	75	75	360	285	Additional excess foreign currency will be used for research and training in international labor and manpower areas, and for translation of books and periodicals.
	Exp.	32	100	353	253	
Intragovernmental funds:						
Advances and reimbursements 652	Exp	150	−1	----------	−1	
Total, Bureau of International Labor Affairs.	NOA	1,325	1,423	1,770	347	
	Exp.	1,336	1,399	1,760	361	
OFFICE OF THE SOLICITOR						
General and special funds:						
Salaries and expenses 652	NOA	5,587	5,741 D 18	6,226	467	Increase needed for additional legal activities related to the Fair Labor Standards Act.
	Exp.	5,490	5,740	6,040	300	
Limitation payable from Unemployment trust fund.		(144)	(144)	(144)	----------	
OFFICE OF THE SECRETARY						
Salaries and expenses 652	NOA	3,680	4,385 D 45	5,128	698	Increase largely reflects the costs of improving financial management.
	Exp.	3,845	4,472	5,066	594	
Limitation payable from Unemployment trust fund.		(140)	(538)	(538)	----------	

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Federal contract compliance and civil rights program_____652	NOA	1,040	1,103 D 3	1,456	350	Increase will provide added enforcement of nondiscrimination provisions in the grant programs and will strengthen coordination of Government-wide compliance with nondiscrimination clauses in Government contracts which include a new ban on sex discrimination.
	Exp.	951	1,136	1,428	292	
Limitation payable from Unemployment trust fund.		----------	----------	(762)	(762)	
Preventing age discrimination in employment_____652	NOA	----------	----------	1,000	1,000	Amount reflects estimated costs of administering the Age Discrimination in Employment Act of 1967.
	Exp.	----------	----------	850	850	
Salaries and expenses, activities relating to admission and employment in agriculture of nonimmigrant aliens_____652	Exp.	53	2	----------	−2	(Liquidation of this fund will be completed in 1968.)
Intragovernmental funds:						
Working capital fund_____652	Exp.	200	----------	----------	----------	(Provides centralized administrative services.)
Advances and reimbursements_652	Exp.	−37	----------	----------	----------	
Total, Office of the Secretary_	NOA	4,720	5,536	7,584	2,048	
	Exp.	5,012	5,610	7,344	1,734	
OTHER						
General and special funds:						
President's Committee on Consumer Interests_____652	NOA	327	337 D 8	700	355	Increase will strengthen coordination of Government consumer activities.
	Exp.	328	320	650	330	
Subtotal, Federal funds_____	NOA	638,014	654,275	741,522	87,247	Total Federal funds are distributed as follows:
	Exp.	511,877	712,906	711,668	−1,238	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted_____	625,467	684,099	----------	----------
Transmitted_	----------	----------	730,397	704,842
(A)_____	28,800	28,800	----------	----------
(B)_____	----------	----------	11,125	6,825
(D)_____	8	7	----------	----------

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B Proposed for separate transmittal under proposed legislation.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF LABOR—Continued						
Trust Funds						
MANPOWER ADMINISTRATION						
Limitation on grants to States for unemployment compensation and employment service administration, Unemployment trust fund.		(524,000)	(556,932) A (15,503) D (81)	(616,573)	(44,057)	Increase primarily covers mandatory salary increases for State employees; and costs of implementing management information and cost accounting systems, and improving automatic data processing systems of the employment security program.
Unemployment trust fund (permanent).	652 NOA	**579,089**	**615,000**	**652,000**	**37,000**	The fund combines the financial activities of the Federal-State and railroad unemployment systems. States and the Railroad Retirement Board draw upon the fund to pay weekly benefits to unemployed eligibles, in addition to sickness benefits paid by the Railroad Retirement Board through this fund. Payroll taxes of employers are the principal source of receipts, which also include repayments of advances to States for temporary programs which extended the duration of unemployment benefits. The amounts shown for these repayments include direct payments by States to the U.S. Treasury. Excess receipts of $10,853 thousand for repayment of Federal advances were returned to the States in 1967. The increase in Federal tax collections and interest on investments is partially offset by the decline in deposits by States.
	654 NOA	**3,380,277**	**3,503,131**	**3,556,850**	**53,719**	
	LA	**114,000**		**−114,000**	**−114,000**	
Receipts appropriated:						
(Deposits by States)		**(2,916,933)**	**(2,899,184)**	**(2,800,000)**	**(−99,184)**	
(Federal unemployment taxes)		**(579,345)**	**(615,000)**	**(652,000)**	**(37,000)**	
(Railroad unemployment insurance taxes).		**(136,565)**	**(135,470)**	**(133,125)**	**(−2,345)**	
(Railroad unemployment insurance other).		**(38,349)**	**(38,030)**	**(37,875)**	**(−155)**	
(Interest on investments)		**(383,721)**	**(430,447)**	**(471,850)**	**(41,403)**	
(State repayments of advances for temporary unemployment compensation).		**(18,452)**				
Expenditures	652 Exp.	564,569	583,697 A 15,765	645,308	45,846	The number of benefit payments made during 1967 (in thousands) was 48,809; the estimate for 1968 and 1969 is 50,692. The average weekly benefit amount during 1967 was $41.05; the estimate for 1968 is $41.70 and 1969 is $43.
	654 Exp.	2,189,356	2,563,690	2,556,942	−6,748	
	654 NL	114,000		−114,000	−114,000	
(Withdrawals by States)		(2,001,191)	(2,385,128)	(2,379,406)	(−5,722)	

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(Railroad unemployment benefits).		(70,985)	(70,300)	(70,000)	(−300)	
(Administrative expenses)		(564,021)	(582,759) [A](15,765)	(643,800)	(45,276)	Increase in administrative costs covers an additional $612 in the average wage payments to State personnel and added unemployment insurance administrative costs of $3.4 million, reflecting the growth in covered employment and changes in State laws. During 1969, the Federal-State Employment Service will implement improvements in the management and operation of the program.
(Reimbursement of expenses)		(6,769)	(9,600)	(10,844)	(1,244)	
(Trust fund repayment of advances for temporary unemployment).		(7,599)	----------	----------	----------	
(Interest expenses)		(3,819)	(4,100)	(4,200)	(100)	
(Railroad unemployment insurance other).		(99,525)	(95,500)	(94,000)	(−1,500)	
(Purchase of non-Federal securities).		(114,016)	----------	(−114,000)	(−114,000)	
WAGE AND LABOR STANDARDS						
Bureau of Employees' Compensation trust funds (permanent) 906	NOA	38	24	22	−2	Receipts are from employers for the deaths of employees without eligible survivors, and from fines and penalties. Payments include certain permanent disability cases and rehabilitation maintenance benefits.
	Exp.	139	128	46	−82	
Advances and reimbursements 906	Exp.	−13	48	----------	−48	
BUREAU OF LABOR STATISTICS						
Special statistical work 652	Exp.	49	20	7	−13	(Funds are advanced from sources outside the Federal Government to finance special statistical studies.)
Subtotal, trust funds	NOA	**3,959,404**	**4,118,155**	**4,208,872**	**90,717**	Total trust funds are distributed as follows:
	LA	**114,000**	----------	**−114,000**	**−114,000**	
	Exp.	2,754,100	3,163,348	3,202,303	38,955	
	NL	114,000	----------	−114,000	−114,000	

1968

	NOA	*Exp.*
Enacted	4,118,155	3,147,583
([A])	----------	15,765

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	4,208,872	−114,000	3,202,303	−114,000

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF LABOR—Continued						
Adjustments						
Interfund and intragovernmental transactions 650	NOA	*−7,599*				
	Exp.					
Applicable receipts from the public 650	NOA	*−11,548*	*−122*	*−122*		
	Exp.					
850	NOA	*−14*	*−14*	*−14*		
	Exp.					
Total, Department of Labor	NOA	**4,578,257**	**4,772,294**	**4,950,258**	**177,964**	Totals for the Department are distributed as follows:
	LA	**114,000**		**−114,000**	**−114,000**	
	Exp.	3,246,816	3,876,118	3,913,835	37,717	
	NL	114,000		−114,000	−114,000	

	1968			
	NOA		*Exp.*	
Enacted	4,743,486		3,831,546	
(A)	28,800		44,565	
(D)	8		7	
	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	4,939,133	−114,000	3,907,009	−114,000
(B)	11,125		6,825	
(D)			1	

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Federal Funds						
Public enterprise funds:						
Contribution to the postal fund (indefinite)-----505	NOA	**1,214,560**	**961,628** [A] **22,327** [D] **190,082**	**919,886**	**−254,151**	Supplemental in 1968 is to cover costs of implementation of the postal rate increase and for additional workload in transportation generated by the increased mail volume. Estimated obligations of $7,298 million less estimated revenues and reimbursements of $6,378 million (including $959 million attributable to the postal rate increase), leaves $920 million to be contributed. This is an increase of $482 million in obligations ($312 million for mail volume, $124 million for improved facilities and equipment, $18 million for new training programs, and $28 million to strengthen management and improve the level of service). After deducting for public services, the deficit is estimated to be $78 million, compared to $449 million in 1968 and $590 million in 1967. The reduction in the deficit for 1969 is attributable to the additional revenue to be derived from the postal rate increase.
	Exp.	1,141,185	1,066,536 [A] 20,867	765,405 [A] 1,460	−320,538	
Authorizations and limitations on use of postal fund:						
Administration and regional operation.		(95,563)	(103,510) [D] (4,011)	(123,802)	(16,281)	(Provides for additional positions for departmental and regional headquarters.)
Research, development, and engineering.		(16,135)	(23,088) [D] (210)	(36,386)	(13,088)	(Provides for additional positions in the Bureau of Research and Engineering and an increase in contract research.)
Operations-----		(5,043,594)	(5,306,851) [D] (185,434)	(5,783,989)	(291,704)	(Increase is for growth in mail volume (3.8%), for improved service, and for new and expanded training programs.)
Transportation-----		(640,700)	(650,000) [A] (17,521)	(713,500)	(45,979)	(Increase is attributable to growth in mail volume and service improvement, partially offset by savings from more efficient use of transportation.)

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
POST OFFICE DEPARTMENT—Continued						
Federal Funds—Continued						
Public enterprise funds—Continued						
Authorizations and limitations on use of postal fund—Continued						
Building occupancy		(165,078)	(185,889)	(216,000)	(30,111)	(Increase is for more and better space.)
Supplies and services		(78,192)	(89,350) [A] (4,806) [D] (427)	(110,781)	(16,198)	(Increase is for additional supplies required because of mail volume growth.)
Plant and equipment		(138,000)	(195,030)	(225,000)	(29,970)	(Increase is to renovate facilities and to purchase carrier and bulk transport vehicles.)
Postal public buildings		----------	(50,000)	(88,252)	(38,252)	(Increase will permit further progress in the program, initiated in 1968, under which the Department constructs its special purpose buildings directly.)
Total authorizations out of postal fund.		(6,177,262)	(6,603,718) [A] (22,327) [D] (190,082)	(7,297,710)	(481,583)	
Total, Post Office Department	NOA	**1,214,560**	**1,174,037**	**919,886**	**−254,151**	Totals for the Department are distributed as follows:
	Exp.	1,141,185	1,087,403	766,865	−320,538	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	961,628	889,268	----------	----------
Transmitted	----------	----------	919,886	752,591
([A])	22,327	20,867	----------	1,460
([D])	190,082	177,268	----------	12,814

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Federal Funds

ADMINISTRATION OF FOREIGN AFFAIRS

General and special funds:						
Salaries and expenses 151	NOA	185,784	193,605 [D] 1,859	204,168	8,704	Major increases in 1969 are for anticipated price rises abroad, increased personnel compensation costs, and development of an information systems program.
	Exp.	184,573	192,800	202,850	10,050	
Representation allowances 151	NOA	993	993	993	----------	Provides for special expenses in promoting U.S. interests abroad and participating in commemorative and ceremonial events.
	Exp.	972	990	990	----------	
Acquisition, operation, and maintenance of buildings abroad 151	NOA	15,500	13,350	12,750	−600	Decrease results from use of prior year balances for 1969 program.
	Exp.	17,977	15,388	16,592	1,204	
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 151	NOA	6,250	5,025	3,050	−1,975	Decrease results from use of prior year balances for 1969 program.
	Exp.	5,909	4,486	6,610	2,124	
Emergencies in the diplomatic and consular service 151	NOA	3,600	2,100	1,600	−500	Provides for relief and repatriation loans to U.S. citizens abroad and for other emergencies.
	Exp.	2,657	3,100	1,600	−1,500	
Overseas schools program (special foreign currency program) 151	NOA	----------	----------	700	700	Assistance to American-sponsored schools abroad to acquire and construct facilities.
	Exp.	----------	----------	465	465	
Extension and remodeling, State Department Building 151	Exp.	16	----------	----------	----------	(Activities were completed in 1967.)
Replacement of passenger motor vehicles sold abroad 151	Exp.	119	82	35	−47	(Activities previously under this account are financed through reimbursements to Salaries and expenses starting in 1967.)

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF STATE—Continued						
Federal Funds—Continued						
ADMINISTRATION OF FOREIGN AFFAIRS—Continued						
Intragovernmental funds:						
Working capital fund 151	Exp.	−682	−57	−25	32	(The fund finances publishing, supply, and other support services.)
Advances and reimbursements 151	Exp.	−64				
Total, administration of foreign affairs.	NOA	**212,127**	**216,932**	**223,261**	**6,329**	
	Exp.	211,477	216,789	229,117	12,328	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES						
General and special funds:						
Contributions to international organizations 151	NOA	**100,826**	**93,735**	**118,628**	**24,893**	Increase reflects cost rises and expansion of programs of most international organizations.
	Exp.	101,348	112,000	118,000	6,000	
Missions to international organizations 151	NOA	**3,700**	**3,770** D −54	**3,913**	**197**	Provides representation, reporting, and liaison with international organizations and with delegations of other nations.
	Exp.	3,836	3,387	3,887	500	
International conferences and contingencies 151	NOA	**1,943**	**1,943** D −163	**1,822**	**42**	Finances participation in international conferences and contributions to new or provisional international organizations.
	Exp.	1,775	1,805	1,820	15	
World Health Assembly 151	NOA			**500**	**500**	Will finance part of cost of this conference in Boston in July 1969.
	Exp.			400	400	

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Miscellaneous appropriations--151	NOA	1,350				(Remaining costs of Conference on Water for Peace and of international tariff negotiations will be liquidated in 1968 and 1969.)
	Exp.	1,009	328	65	−263	
Total, international organizations and conferences.	NOA	107,819	99,231	124,863	25,632	
	Exp.	107,968	117,520	124,172	6,652	
INTERNATIONAL COMMISSIONS						
International Boundary and Water Commission, United States and Mexico:						
Salaries and expenses-----401	NOA	831	851	880	29	Provides for investigations to determine need for and feasibility of joint projects for solution of boundary problems.
	Exp.	812	891	880	−11	
Operation and maintenance-401	NOA	1,985	1,979 [D] −50	2,110	181	Increase reflects initiation of operations at Amistad Dam.
	Exp.	1,982	1,929	2,110	181	
Construction-----401	NOA	5,747	9,000 [A] 700	5,806	−3,894	Supplemental in 1968 is to initiate design of Tijuana Flood Control project. Decrease in 1969 results from lowered requirements to complete Amistad Dam.
	Exp.	8,189	10,350 [A] 200	10,000 [A] 500	−50	
Chamizal settlement-----401	NOA	4,200	2,700		−2,700	Project will be completed in 1969.
	Exp.	16,105	8,568	1,900	−6,668	
American sections, international commissions-----401	NOA	650	650 [D] −20	629	−1	Provides for maintenance of United States-Canadian boundary and studies of border matters.
	Exp.	568	687	634	−53	
International fisheries commissions-----404	NOA	2,125	2,125 [D] −110	2,075	60	Increase is for salary adjustments, effective July 1968, consistent with October 1967 changes in Federal salaries.
	Exp.	2,065	2,061	2,067	6	
Miscellaneous appropriations--404	Exp.		250	250		(Grant to the University of Washington for a laboratory and offices for International Pacific Halibut Commission.)
Total, international commissions.	NOA	15,538	17,825	11,500	−6,325	
	Exp.	29,721	24,936	18,341	−6,595	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF STATE—Continued						
Federal Funds—Continued						
EDUCATIONAL EXCHANGE						
General and special funds—Continued						
Mutual educational and cultural exchange activities 153	NOA	46,999	45,998 D −875	44,862	−261	Provides for academic and nonacademic exchanges, services to privately sponsored foreign students, and aid to American sponsored schools abroad.
	Exp.	46,454	44,649	44,462	−187	
International educational exchange activities (special foreign currency program) 153	Exp.	2,432	1,500	1,000	−500	(Activities will be substantially completed in 1969.)
English language teaching program in Poland (special foreign currency program) 153	NOA	----------	----------	3,100	3,100	Will finance a multiyear program pursuant to a recent United States-Poland agreement.
	Exp.	----------	----------	800	800	
Center for Cultural and Technical Interchange Between East and West 153	NOA	6,050	5,800 D −580	5,362	142	Grant to the University of Hawaii to support a center for advanced Asian and Pacific studies with participants from the United States and the Far East.
	Exp.	6,564	5,800	5,270	−530	
Miscellaneous appropriations 153	Exp.	54	56	50	−6	(Grant to UNESCO for preservation of certain temples in Egypt and the Sudan.)
Educational exchange permanent appropriations (indefinite, special funds) 153	NOA	353	353	354	1	Payments by Finland on World War I debts are used for educational exchanges with Finland.
	Exp.	280	350	375	25	
Total, educational exchange	NOA	53,402	50,696	53,678	2,982	
	Exp.	55,783	52,355	51,977	−398	

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OTHER						
Migration and refugee assistance 152	NOA	6,050	5,625 D −7	5,485	−133	Increased costs of transporting Cuban refugees to the United States are offset by reductions in other refugee programs.
	Exp.	7,307	7,111	5,705	−1,406	
Miscellaneous appropriations 152	Exp.	310	178		−178	(Rama Road in Nicaragua will be completed in 1968.)
Payment to the Republic of Panama (permanent) 151	NOA	1,930	1,930	1,930		Annual payment is made under treaty for Panama Canal rights. The Panama Canal Company reimburses $430 thousand to the U.S. Treasury.
	Exp.	1,930	1,930	1,930		
Total, other	NOA	7,980	7,548	7,415	−133	
	Exp.	9,548	9,219	7,635	−1,584	
Subtotal, Federal funds	NOA	396,867	392,232	420,717	28,485	Total Federal funds are distributed as follows:
	Exp.	414,496	420,819	431,222	10,403	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	391,532	420,619		
Transmitted			420,717	430,722
(A)	700	200		500

Trust Funds

ADMINISTRATION OF FOREIGN AFFAIRS

Foreign Service retirement and disability fund (permanent) 654	NOA	(11,192)	(11,487)	(11,975)	(488)	A retirement and disability system for Foreign Service officers and most Foreign Service staff officers and employees is maintained. Employing agencies match employee payments of 6½% of basic salaries. Approximately 1,814 annuitants will be receiving benefits at the end of 1969. Fund balances are invested in interest-bearing U.S. securities.
Receipts appropriated:						
(Employees' contribution)		5,348	5,467	5,712	245	
(Employer's contribution)		4,178	4,335	4,573	238	
(Interest on investment)		1,665	1,685	1,690	5	
Expenditures:	Exp.	(10,582)	(11,599)	(12,593)	(994)	
(Benefit payments)		9,996	11,019	12,013	994	
(Administrative expenses)		586	580	580		

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF STATE—Continued						
Trust Funds—Continued						
ADMINISTRATION OF FOREIGN AFFAIRS—Continued						
Miscellaneous permanent appropriations 151	NOA	91	43	----------	−43	Gifts are used for various functions of the Department.
	Exp.	84	84	----------	−84	
Total, administration of foreign affairs.	NOA	**11,283**	**11,530**	**11,975**	**445**	
	Exp.	10,666	11,683	12,593	910	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES						
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation (permanent) 151	NOA	2	2	2	----------	Gifts are used by the National Commission.
	Exp.	2	3	3	----------	
EDUCATIONAL EXCHANGE						
Educational exchange trust funds (permanent) 152	NOA	202	278	312	34	Other governments' funds are used for training of foreign nationals or requested services.
	Exp.	167	330	319	−11	
153	NOA	58	62	48	−14	These funds, from gifts, are for educational exchange.
	Exp.	54	55	55	----------	
Total, educational exchange	NOA	**260**	**340**	**360**	**20**	
	Exp.	221	385	374	−11	

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OTHER						
Indemnification funds, foreign governments (permanent) 151	NOA	----------	720	----------	—720	Represents deposit of funds and payment of claims.
	Exp.	----------	720	----------	—720	
Subtotal, trust funds	NOA	11,545	12,592	12,337	—255	
	Exp.	10,889	12,791	12,970	179	
Adjustments						
Interfund and intragovernmental transactions 150	NOA	*—430*	*—430*	*—430*	----------	
	Exp.					
Applicable receipts from the public 050	NOA	*—245*	*—250*	*—250*	----------	
	Exp.					
150	NOA	*—4,873*	*—4,266*	*—4,273*	*—7*	
	Exp.					
500	NOA	*—293*	*—295*	*—295*	----------	
	Exp.					
850	NOA	*—169*	*—161*	*—155*	*6*	
	Exp.					
Total, Department of State	NOA	402,402	399,422	427,651	28,229	Totals for the Department are distributed as follows:
	Exp.	419,375	428,208	438,789	10,581	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	398,722	428,008	----------	----------
Transmitted	----------	----------	427,651	438,289
(A)	700	200	----------	500

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF TRANSPORTATION						
Federal Funds						
OFFICE OF THE SECRETARY						
General and special funds:						
Salaries and expenses 506	NOA	4,452	6,866 [D] 150	11,335	4,319	Provides for increased staffing and strengthening of departmental management.
	Exp.	2,834	8,100	11,300	3,200	
Transportation research 506	NOA	2,994	5,950	7,000	1,050	Funds will be used to identify transportation policy problems and solutions, develop transportation data, and evaluate transportation needs of the Northeast Corridor area.
	Exp.	2,893	5,100	8,000	2,900	
Intragovernmental funds:						
Working capital fund 506	Exp.	----------	−407	−16	391	(Provides for printing services for the Department.)
Total, Office of the Secretary	NOA	7,446	12,966	18,335	5,369	
	Exp.	5,727	12,793	19,284	6,491	
COAST GUARD						
General and special funds:						
Operating expenses 502	NOA	350,450	366,860 [E] 6,457	391,560	18,243	Increase permits operation of replacement vessels, aircraft, and shore establishments constructed under prior year appropriations. Coast Guard reserve training programs will be funded from this appropriation starting in 1969.
	Exp.	348,208	341,199	409,139	67,940	
Acquisition, construction, and improvements 502	NOA	104,505	107,014	[F] 107,000	−14	Includes funds for construction of 3 replacement vessels, 1 additional river tender, and acquisition of 9 replacement aircraft.
	Exp.	101,028	100,000	135,200	35,200	
Retired pay 502	NOA	44,750	48,000	51,056	3,056	An average net increase of 645 retirees is expected.
	Exp.	44,701	43,900	54,456	10,556	

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Research, development, test and evaluation 502	NOA	----------	----------	9,000	9,000	This activity will be separately financed, starting in 1969. Estimate is primarily for the national oceanographic data buoy system.
	Exp.	----------	----------	8,000	8,000	
Intragovernmental funds:						
Coast Guard supply fund 502	Exp.	687	----------	500	500	(Expenditures exceed receipts slightly in a $27.7 million program.)
Coast Guard yard fund 502	Exp.	2,059	1,000	850	−150	(Expenditures will decline in 1969 due to a reduction in unfilled customer orders in a $17.3 million program.)
Total, Coast Guard	NOA	499,705	528,331	558,616	30,285	
	Exp.	496,683	486,099	608,145	122,046	
FEDERAL AVIATION ADMINISTRATION						
General and special funds:						
Operations 501	NOA	575,319	605,228 [D]14,553	663,079	43,298	Increased costs for operating newly commissioned airway facilities and handling increased air traffic will be offset partially by operational and management improvements.
	Exp.	566,298	612,212	660,000	47,788	
Facilities and equipment 501	NOA	28,000	54,000	70,000	16,000	Major portion of the 1969 increase is to provide for automation of en route and terminal air traffic control activities.
	Exp.	60,564	75,000	102,800	27,800	
Research and development 501	NOA	28,500	27,000	28,000	1,000	Activity will be continued at about the 1968 level.
	Exp.	36,241	33,500	29,000	−4,500	
Operation and maintenance, National Capital airports 501	NOA	8,527	8,435 [C]93 [D]122	9,019	369	Operation and maintenance of Washington National and Dulles International Airports will be continued at about the 1968 level.
	Exp.	7,908	8,677	8,952	275	
Construction, National Capital airports 501	NOA	----------	160	1,000	840	Appropriation is for improvement of international arrival facilities at Dulles International Airport.
	Exp.	2,450	4,600	3,160	−1,440	

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued						
Federal Funds—Continued						
FEDERAL AVIATION ADMINISTRATION—Continued						
General and special funds—Continued						
Grants-in-aid for airports 501	NOA	----------	66,000	----------	4,000	Grants are made to local communities for public airport development. Budget also proposes appropriation of $65 million for 1970.
Permanent	NOA	71,000	----------	70,000		
	Exp.	64,147	58,000	73,000	15,000	
Civil supersonic aircraft development 501	NOA	280,000	142,375	223,000	80,625	Estimate is to continue Federal financial assistance in the construction of prototype supersonic transport aircraft.
	Exp.	145,334	100,000	351,000	251,000	
Public enterprise funds:						
Aviation war risk insurance revolving fund 501	Exp.	−2	21	----------	−21	(Unfunded contingent liability is estimated at $27 billion.)
Total, Federal Aviation Administration	NOA	991,346	917,966	1,064,098	146,132	
	Exp.	882,941	892,010	1,227,912	335,902	
FEDERAL HIGHWAY ADMINISTRATION						
General and special funds:						
Highway beautification: 503						
Appropriation	NOA	80,000	1,200	1,508	272	Proposed legislation would provide new contract authorization for 1968. Estimate in 1969 includes the salary increase. Legislation also will be proposed to provide 1970 authorization of $85 million to be available for obligation in 1969.
			[D]36			
Contract authorization	NOA		[B]85,000	[B]85,000		
Liquidation of contract authorization.		----------	----------	[B](51,000)	(51,000)	
	Exp.	23,820	79,668	30,214	1,546	
				[B]51,000		

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Traffic and highway safety 503	NOA	**10,000**	**21,034**	**30,305**	**9,271**	Increase is primarily for expanded highway safety research and standards development.
	Exp.	2,076	20,000	29,305	9,305	
State and community highway safety programs: 503						
Contract authorization:						
Current	NOA	**167,000**		[F]**50,000**	**−50,000**	Decrease in NOA reflects large unobligated balances of prior year authorizations which will permit a program increase.
Permanent	NOA		**100,000**			
Liquidation of contract authorization		(10,000)	(25,000)	(70,000)	(45,000)	
	Exp.	774	26,187	70,000	43,813	
Motor carrier safety 503	NOA		**1,780** [D]**53**	**2,012**	**179**	Increase supports expanded inspection activities.
	Exp.		1,753	2,012	259	
Forest highways: 503						
Contract authorization:						
Current	NOA	**33,000**	[B]**−33,000**	[F]**33,000** [B]**−33,000**		Legislation has been proposed to finance this program, including unexpended balances of prior year authorizations, from the Highway trust fund beginning in 1968.
Permanent	NOA		**33,000**			
Liquidation of contract authorization.		(32,000)	(32,000) [B](−32,000)	(33,000) [B](−33,000)		
	Exp.	28,947	34,115 [B]−34,115	35,000 [B]−35,000		
Public lands highways: 503						
Contract authorization:						
Current	NOA	**14,000**	[B]**−16,000**	[F]**16,000** [B]**−16,000**		Legislation has been proposed to finance this program, including unexpended balances of prior year authorizations, from the Highway trust fund beginning in 1968.
Permanent	NOA		**16,000**			
Liquidation of contract authorization.		(12,400)	(9,000) [B](−9,000)	(9,000) [B](−9,000)		
	Exp.	10,105	10,424 [B]−10,424	10,000 [B]−10,000		
Inter-American Highway 152	NOA		**5,000**	**2,000**	**−3,000**	Financing of the Inter-American Highway will be completed in 1969.
	Exp.	5,693	6,935	8,000	1,065	

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued						
Federal Funds—Continued						
FEDERAL HIGHWAY ADMINISTRATION—Continued						
General and special funds—Continued						
Chamizal Memorial Highway 503	NOA	----------	4,000	4,000	----------	Estimate would complete funding of a border highway in El Paso, Tex.
	Exp.	----------	1,000	5,400	4,400	
Alaskan assistance 503	NOA	----------	5,000	----------	−5,000	No new funds are requested.
Repair and reconstruction of highways 503	NOA	----------	15,098	----------	−15,098	The Highway trust fund is repaid for funds used for emergency highway repair and reconstruction.
	Exp.	----------	15,098	----------	−15,098	
Miscellaneous accounts 503	NOA	210	----------	----------	----------	
	Exp.	1,022	97	----------	−97	
Intragovernmental funds:						
Advances and reimbursements 503	Exp.	1	1	1	----------	
Total, Federal Highway Administration.	NOA	304,210	238,201	174,825	−63,376	
	Exp.	72,437	150,739	195,932	45,193	
FEDERAL RAILROAD ADMINISTRATION						
General and special funds:						
Salaries and expenses, Office of the Administrator 503	NOA	----------	680	1,032	352	Increase will strengthen executive direction for the Administration.
	Exp.	----------	650	1,032	382	
Bureau of Railroad Safety 503	NOA	----------	3,414 D 50	3,820	356	Continues program of safety regulation and inspection.
	Exp.	----------	3,295	3,820	525	
High-speed ground transportation research and development 503	NOA	21,974	11,750	F 16,200	4,450	Includes construction and testing of new systems for high-speed transportation.
	Exp.	7,253	16,835	23,125	6,290	

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Railroad research 503	NOA	----------	200	400	200	Continues study of railroad safety problems.
	Exp.	----------	100	300	200	
Public enterprise funds:						
Alaska Railroad revolving fund 503	Exp.	2,339	565	−125	−690	(Revenues of $15 million finance annual operation of the Alaska Railroad.)
Total, Federal Railroad Administration.	NOA	21,974	16,094	21,452	5,358	
	Exp.	9,592	21,445	28,152	6,707	
ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION						
St. Lawrence Seaway Development Corporation fund 502	NOA	----------	[B] 13,105	----------	−13,105	Proposed legislation provides for major rehabilitation work required on the Eisenhower and Snell locks.
	Exp.	95	3,256	8,570	5,314	
Limitation on administrative expenses.		(515)	(514) [D] (17)	(560)	(29)	
NATIONAL TRANSPORTATION SAFETY BOARD						
General and special funds:						
Salaries and expenses 506	NOA	----------	3,993 [D] 109	4,706	604	Increase is for expanded workload in accident investigation and determination of cause in aviation and surface transportation.
	Exp.	----------	3,931	4,662	731	
Subtotal, Federal funds	NOA	1,824,682	1,730,765	1,842,032	111,267	Total Federal funds are distributed as follows:
	Exp.	1,467,476	1,570,273	2,092,657	522,384	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	1,660,037	1,594,327	----------	----------
Transmitted	----------	----------	1,806,032	2,085,519
([B])	49,105	−44,539	36,000	6,000
([C])	93	88	----------	5
([D])	15,073	14,298	----------	775
([E])	6,457	6,099	----------	358

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued						
Trust Funds						
FEDERAL HIGHWAY ADMINISTRATION						
Highway trust fund: 503						
Limitation on general administrative expenses.		(57,782)	(59,927) [D] (1,461)	(68,186)	(6,798)	
Contract authorization:						
Existing legislation:						
Current	NOA	4,450,000		[F] 1,000,000	−301,389	Receipts of the fund liquidate portions of the contract authorization. Decrease in 1969 reflects most recent congressionally approved authorizations. Legislation will be proposed for new authorizations. Legislation has been proposed to finance forest and public lands highways, including balances of prior year authorizations from the Highway trust fund beginning in 1968.
Permanent	NOA		4,850,000	3,650,000		
Proposed legislation:						
Forest highways	NOA		[B] 110,065	[B] 33,000		
Public lands highways	NOA		[B] 40,324	[B] 16,000		
Liquidation of contract authorization:						
Federal-aid highways		(3,968,400)	(3,770,872) [A] (400,000)	(4,158,000)	(−12,872)	
Forest highways			[B] (36,115)	[B] (33,000)	(−3,115)	
Public lands highways			[B] (11,424)	[B] (9,000)	(−2,424)	
Receipts to liquidate contract authorization and finance current appropriations:						
(Excise taxes):						
(Existing legislation)		(4,440,862)	(4,338,902)	(4,522,000)	(422,098)	
(Proposed legislation)				[B] (239,000)		

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(Interest on investments):						
(Existing legislation)		(14,225)	(25,000)	(40,000)	(19,000)	
(Proposed legislation)				[B] (4,000)		
(Repayment from general fund)			(15,098)		(−15,098)	
	Exp.	3,973,356	3,774,334	4,158,000	−15,873	
			[A] 400,000			
			[B] 44,539	[B] 45,000		
Improvement of the Pentagon road network 503	Exp.	70	78		−78	(Work completed in 1968.)
Other Federal Highway Administration trust funds:						
International trust funds (permanent): 152						
Contract authorization	NOA	5,591			−4,000	Advances from other countries are used for cooperative work and technical assistance.
Appropriation	NOA	324	7,000	3,000		
Liquidation of contract authorization.		(6,441)	(5,440)		(−5,440)	
	Exp.	6,550	6,000	5,500	−500	
Miscellaneous trust funds (permanent): 503						
Appropriation	NOA	844	500	500		Advances from other Federal agencies, States, local governments, and nongovernment interests pay for requested special services.
Liquidation of contract authorization.			(49)		(−49)	
	Exp.	433	505	500	−5	
Total, Federal Highway Administration 502	NOA	4,456,759	5,007,889	4,702,500	−305,389	
	Exp.	3,980,409	4,225,456	4,209,000	−16,456	
COAST GUARD						
Coast Guard general gift fund (permanent) 502	NOA	43	15	8	−7	Funds are used to support Coast Guard training programs.
	Exp.	75	16	22	6	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
DEPARTMENT OF TRANSPORTATION—Continued						
Trust Funds—Continued						
NATIONAL TRANSPORTATION SAFETY BOARD						
Donations (permanent)....506	NOA	----------	28	----------	−28	Funds are used to support aviation accident investigation.
Subtotal, trust funds.....	NOA	4,456,802	5,007,932	4,702,508	−305,424	Total trust funds are distributed as follows:
	Exp.	3,980,484	4,225,472	4,209,022	−16,450	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted....	4,857,543	3,780,933	----------	----------
Transmitted	----------	----------	4,653,508	4,164,022
(A).....	----------	400,000	----------	----------
(B).....	150,389	44,539	49,000	45,000

Adjustments						
Interfund and intragovernmental transactions.....500	NOA	----------	*−15,098*	----------	*15,098*	
	Exp.					

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Applicable receipts from the public—150	NOA	*−6,756*	*−12,440*	*−3,000*	*9,440*	
	Exp.					
500	NOA	*−13,224*	*−15,247*	*−17,002*	*−1,755*	
	Exp.					
Total, Department of Transportation.	NOA	**6,261,504**	**6,695,912**	**6,524,538**	**−171,374**	Totals for the Department are distributed as follows:
	Exp.	5,427,980	5,752,960	6,281,677	528,717	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	6,474,795	5,332,475		
Transmitted			6,439,538	6,229,539
(A)		400,000		
(B)	199,494		85,000	51,000
(C)	93	88		5
(D)	15,073	14,298		775
(E)	6,457	6,099		358

TREASURY DEPARTMENT

Federal Funds

OFFICE OF THE SECRETARY

General and special funds:						
Salaries and expenses—904	NOA	**7,012**	**6,988**	**7,780**	**792**	Increase provides for funding to assure equal employment opportunities, to strengthen administrative support, and for research in tax, debt, and financial management.
	Exp.	6,800	6,908	7,767	859	
Miscellaneous permanent appropriations (indefinite, special funds)—904	NOA	**16**	**16**	**18**	**2**	Funds are appropriated from a receipt account for administrative expenses of paying awards under the War Claims Act.
	Exp.	16	22	19	−3	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
TREASURY DEPARTMENT—Continued						
Federal Funds—Continued						
OFFICE OF THE SECRETARY—Con.						
Public enterprise funds:						
Liquidation of Federal Farm Mortgage Corporation 904	Exp.	1	1	1	----------	(Collections from Federal land banks were completed in 1966.)
Liquidation of foreign military sales fund, executive 057	Exp.	----------	----------	−2,383	−2,383	(The Foreign Assistance Act of 1967 terminated the Foreign military sales fund, effective June 30, 1968, and established this account to receive future repayments and to discharge obligations of the closed account.)
Liquidation of Reconstruction Finance Corporation: Repayments deposited in general fund 904	LA NL	*−350*	*−3*	*−10*	*−7*	
Civil defense loans: Repayments deposited in general fund 059	LA NL	*−46*	*−45*	*−47*	*−2*	
Total, Office of the Secretary	NOA	**7,028**	**7,004**	**7,798**	**794**	
	LA	**−396**	**−48**	**−57**	**−9**	
	Exp.	6,816	6,931	5,404	−1,527	
	NL	−395	−48	−57	−9	

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BUREAU OF ACCOUNTS						
General and special funds:						
Salaries and expenses 904	NOA	32,988	34,497 [A] 5,295 [D] 303	42,999	2,904	Increase is for processing and postage involved in an additional central disbursing work volume of 17 million items and for a Federal tax deposit workload of 19 million items.
	Exp.	33,625	33,137 [A] 3,016	44,016 [A] 2,279	10,142	
Claims, judgments and relief acts:						
Current, definite 910	NOA	35,046				(Requirements for 1968 and 1969 are uncertain and are covered by the allowance for contingencies.)
	Exp.	39,126	1,013		−1,013	
Permanent, definite 910	NOA	6	6	6		Statutory award is paid annually as a result of a private relief act.
	Exp.	6	6	6		
Permanent, indefinite 910	NOA	9,449	7,000	6,000	−1,000	Judgments of $100 thousand or less are paid from this appropriation.
	Exp.	9,430	7,000	6,000	−1,000	
Interest on uninvested funds (permanent, indefinite) 853	NOA	12,753	12,788	12,387	−401	Appropriation covers interest payments on the uninvested balances of 8 trust funds.
	Exp.	12,753	12,788	12,387	−401	
Payment of Government losses in shipment 904	NOA	265		500	500	Appropriation is necessary to offset increased losses. This fund is charged with losses in shipment of certain Government property and losses in redemption of savings bonds.
	Exp.	57	250	250		
Total, Bureau of Accounts	NOA	90,507	59,889	61,892	2,003	
	Exp.	94,998	57,210	64,938	7,728	
BUREAU OF CUSTOMS						
Salaries and expenses 904	NOA	87,702	89,272 [D] 837	98,215	8,106	Additional funds will cover a 5% increase in persons arriving, a 9% increase in formal cargo entries, and strengthening of law enforcement.
	Exp.	86,845	90,164	98,131	7,967	

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
TREASURY DEPARTMENT—Continued						
Federal Funds—Continued						
BUREAU OF ENGRAVING AND PRINTING						
General and special funds—Continued						
Air conditioning the Bureau of Engraving and Printing buildings 904	NOA			500	500	This appropriation will permit completion of the air-conditioning project.
	Exp.	1,991	1,117	500	−617	
Intragovernmental funds:						
Bureau of Engraving and Printing fund 904	Exp.	1,046		−42	−42	(Decrease results from nonrecurring expenditures in 1968.)
Total, Bureau of Engraving and Printing.	NOA			500	500	
	Exp.	3,037	1,117	458	−659	
BUREAU OF THE MINT						
General and special funds:						
Salaries and expenses 904	NOA	21,193	14,000 D 229	15,020	791	Increase due primarily to equipment acquisitions and need to maintain dual operations during phasing in of the new Philadelphia Mint.
	Exp.	20,118	17,838	15,890	−1,948	
Construction of mint facilities 904	Exp.	11,887	12,670	8,300	−4,370	(Funds appropriated in 1965 and 1966 are sufficient to complete construction of the Philadelphia Mint.)
Coinage profit fund (permanent, indefinite, special fund) 904	NOA	2,622	1,624	1,560	−64	Decrease results from lower transportation and other costs related to reduced demand for coins.
	Exp.	1,434	2,490	1,560	−930	
Total, Bureau of the Mint	NOA	23,815	15,853	16,580	727	
	Exp.	33,439	32,998	25,750	−7,248	

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BUREAU OF NARCOTICS						
Salaries and expenses 908	NOA	6,275	6,592 D 88	7,685	1,005	Added funds will provide an increase in enforcement staff and a program review capability.
	Exp.	6,207	6,759	7,630	871	
BUREAU OF THE PUBLIC DEBT						
Administering the public debt 904	NOA	53,793	54,743 D 455	56,987	1,789	Increase results from the issue of 11 million additional securities in 1969 and the retirement of an additional 6 million securities.
	Exp.	51,944	52,679	61,100	8,421	
INTERNAL REVENUE SERVICE						
Salaries and expenses 904	NOA	18,959	19,960 D—77	21,967	2,084	Increase will provide staff support, internal audit, and security investigations for the additional staff.
	Exp.	18,735	19,303	22,411	3,108	
Revenue accounting and processing 904	NOA	172,950	176,876 D 2,391	188,563	9,296	Increase covers upgrading of 2 of the existing master file computer systems, leasing of direct data entry systems by 3 regional service centers, and staff to process increased tax return workloads.
	Exp.	171,334	180,203	190,216	10,013	
Compliance 904	NOA	472,966	494,446 D 2,790	547,551	50,315	Increase is essential to maintain compliance program levels on income tax returns that will rise from 109 million in 1968 to 112 million in 1969.
	Exp.	471,940	488,031	547,613	59,582	
Refunding internal revenue collections, interest (permanent, indefinite) 852	NOA	120,094	133,900	136,900	3,000	Interest is paid at 6% per annum on internal revenue collections which must be refunded.
	Exp.	120,094	133,900	136,900	3,000	
Internal revenue collections for Puerto Rico (permanent, indefinite, special fund) 910	NOA	59,803	65,000	67,000	2,000	Taxes on articles produced in Puerto Rico are paid to Puerto Rico.
	Exp.	59,334	65,000	67,000	2,000	

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
TREASURY DEPARTMENT—Continued						
Federal Funds—Continued						
INTERNAL REVENUE SERVICE—Con.						
Public enterprise funds:						
Federal tax lien revolving fund 904	NOA	----------	500	----------	−500	This fund, established by the Federal Tax Lien Act of 1966, will finance the purchase and resale of property on which there is a tax lien.
	Exp.	----------	----------	----------	----------	
Total, Internal Revenue Service	NOA	844,772	895,786	961,981	66,195	
	Exp.	841,437	886,437	964,140	77,703	
OFFICE OF THE TREASURER						
General and special funds:						
Salaries and expenses 904	NOA	6,348	6,588	6,878	290	Estimate includes full year cost of the salary increase. The workload caused by a 3% increase in checks paid and reconciled (to 579 million items) and a 112% increase in tax deposit forms processed (to 49 million items) will be absorbed.
	Exp.	6,082	6,567	7,008	441	
Public enterprise funds:						
Check forgery insurance fund 904	Exp.	24	−17	7	24	(This fund covers settlements of checks paid on forged endorsements.)
Total, Office of the Treasurer	NOA	6,348	6,588	6,878	290	
	Exp.	6,106	6,550	7,015	465	
SECRET SERVICE						
General and special funds:						
Salaries and expenses 908	NOA	15,495	16,784 D200	19,871	2,887	Increase will strengthen protection and enforcement capabilities.
	Exp.	14,870	16,985	20,049	3,064	

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Salaries and expenses, White House Police---903	Exp.	68	----	----	----	(Activities transferred to Salaries and expenses, U.S. Secret Service.)
Salaries and expenses, Guard Force---904	Exp.	18	----	----	----	(Activities transferred to Salaries and expenses, U.S. Secret Service.)
Contribution for annuity benefits (permanent, indefinite)---903	NOA	**671**	**800**	**800**	----	The District of Columbia is reimbursed for benefit payments to U.S. Secret Service employees.
	Exp.	727	800	800	----	
Construction of Secret Service training facilities---908	NOA	----	----	**1,000**	**1,000**	Funds to be used to construct modern outdoor firing ranges for training purposes.
	Exp.	----	----	800	800	
Total, Secret Service----	NOA	**16,166**	**17,784**	**21,671**	**3,887**	
	Exp.	15,682	17,785	21,649	3,864	
INTEREST ON THE PUBLIC DEBT						
Interest on the public debt (permanent, indefinite)---851	NOA	**13,391,068**	**14,350,000**	**15,200,000**	**850,000**	Increase is due to a larger outstanding debt and to higher interest rates required to refinance certain maturing securities.
	Exp.	13,391,068	14,350,000	15,200,000	850,000	
Subtotal, Federal funds----	NOA	**14,527,475**	**15,504,891**	**16,440,187**	**935,296**	Total Federal funds are distributed as follows:
	LA	**−396**	**−48**	**−57**	**−9**	
	Exp.	14,537,580	15,508,630	16,456,215	947,585	
	NL	−396	−48	−57	−9	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted----	15,492,380	----	15,498,796	----
Repayments--	----	−48	----	−48
(A)----	5,295	----	3,016	----
(D)----	7,216	----	6,818	----

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted--	16,440,187	----	16,453,538	----
Repayments--	----	−57	----	−57
(A)----	----	----	2,279	----
(D)----	----	----	398	----

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
TREASURY DEPARTMENT—Continued						
Trust Funds						
OFFICE OF THE SECRETARY						
Pershing Hall Memorial Fund (permanent)—904	NOA	4	14	7	−7	Earnings are paid to the American Legion for maintenance of Pershing Hall in Paris, France.
	Exp.	4	18	7	−11	
BUREAU OF ACCOUNTS						
Bureau of Accounts trust funds (permanent)—151	NOA	2,757	3,964	5,389	1,425	Increases are principally for Polish, Rumanian, and Yugoslavian claims funds.
	Exp.	7,777	4,997	6,285	1,288	
BUREAU OF CUSTOMS						
Bureau of Customs trust funds (permanent)—904	NOA	29,652	31,300	33,300	2,000	Increase due to higher level of receipts which are returned to Puerto Rico and the Virgin Islands.
	Exp.	31,416	32,999	33,290	291	
OFFICE OF THE COMPTROLLER OF THE CURRENCY						
Assessment funds—508	Exp.	−2,099	−1,501	−1,231	270	(Assessments from chartering and supervision of banks are paid into this fund and are available for its operations.)
Subtotal, trust funds	NOA	32,413	35,278	38,696	3,418	
	Exp.	37,097	36,513	38,351	1,838	
Adjustments						
Interfund and intragovernmental transactions—550	NOA Exp.	*−5,013*	*−6,100*	*−6,800*	*−700*	
850	NOA Exp.	*−675,896*	*−672,351*	*−652,607*	*19,744*	
900	NOA Exp.	*−68,498*	*−74,987*	*−76,063*	*−1,076*	

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Applicable receipts from the public					
050	NOA	−6,425	−5,222	−4,569	653
	Exp.				
150	NOA	−406,019	−135,623	−136,389	−766
	Exp.				
650	NOA	−44,583			
	Exp.				
850	NOA	−159,735	−137,602	−134,767	2,835
	Exp.				
900	NOA	−110,086	−52,386	−57,951	−5,565
	Exp.				
Repayments deposited in general fund (included in details above).	LA	(−396)	(−48)	(−57)	(−9)
	NL				
Total, Treasury Department	NOA	13,083,633	14,455,898	15,409,737	953,839
	LA	−396	−48	−57	−9
	Exp.	13,098,422	14,460,872	15,425,420	964,548
	NL	−396	−48	−57	−9

Totals for the Department are distributed as follows:

	1968			
	NOA	LA	Exp.	NL
Enacted	14,443,387		14,451,038	
Repayments		−48		−48
(A)	5,295		3,016	
(D)	7,216		6,818	

	1969			
	NOA	LA	Exp.	NL
Transmitted	15,409,737		15,422,743	
Repayments		−57		−57
(A)			2,279	
(D)			398	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
ATOMIC ENERGY COMMISSION						
Federal Funds						
General and special funds:						
Operating expenses 058	NOA	**1,922,833**	**2,139,992**	HH **2,225,600**	**85,608**	Increases for the weapons program, reactor development, and basic research are partially offset by decreases in procurement of raw uranium and production of special nuclear materials.
	Exp.	2,003,409	2,022,000	2,136,000	114,000	
Plant and capital equipment 058	NOA	**276,030**	**369,133**	II **529,000**	**159,867**	Provides for procurement of additional equipment and increased construction in support of the weapons program, the civilian power reactor development program, and basic research.
	Exp.	282,565	311,000	410,000	99,000	
Intragovernmental funds:						
Advances and reimbursements 058	Exp.	−22,226	----------	----------	----------	
Subtotal, Federal funds	NOA	**2,198,864**	**2,509,125**	**2,754,600**	**245,475**	
	Exp.	2,263,749	2,333,000	2,546,000	213,000	
Trust Funds						
Advances for non-Federal projects (permanent) 058	NOA	**531**	**391**	**338**	**−53**	Advances from the Washington Public Power Supply System are for work related to construction of electrical facilities at Richland, Wash.
	Exp.	740	681	338	−343	
Adjustments						
Applicable receipts from the public 050	NOA	*−534*	*−391*	*−338*	*53*	
	Exp.					
Total, Atomic Energy Commission.	NOA	**2,198,861**	**2,509,125**	**2,754,600**	**245,475**	
	Exp.	2,263,955	2,333,290	2,546,000	212,710	

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Federal Funds

REAL PROPERTY ACTIVITIES

General and special funds:						
Operating expenses, Public Buildings Service 905	NOA	257,304	268,471 [C] 2,027 [D] 257	278,763	8,008	Increase is primarily for operation of new Federal buildings scheduled for occupancy in 1968 and 1969.
	Exp.	258,462	270,746	279,248	8,502	
Repair and improvement of public buildings 905	NOA	80,000	80,000	80,000	----------	Continues program to alleviate deterioration and obsolescence of Federal buildings.
	Exp.	80,656	87,600	87,000	−600	
Construction, public buildings projects 905	NOA	125,318	63,758	----------	−63,758	All obligations will be made from prior year NOA which will provide for construction starts on 6 new projects in 1969.
	Exp.	151,849	126,300	82,000	−44,300	
Sites and expenses, public buildings projects 905	NOA	14,132	20,285	10,995	−9,290	Provides for design and site acquisition.
	Exp.	25,555	22,000	21,000	−1,000	
Payments, public buildings purchase contracts 905	NOA	6,746	2,350	2,400	50	Provides for payment to contractors and taxing authorities on 5 remaining lease purchase projects.
	Exp.	6,766	2,404	2,400	−4	
Expenses, U.S. court facilities 905	NOA	1,500	1,000	1,200	200	Provides for space expansion and for furniture and furnishings of U.S. courts.
	Exp.	1,041	1,300	1,300	----------	
Additional court facilities 905	NOA	6,000	----------	----------	----------	(The amount appropriated in 1967 provides facilities for newly appointed judgeships created by Public Law 89-372.)
	Exp.	1,377	3,500	3,200	−300	
Construction, Federal Office Building Numbered 7, Washington, D.C. 905	Exp.	6,415	4,000	2,545	−1,455	(Provides progress payments due in 1969.)
Real property miscellaneous accounts 905	Exp.	155	164	----------	−164	(No expenditures are anticipated from these activities.)

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[HH] Includes $2,225,600 thousand to carry out authorizing legislation to be proposed.
[II] Includes $467,800 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
GENERAL SERVICES ADMINISTRATION—Continued						
Federal Funds—Continued						
REAL PROPERTY ACTIVITIES—Con.						
Intragovernmental funds:						
Buildings management fund 905	Exp.	−2,448	−328	−300	28	(Operating costs are estimated at $431.7 million.)
Construction services, public buildings 905	Exp.	389	209	6,100	5,891	(Operating costs are estimated at $15.2 million.)
Advances and reimbursements 905	Exp.	308	1,000	32	−968	
Total, real property activities	NOA	**491,000**	**438,148**	**373,358**	**−64,790**	
	Exp.	530,525	518,895	484,525	−34,370	
PERSONAL PROPERTY ACTIVITIES						
General and special funds:						
Operating expenses, Federal Supply Service 905	NOA	**65,571**	**70,650** **D 1,131**	**76,534**	**4,753**	Increase will support the expanding volume of supply sales, particularly to the military departments and AID.
	Exp.	66,652	69,427	75,330	5,903	
Salaries and expenses, automatic data processing coordination 905	Exp.	41	----------	----------	----------	(Activities combined under Operating expenses, Federal Supply Service.)
Intragovernmental funds:						
Automatic data processing fund 905	NOA	----------	**10,000**	----------	**−10,000**	1968 appropriation provided initial operating capital to coordinate Government-wide automatic data processing activities.
	Exp.	----------	2,500	7,205	4,705	

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General supply fund 905	NOA	45,000				(Total sales to military and civil agencies are estimated at $954 million in 1968 and $984 million in 1969.)
	Exp.	28,014	989	39,589	38,600	
Total, personal property activities.	NOA	110,571	81,781	76,534	−5,247	
	Exp.	94,707	72,916	122,124	49,208	
RECORDS ACTIVITIES						
General and special funds:						
Operating expenses, National Archives and Records Service 905	NOA	17,336	17,654 [D]317	18,728	757	Increase is primarily to finance higher volume of agency record transfers to Federal records centers, to provide for increased reference service, and to expand professional archival capability.
	Exp.	18,075	18,105	18,912	807	
National historical publications grants 905	NOA	350	350	350		Provides for continuing the collection of significant historical source material.
	Exp.	399	396	371	−25	
Total, records activities	NOA	17,686	18,321	19,078	757	
	Exp.	18,474	18,501	19,283	782	
TRANSPORTATION AND COMMUNICATIONS ACTIVITIES						
Operating expenses, Transportation and Communications Service 905	NOA	5,900	5,880 [D]148	6,510	482	Estimate is for increased workload and assistance to civilian agencies in the transportation and communication areas.
	Exp.	6,036	6,192	6,516	324	
Intragovernmental funds:						
Federal telecommunications fund 905	Exp.	−5,227	216	4,488	4,272	(Operating costs are estimated at $107 million.)
Total, transportation and communications activities.	NOA	5,900	6,028	6,510	482	
	Exp.	809	6,408	11,004	4,596	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
GENERAL SERVICES ADMINISTRATION—Continued						
Federal Funds—Continued						
PROPERTY MANAGEMENT AND DISPOSAL ACTIVITIES						
General and special funds:						
Operating expenses, property management and disposal service (special fund):						
(Defense-related activities) 059	NOA	----------	**18,440**	**21,900**	**3,180**	Provides for increases in storage of stockpile materials, and disposal of excess stockpile materials.
			D**280**			
	Exp.	----------	16,160	21,180	5,020	
(General property and records management) 905	NOA	----------	**9,280**	**8,600**	**−680**	
	Exp.	----------	8,040	8,300	260	
Operating expenses, Utilization and Disposal Service 905	NOA	**9,000**	----------	----------	----------	(Activities transferred to Operating expenses, Property Management and Disposal Service.)
	Exp.	9,076	500	20	−480	
Strategic and critical materials 059	NOA	**20,091**	----------	----------	----------	(Activities transferred to Operating expenses, Property Management and Disposal Service.)
	Exp.	18,587	3,200	2,000	−1,200	
Expenses, disposal of surplus real and related personal property (permanent, indefinite, special fund) 905	NOA	**685**	**1,000**	**1,000**	----------	Sales proceeds are appropriated for certain expenses of disposals.
	Exp.	916	1,100	1,000	−100	
Surplus real property credit sales	NOA	*−39,131*	----------	----------	----------	Includes funds received for the repayment of credit sales of surplus Federal real property.
	Exp.					
905	LA	*39,131*	----------	----------	----------	
	NL					
Repayments deposited in general fund 905	LA	*−37,327*	*−44,000*	*−40,000*	*4,000*	
	NL					

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Intragovernmental funds:						
Advances and reimbursements 059	Exp.	192	100	100	----------	
Total, property management and disposal activities.	NOA	**−9,355**	**29,000**	**31,500**	**2,500**	
	LA	**1,804**	**−44,000**	**−40,000**	**4,000**	
	Exp.	−10,359	29,100	32,600	3,500	
	NL	1,804	−44,000	−40,000	4,000	
GENERAL ACTIVITIES						
General and special funds:						
Salaries and expenses, Office of Administrator 905	NOA	**1,747**	**1,747** **[D]46**	**1,944**	**151**	Estimate provides for policy direction, review of contract appeals, execution of legislative programs, and assistance to business concerns.
	Exp.	1,781	1,791	1,946	155	
Allowances and office facilities for former Presidents 903	NOA	**235**	**235** **[D]16**	**267**	**16**	Provides funds for 2 former Presidents and the widow of a former President.
	Exp.	200	215	310	95	
Expenses, Presidential transition 903	NOA	----------	----------	**900**	**900**	Estimate submitted in accordance with the Presidential Transition Act of 1963.
	Exp.	----------	----------	900	900	
Refunds under Renegotiation Act (interest) 905	Exp.	----------	25	25	----------	(Interest on remaining refunds is covered by balances of prior appropriations.)
Public enterprise funds:						
Reconstruction Finance Corporation liquidation fund 905	Exp.	−191	−155	−159	−4	(Volume of receipts declines as liquidation continues.)
Intragovernmental funds:						
Administrative operations fund 905	Exp.	164	−200	−100	100	(This management fund finances central operations, primarily budget, financial management, personnel, audit, investigative and legal services, and general management.)
Working capital fund 905	NOA	**100**	----------	**200**	**200**	Provides additional capital for printing and reproduction facilities.
	Exp.	−137	−58	200	258	
Advances and reimbursements (automatic data processing activities) 905	Exp.	87	400	200	−200	

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
GENERAL SERVICES ADMINISTRATION—Continued						
Federal Funds—Continued						
GENERAL ACTIVITIES—Continued						
Intragovernmental funds—Continued						
Public power bonds: Payments deposited in general fund 905	LA	−4,521	−1,988	−1,359	629	Includes funds received in repayment of loans financed by bonds held by the former Public Works Administration.
	NL					
	NOA	1,574	487	----------	−487	
	Exp.					
Total, general activities	NOA	**3,656**	**2,531**	**3,311**	**780**	
	LA	**−4,521**	**−1,988**	**−1,359**	**629**	
	Exp.	3,478	2,505	3,322	817	
	NL	−4,521	−1,988	−1,359	629	
Subtotal, Federal funds	NOA	**619,458**	**575,809**	**510,291**	**−65,518**	Total Federal funds are distributed as follows:
	LA	**−2,717**	**−45,988**	**−41,359**	**4,629**	
	Exp.	637,635	648,325	672,858	24,533	
	NL	−2,717	−45,988	−41,359	4,629	
Trust Funds						
REAL PROPERTY ACTIVITIES						
Advances and reimbursements 905	Exp.	12	----------	----------	----------	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	571,587	−487	644,264	−487
Repayments	----------	−45,501	----------	−45,501
(C)	2,027	----------	2,027	----------
(D)	2,195	----------	2,034	----------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	510,291	----------	672,697	----------
Repayments	----------	−41,359	----------	−41,359
(D)	----------	----------	161	----------

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RECORDS ACTIVITIES						
National Archives trust fund 905	Exp.	−229	−25	−60	−35	(Fees for microfilm and reproduction services and for admission to presidential libraries are used for operations.)
National Archives gift fund (permanent) 905	NOA	**140**	**150**	**100**	**−50**	Grants from foundations are received for historical research.
	Exp.	283	401	436	35	
Subtotal, trust funds	NOA	**140**	**150**	**100**	**−50**	
	Exp.	66	376	376		
Adjustments						
Applicable receipts from the public 050	NOA Exp.	*−471,893*	*−171,500*	*−101,700*	*69,800*	
850	NOA Exp.	*−1,393*	*−1,386*	*−1,371*	*15*	
900	NOA Exp.	*−30,606*	*−40,651*	*−36,051*	*4,600*	
Repayments deposited in general fund (included in details above).		(−40,275)	(−45,501)	(−41,359)	(4,142)	
Total, General Services Administration.	NOA	**115,706**	**362,422**	**371,269**	**8,847**	Totals for the agency are distributed as follows:
	LA	**−2,717**	**−45,988**	**−41,359**	**4,629**	
	Exp.	133,809	435,164	534,112	98,948	
	NL	−2,717	−45,988	−41,359	4,629	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	358,200	−487	431,103	−487
Repayments		−45,501		−45,501
(C)	2,027		2,027	
(D)	2,195		2,034	

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	371,269		533,951	
Repayments		−41,359		−41,359
(D)			161	

C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Federal Funds						
General and special funds:						
Research and development---250	NOA	**4,235,100**	**3,910,600**	**F3,677,200**	**−233,400**	Decrease is primarily related to reduced requirements for the manned lunar landing program, partially offset by increases for manned space flight beyond the lunar landing, space applications, and aeronautics programs.
	Exp.	4,487,215	4,004,500	3,851,300	−153,200	
Construction of facilities----250	NOA	**85,000**	**37,800**	**F45,000**	**7,200**	Increase is related to requirements for tracking and data acquisition facilities.
	Exp	288,648	160,000	75,500	−84,500	
Administrative operations---250	NOA	**647,483**	**640,373**	**F648,200**	**7,827**	Increase is for the full year cost of salary increase.
	Exp.	649,852	640,500	648,200	7,700	
Subtotal, Federal funds--250	NOA	**4,967,583**	**4,588,773**	**4,370,400**	**−218,373**	
	Exp.	5,425,715	4,805,000	4,575,000	−230,000	
Trust Funds						
Miscellaneous trust funds (permanent)----250	NOA	**472**	**2,688**	**1,548**	**−1,140**	Decrease results from reduced purchase of materials and services for the European Space Research Organization.
	Exp.	100	2,675	1,540	−1,135	

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Adjustments						
Applicable receipts from the public	NOA	−2,436	−4,499	−3,352	1,147	
250	Exp.					
850	NOA	−2	−2	−2	----------	
	Exp.					
Total, National Aeronautics and Space Administration.	NOA	4,965,618	4,586,960	4,368,594	−218,366	
	Exp.	5,423,378	4,803,174	4,573,186	−229,988	
VETERANS ADMINISTRATION						
Federal Funds						
General and special funds:						
General operating expenses 805	NOA	182,200	183,182 A 1,125 D 5,600	198,549	8,642	The increase covers additional workload resulting from the Veterans Pension and Readjustment Assistance Act of 1967 (Public Law 90–77).
	Exp.	176,341	188,782 A 1,125	198,549	8,642	
Medical administration and miscellaneous operating expenses. 804	NOA	14,312	13,975	14,734	759	Increase distributed between postgraduate and inservice training, exchange of medical information, and payroll costs.
	Exp.	13,969	13,926	14,789	863	
Medical and prosthetic research 804	NOA	44,258	45,850	47,953	2,103	Increase primarily provides for new and expanded medical research projects.
	Exp.	43,891	45,067	48,026	2,959	
Medical care 804	NOA	1,292,875	1,357,292 C 4,300	1,420,264	58,672	Funds are provided for increased use of outpatient treatment and nursing homes, a one-third increase in education and training, activations of new hospitals, additional intensive care units, and other new medical services.
	Exp.	1,272,334	1,336,371	1,413,136	76,765	

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
F To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
VETERANS ADMINISTRATION—Continued						
Federal Funds—Continued						
General and special funds—Continued						
Compensation and pensions:						
(Veterans service-connected compensation)-----801	NOA	2,402,538	2,433,972	2,461,392	27,420	Increase reflects a growth in caseload of 4,552 to 2,376,295, change to wartime rates, and other effects of Public Law 90–77.
	Exp.	2,310,096	2,434,506	2,461,392	26,886	
(Veterans non-service-connected pensions)-----802	NOA	1,968,560	2,014,636 A 47,500	2,101,175	39,039	The 1968 supplemental covers cost of increased pension rates under Public Law 90–77. The 1969 increase results from the full year cost of the new rates and from additional survivors on pension rolls.
	Exp.	1,892,816	2,015,078 A 47,500	2,101,175	38,597	
(Other veterans benefits and services)-----805	NOA	102,902	109,392	91,769	−17,623	Decrease reflects completion of one-time payments of death gratuities in 1968.
	Exp.	98,943	109,416	91,769	−17,647	
Total, compensation and pensions.	NOA	4,474,000	4,558,000 A 47,500	4,654,336	48,836	
	Exp.	4,301,855	4,559,000 A 47,500	4,654,336	47,836	
Readjustment benefits-----803	NOA	369,400	427,200 A 17,500	617,600	172,900	The 1968 supplemental and the 1969 increase provide for education and training benefits liberalized by Public Law 90–77.
	Exp.	291,907	500,777 A 17,500	617,600	99,323	
Veterans insurance and indemnities-----805	NOA	3,500	5,150	9,350	4,200	The increases are due to higher Federal contributions to other veterans insurance revolving and trust funds for deaths attributable to the effects of military service.
Permanent, indefinite, special fund.	NOA	580	591	591	----------	

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Permanent, indefinite, special fund.	LA	58	59	59		
	Exp.	12,517	9,564	12,441	2,877	
	NL	58	59	59		
Grants to Republic of the Philippines 804	NOA	1,136	1,325	1,776	451	The number of outpatient visits to be supported will increase from 1,800 to 14,000.
	Exp.	443	1,825	1,776	−49	
Proposed legislation 800	NOA			[B] 8,900	[B] 8,900	Proposed legislation resulting in refinements to certain statutory benefits will be more than offset by proposed liberalization of pension benefits. Decreased expenditures will occur in 1969 due to time required for implementation of new pension benefits.
	Exp.			[B] −18,100	[B] −18,100	
Construction of hospital and domiciliary facilities 804	NOA	52,125	52,600	33,338	−19,262	Provides continuing modernization of medical facilities, with fewer new starts.
	Exp.	59,980	58,000	65,700	7,700	
Grants for construction of State nursing homes 804	NOA	4,000	4,000	4,000		Program will continue at the same level.
	Exp.	77	2,400	3,000	600	
Construction, Corregidor-Bataan Memorial 805	Exp.	8	1,120	292	−828	(The Memorial will be completed in 1968.)
Public enterprise funds:						
Canteen service revolving fund 805	Exp.	339	−116	−110	6	(Receipts of $63.6 million from canteen sales to hospital patients and staff approximately offset expenses.)
Direct loan revolving fund (authorization to spend debt receipts): 803						
Permanent	NOA	100,000				
Current	NOA	−100,000				
Current	LA	154,000	250,000	115,000	−135,000	Decrease results from lower authorization to sell participation certificates in agency assets.
	Exp.	−919	−11,275	3,585	14,860	
	NL	53,179	65,530	81,817	16,287	

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[B] Proposed for separate transmittal under proposed legislation.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
VETERANS ADMINISTRATION—Continued						
Federal Funds—Continued						
Public enterprise funds—Continued						
Loan guaranty revolving fund:						
Authorization to spend debt receipts 803	NOA	−111,402	353,565	119,145	−234,420	Decrease results from lower authorization to sell participation certificates in agency assets.
	LA	217,402	246,435	280,855	34,420	
Appropriation:						
Definite	NOA		665		10,915	Increase is for interest insufficiencies on participation certificates.
Indefinite	NOA			11,580		
	Exp.	6,289	−23,064	−272	22,792	
	NL	217,402	246,435	280,855	34,420	
Limitation on obligations		(401,750)	(386,046)		(−386,046)	No limitation on obligations is proposed for 1969.
Rental, maintenance, and repair of quarters 805	Exp.	−7	8		−8	(Receipts from rental housing offset maintenance costs.)
Service-disabled veterans insurance fund 805	NOA	−1,081	−1,189	−1,519	−330	
	LA	1,081	1,189	1,519	330	Reflects outstanding loan balance.
	Exp.	−1,578	−35	−2,732	−2,697	(Increase reflects rising number of premium payments.)
	NL	1,081	1,189	1,519	330	(Loan volume exceeds repayments by an increasing amount.)
Soldiers' and sailors' civil relief 803	NOA	2	2	4	2	
	LA	−2	−2	−4	−2	
	Exp.	5	9	6	−3	
	NL	−2	−2	−4	−2	(Reflects rate of repayment on loans receivable.)

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Veterans reopened insurance fund 805	NOA	−296	−409	−475	−66	
	LA	296	409	475	66	Reflects outstanding loan balance.
	Exp.	−33,577	−35,449	−35,051	398	(Receipts continue to exceed payments in this fund.)
	NL	296	409	475	66	(Loan volume exceeds repayments by an increasing amount.)
Veterans special term insurance fund 805	NOA	−2,941	−3,262	−3,471	−209	
	LA	2,941	3,262	3,471	209	Reflects outstanding loan balance.
	Exp.	−30,453	−30,410	−31,659	−1,249	(Premium and interest income continue to exceed death and other payments.)
	NL	2,941	3,262	3,471	209	(Loan volume exceeds repayments by an increasing amount.)
Vocational rehabilitation revolving fund 805	Exp.	2				(This program is for loans up to $100. Repayment of loans by trainees continues to cover new loans.)
Servicemen's group life insurance 805	Exp.	118	−50	−60	−10	(This program is contracted to private insurance companies. Federal contributions for extra hazards are financed by the Department of Defense.)
Intragovernmental funds:						
Supply fund 805	Exp.	−6,651	1,149	890	−259	(Fund is estimated to net near zero on volume of $120 million).
Subtotal, Federal funds	NOA	6,322,668	7,074,562	7,136,655	62,093	Total Federal funds are distributed as follows:
	LA	375,776	501,352	401,375	−99,977	
	Exp.	6,106,890	6,683,724	6,946,142	262,418	
	NL	274,955	316,882	368,192	51,310	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	6,998,537	501,352	6,608,164	316,882
(A)	66,125		66,125	
(C)	4,300		4,135	
(D)	5,600		5,300	
	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	7,127,755	401,375	6,963,777	368,192
(B)	8,900		−18,100	
(C)			165	
(D)			300	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
VETERANS ADMINISTRATION—Continued						
Trust Funds						
National service life insurance (permanent)—805	NOA	559,830	647,160	714,143	66,983	The National service (World War II) life insurance fund will cover about 5 million policies in 1969, with a face value of about $29 billion.
	LA	133,083	55,000	−15,100	−70,100	
Receipts appropriated:						
(Premium and other operating receipts.)		(488,911)	(486,093)	(474,645)	(−11,448)	Premium receipts and interest earned thereon are available for the payment of liabilities.
(Payments from special and general fund.)		(5,794)	(4,640)	(5,000)	(360)	
(Interest on investments)		(198,208)	(211,427)	(219,398)	(7,971)	
	Exp.	670,816	509,386	576,222	66,836	(1969 increase in expenditures primarily reflects larger volume of dividend payments.)
	NL	133,083	55,000	−15,100	−70,100	
U.S. Government life insurance (permanent)—805	NOA	−38,460	51,410	129,375	77,965	The U.S. Government (World War I) life insurance fund will cover about 207,000 policies with a face value of about $1 billion.
	LA	81,537	−1,600	−84,650	−83,050	
Receipts appropriated:						
(Premiums and other operating receipts.)		(12,607)	(16,396)	(11,629)	(−4,767)	Premium receipts and interest earned thereon are available for payment of liabilities.
(Payments from special and general fund.)		(72)	(70)	(70)	----------	
(Interest on investments)		(30,398)	(33,344)	(33,026)	(−318)	
	Exp.	84,145	74,737	82,615	7,878	
	NL	81,537	−1,600	−84,650	−83,050	

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General post fund, National Homes (permanent)-----805	NOA	**1,912**	**1,820**	**1,790**	**−30**	Fund is used for the welfare of veterans at homes and hospitals.
	Exp.	2,459	2,280	1,780	−500	
Subtotal, trust funds-----	NOA	**523,282**	**700,390**	**845,308**	**144,918**	
	LA	**214,620**	**53,400**	**−99,750**	**−153,150**	
	Exp.	757,420	586,403	660,617	74,214	
	NL	214,620	53,400	−99,750	−153,150	
Adjustments						
Interfund and intragovernmental transactions-----800	NOA	*−5,866*	*−4,710*	*−5,070*	*−360*	
	Exp.					
Applicable receipts from the public 800	NOA	*−501,530*	*−497,143*	*−488,409*	*8,734*	
	Exp.					
Total, Veterans Administration.	NOA	**6,338,554**	**7,273,099**	**7,488,484**	**215,385**	Totals for the Veterans Administration are distributed as follows:
	LA	**590,396**	**554,752**	**301,625**	**−253,127**	
	Exp.	6,356,914	6,768,274	7,113,280	345,006	
	NL	489,575	370,282	268,442	−101,840	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted-----	7,197,074	554,752	6,692,714	370,282
(A)-----	66,125	----------	66,125	--------
(C)-----	4,300	----------	4,135	--------
(D)-----	5,600	----------	5,300	--------

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted--	7,479,584	301,625	7,130,915	268,442
(B)-----	8,900	----------	−18,100	--------
(C)-----	----------	----------	165	--------
(D)-----	----------	----------	330	--------

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES						
Federal Funds						
ADMINISTRATIVE CONFERENCE OF THE UNITED STATES						
General and special funds:						
Salaries and expenses 908	NOA	.....	[A] 88	250	162	Provides for establishment of a conference to improve and develop procedures under various administrative laws.
	Exp.	.....	[A] 50	240 [A] 38	228	
Total, Administrative Conference of United States.	NOA	.....	88	250	162	
	Exp.	.....	50	278	228	
AMERICAN BATTLE MONUMENTS COMMISSION						
Salaries and expenses 805	NOA	2,160	2,370	2,329	−41	Decline in design program partially offset by increased operating costs.
	Exp.	2,122	2,260	2,318	58	
Trust Funds						
Contributions (permanent) 805	NOA	7	7	13	6	Contributions are used for flowers and repair of non-Federal war memorials.
	Exp.	13	13	13	.....	
Adjustments						
Applicable receipts from the public 800	NOA	−1	−1	.....	1	
	Exp.					
Total, American Battle Monuments Commission.	NOA	2,166	2,376	2,342	−34	
	Exp.	2,134	2,272	2,331	59	

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Federal Funds

ARMS CONTROL AND DISARMAMENT AGENCY						
General and special funds:						
Arms control and disarmament activities 151	NOA	9,000	8,984	[F] 10,000	1,016	Increase is to provide for additional contract research, primarily in field testing and arms limitation.
	Exp.	9,508	9,300	9,500	200	
CENTRAL INTELLIGENCE AGENCY						
Construction 905	Exp.	1,432	223		−223	(Major expenditures are for construction of facility designed for classified printing.)
CIVIL AERONAUTICS BOARD						
Salaries and expenses 508	NOA	11,312	8,983 [D] 99	9,700	618	Increase is primarily for route authorization activity.
	Exp.	11,536	9,074	9,644	570	
Payments to air carriers 501	NOA	8,856	1,500		−1,350	Decrease reflects reduced need for subsidy due to improved carrier earnings.
Contract authorization (permanent, indefinite).	NOA	59,576	53,061	53,211		
Liquidation of contract authorization.		(54,645)	(51,000)	(47,600)	(−3,400)	(Appropriation for 1969 liquidates that part of subsidy contracts for which payments are due during the year.)
	Exp.	62,322	58,259	53,932	−4,327	
Subtotal, Federal funds	NOA	79,743	63,643	62,911	−732	Total Federal funds are distributed as follows:
	Exp.	73,858	67,333	63,576	−3,757	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	63,544	67,239		
Transmitted			62,911	63,571
([D])	99	94		5

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[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Adjustments						
CIVIL AERONAUTICS BOARD—Con.						
Applicable receipts from the public 500	NOA	−68	−90	−100	−10	
	Exp.	−68	−90	−100	−10	
Total, Civil Aeronautics Board.	NOA	79,675	63,553	62,811	−742	Totals for the Board are distributed as follows:
	Exp.	73,790	67,243	63,476	−3,767	

	1968 NOA	1968 Exp.	1969 NOA	1969 Exp.
Enacted	63,454	67,149	----------	----------
Transmitted	----------	----------	62,811	63,471
(D)	99	94	----------	5

Federal Funds						
CIVIL SERVICE COMMISSION						
General and special funds:						
Salaries and expenses 906	NOA	22,900	35,396 D 910	39,309	3,003	Increase provides for expansion of executive manpower and training activities and for implementation of new wage-board programs.
	Exp.	21,135	35,632	39,042	3,410	
Limitation payable under trust funds.		(6,431)	(6,276)	(6,460)	(184)	
Investigation of United States citizens for employment by international organizations 908	NOA	600	----------	----------	----------	(This appropriation has been consolidated into the Salaries and expenses appropriation.)
	Exp.	679	58	----------	−58	

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Annuities under special acts---906	NOA	1,430	1,300 [A] 78	1,366	−12	1968 supplemental will provide for increased benefits to widows of employees of the Lighthouse Service. Decrease for 1969 results from smaller number of annuitants.
	Exp.	1,367	1,314 [A] 66	1,364 [A] 12	−4	
Government payment for annuitants, employees health benefits---906	NOA	36,644	40,748	40,780	32	Estimate reflects an increase of 49,500 participating annuitants.
	Exp.	36,644	40,748	40,780	32	
Payment to civil service retirement and disability fund---906	NOA	73,000	71,000	72,000	1,000	Estimate is to pay for increased costs of civil service benefits required by law.
	Exp.	73,000	71,000	72,000	1,000	
Intergovernmental personnel assistance program---906	NOA	----------	----------	[B] 20,000	20,000	Proposed legislation in 1969 is for Federal assistance to State and local government personnel programs.
	Exp.	----------	----------	[B] 12,000	12,000	
Intragovernmental funds:						
Investigations (revolving fund) 906	Exp.	−1,760	328	51	−277	(This fund finances, on a reimbursable basis, security investigations performed at the request of other agencies.)
Advances and reimbursements-906	Exp.	−1,209	1,300	−154	−1,454	(This fund finances, on a reimbursable basis, training programs and miscellaneous services performed for other agencies.)
Subtotal, Federal funds----	NOA	134,574	149,432	173,455	24,023	Total Federal funds are distributed as follows:
	Exp.	129,855	150,446	165,095	14,649	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted----	148,444	149,535	----------	----------
Transmitted-	----------	----------	153,455	153,018
([A])----	78	66	----------	12
([B])----	----------	----------	20,000	12,000
([D])----	910	845	----------	65

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Trust Funds						
CIVIL SERVICE COMMISSION—Con.						
Civil service retirement and disability fund (permanent) 654	NOA	**2,980,236**	**3,440,100**	**3,740,500**	**300,400**	Most civilian workers are covered by this fund. Under existing legislation, employees and employing agencies each pay 6½% of basic salaries. About 917,800 persons are expected to be on annuity rolls by June 30, 1969.
	LA	**114,000**	----------	**−114,000**	**−114,000**	
Receipts appropriated:						
(Employing agency contributions.)		**(1,190,532)**	**(1,319,500)**	**(1,364,700)**	**(45,200)**	
(Deductions from salaries)		**(1,190,468)**	**(1,319,500)**	**(1,364,700)**	**(45,200)**	
(Federal contribution and other income.)		**(91,365)**	**(92,370)**	**(91,149)**	**(−1,221)**	
(Interest on investments)		**(621,881)**	**(708,730)**	**(805,951)**	**(97,221)**	
Expenditures and net lending	Exp.	1,965,119	2,121,337	2,363,565	242,228	
	NL	114,000	----------	−114,000	−114,000	
Employees health benefits fund (trust revolving fund) 654	Exp.	−18,538	−20,648	−25,139	−4,491	(Employees health benefits fund will have about 2.7 million participants by June 30, 1969.)
Employees life insurance fund (trust revolving fund) 654	Exp.	−69,295	−63,111	−68,074	−4,963	(Employees life insurance fund will have 3.2 million participants by June 30, 1969.)
Retired employees health benefits fund (trust revolving fund) 654	Exp.	−518	−818	1,542	2,360	(Fund will have about 200,000 participants by June 30, 1969.)
Subtotal, trust funds	NOA	**2,980,236**	**3,440,100**	**3,740,500**	**300,400**	
	LA	**114,000**	----------	**−114,000**	**−114,000**	
	Exp.	1,876,768	2,036,760	2,271,894	235,134	
	NL	114,000	----------	−114,000	−114,000	

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Adjustments						
Interfund and intragovernmental transactions 650	NOA	*−1,066*	*−1,060*	*−1,090*	*−30*	
	Exp.					
Applicable receipts from the public 900	NOA	*−1*	*−1*	*−1*	----------	
	Exp.					
Total, Civil Service Commission.	NOA	**3,113,743**	**3,588,471**	**3,912,864**	**324,393**	Totals for the agency are distributed as follows:
	LA	**114,000**	----------	**−114,000**	**−114,000**	
	Exp.	2,005,556	2,186,145	2,435,898	249,753	
	NL	114,000	----------	−114,000	−114,000	
Federal Funds						
COMMISSION OF FINE ARTS						
General and special funds:						
Salaries and expenses 555	NOA	**115**	**115**	**115**	----------	Advises the President, Congress, and department heads on matters of architecture, sculpture, and painting.
	Exp.	117	108	115	7	
COMMISSION ON CIVIL RIGHTS						
Salaries and expenses 908	NOA	**2,489**	**2,650**	**2,650**	----------	Estimate will finance national and regional conferences and a study of civil rights problems of American Indians.
	Exp.	2,450	2,617	2,600	−17	

1968

	NOA	Exp.
Enacted	3,587,483	2,185,234
(A)	78	66
(D)	910	845

1969

	NOA	LA	Exp.	NL
Transmitted	3,892,864	−114,000	2,423,821	−114,000
(A)	----------	----------	12	----------
(B)	20,000	----------	12,000	----------
(D)	----------	----------	65	----------

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
DISTRICT OF COLUMBIA						
General and special funds—Continued						
Federal payment to District of Columbia 555	NOA	**61,394**	**67,478** [A] **6,021**	**73,282** [B] **10,200**	**9,983**	1968 supplemental is for the balance of the current Federal payment authorization of $70 million. Estimate for 1969 includes $70 million to help defray expenses of the government of the District and $3.3 million for water and sewage services to the Federal Government. Supplemental in 1969 anticipates proposed legislation to fix the payment authorization at 25% of local general fund revenues.
	Exp.	61,394	67,478 [A] 6,021	73,282 [B] 10,200	9,983	
Loans to the District of Columbia for capital outlay 555	LA	**43,574**	**79,200**	**103,679**	**24,479**	Loans are interest-bearing to assist in financing the public works program of the District of Columbia Government and the city's share of rail rapid transit construction. Expenditure estimates for 1968 and 1969 reflect writeoff of 50% of loans for Dulles interceptor sewer line.
	Exp.	----------	**11,200**	**800**	**−10,400**	
	NL	21,450	15,600	67,200	51,600	
Repayments deposited in general fund of U.S. Treasury. 555	LA	*−1,840*	*−2,032*	*−2,623*	*−591*	
	NL					
Advances to stadium sinking fund, Armory Board (permanent, indefinite authorization to spend debt receipts) 555	LA	**757**	**506**	**506**	----------	Advances are made to meet interest payments on bonds which cannot be met from receipts. The advances are regularly repaid from local funds.
	NL	757	506	506	----------	
Repayments deposited in general fund of U.S. Treasury 555	LA	*−757*	*−757*	*−506*	*251*	
	NL					
Repayable advances to the District of Columbia general fund (permanent, indefinite) 555	LA	**33,000**	**39,000**	**40,000**	**1,000**	Temporary advances are made to meet short-term fiscal requirements resulting from variations in the rate of disbursements and tax collections during the year.
	NL	----------	3,000	----------	−3,000	

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Adjustments					
Repayments deposited in general fund of U.S. Treasury (included in details above).	LA NL	(−2,597)	(−2,789)	(−3,129)	(−340)
Total, District of Columbia	NOA	**61,394**	**73,499**	**83,482**	**9,983**
	LA	**74,734**	**115,917**	**141,056**	**25,139**
	Exp.	61,394	84,699	84,282	−417
	NL	19,610	16,317	64,577	48,260
Federal Funds					
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
General and special funds:					
Salaries and expenses 652	NOA	4,993	6,471 [D]159	13,093	6,463
	Exp.	4,631	7,379	12,772	5,393
Total, Equal Employment Opportunity Commission.	NOA	**4,993**	**6,630**	**13,093**	**6,463**
	Exp.	4,631	7,379	12,772	5,393

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[D] Proposed for separate transmittal, civilian pay act supplemental.

Totals for the District of Columbia are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	67,478	118,706	78,678	19,106
Repayments	---	−2,789	---	−2,789
([A])	6,021	---	6,021	---
	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	73,282	144,185	74,082	67,706
Repayments	---	−3,129	---	−3,129
([B])	10,200	---	10,200	---

Increase reflects higher complaint workload, elimination of complaint backlog, and initiation of an affirmative enforcement program.

Totals for the agency are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	6,471	7,226	---	---
Transmitted	---	---	13,093	12,766
([D])	159	153	---	6

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
EXPORT-IMPORT BANK OF WASHINGTON						
Public enterprise funds:						
Export-Import Bank of Washington fund: 152						
Program activity (permanent, indefinite authorization to spend debt receipts).	LA	**778,610**	**865,100**	**608,000**	**−257,100**	Decrease results from lower net sales of participation certificates. Proposed legislation will establish an Export Expansion Program by means of direct, guaranteed, and insured loans.
	Exp.	−103,628	−143,704	−109,651	34,053	
	NL	539,626	716,263	660,278 [B]15,000	−40,985	
Limitation on administrative expenses.		(4,262)	(4,190) [C](2) [D](113)	(4,932)	(627)	Funds are provided for salary increases and an expanded workload due to greater loan activity.
Limitation on program activity		(2,708,241)	(2,672,000)	(2,552,050) [B](200,000)	(80,050)	
Total, Export-Import Bank of Washington.	LA	**778,610**	**865,100**	**608,000**	**−257,100**	Totals for the agency are distributed as follows:
	Exp.	−103,628	−143,704	−109,651	34,053	
	NL	539,626	716,263	675,278	−40,985	

1968

	LA	*Exp.*	*NL*
Enacted	865,100	−143,704	716,263

1969

	LA	*Exp.*	*NL*
Transmitted	608,000	−109,651	660,278
([B])	---	---	15,000

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FARM CREDIT ADMINISTRATION						
Revolving fund for administrative expenses 352	Exp.	−89	−14		14	(Activity is financed by assessments collected from banks in the farm credit system. The increase is for additional personnel and related costs.)
Limitation on administrative expense.		(3,057)	(3,282) [D](58)	(3,436)	(96)	
Short-term credit investment fund 352	Exp.		1,000	800	−200	(Expenditures in 1968 and 1969 are in production credit associations. Federal intermediate credit banks will obtain resources by borrowing privately. The reduction reflects repayments to the fund of $200 thousand.)
Banks for cooperatives investment fund 352	Exp.	−13,087	−5,484	−9,000	−3,516	(The return of capital will reduce the Government investment in the banks to $23 million.)
Subtotal, Federal funds	Exp.	−13,175	−4,498	−8,200	−3,702	
Trust Funds						
Banks for cooperatives fund (permanent authorization to spend debt receipts) 352	LA		44,532	6,152	−38,380	The 13 banks, which are about 91% privately owned, will make loans totaling $2.4 billion during 1969, an increase of $270 million over the 1968 level. Loan repayments increase by about $281 million in 1969.
	Exp.	2,050	−7,464	−2,229	5,235	
	NL	192,600	249,300	238,200	−11,100	
Federal intermediate credit banks fund (permanent authorization to spend debt receipts) 352	LA	188,594	439,982	534,444	94,462	The 12 banks, which are about 55% privately owned, will make loans totaling $9.5 billion during 1969, an increase of $1,132 million over the 1968 level. Loan repayments increase by about $1,099 million in 1969. These banks provide technical and financial assistance to 463 production credit associations and other financial institutions.
	Exp.	−9,952	−35,896	−53,896	−18,000	
	NL	478,500	499,700	532,900	33,200	
Subtotal, trust funds	LA	188,594	484,514	540,596	56,082	
	Exp.	−7,902	−43,360	−56,125	−12,765	
	NL	671,100	749,000	771,100	22,100	

[B] Proposed for separate transmittal under proposed legislation.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Adjustments						
FARM CREDIT ADMINISTRATION— Continued						
Interfund and intragovernmental transactions 350	NOA	*−4,490*	*−4,772*	*−6,300*	*−1,528*	
	Exp.					
900	NOA	*−2*	*−1*	*−1*	----------	
	Exp.					
Total, Farm Credit Administration.	NOA	−4,492	−4,773	−6,301	−1,528	
	LA	188,594	484,514	540,596	56,082	
	Exp.	−25,569	−52,631	−70,626	−17,995	
	NL	671,100	749,000	771,100	22,100	
Federal Funds						
FEDERAL COAL MINE SAFETY BOARD OF REVIEW						
General and special funds:						
Salaries and expenses 652	NOA	178	162	157	−5	Decrease reflects anticipated stabilization of workload following recent legislation.
	Exp.	76	151	157	6	
FEDERAL COMMUNICATIONS COMMISSION						
Salaries and expenses 508	NOA	17,852	19,100	21,271	2,097	Increase is primarily for greater workload in the community antenna-TV activity and for research into more effective use of the electromagnetic spectrum.
			D 74			
	Exp.	17,965	19,092	20,564	1,472	
Subtotal, Federal funds	NOA	17,852	19,174	21,271	2,097	
	Exp.	17,965	19,092	20,564	1,472	

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Trust Funds						
International telecommunications settlements trust revolving fund (trust revolving fund)-------508	Exp.	−119	----------	----------	----------	(Fund is used as clearinghouse for settlements with foreign governments on radiotelephone and radiotelegraph messages.)
Adjustments						
Applicable receipts from the public----------500	NOA Exp.	−2	----------	----------	----------	
Total, Federal Communications Commission.	NOA Exp.	**17,850** 17,844	**19,174** 19,092	**21,271** 20,564	**2,097** 1,472	Totals for the agency are distributed as follows:
Trust Funds						
FEDERAL DEPOSIT INSURANCE CORPORATION						
Federal Deposit Insurance Corporation funds----------506	Exp.	−238,858	−261,450	−273,800	−12,350	(Insured deposits continue to grow with expansion of the population and the economy. The cumulative net income retained as a reserve is estimated to be $3.6 billion by June 1968 and $3.9 billion by June 1969. The principal revenues are from insurance assessments (approximately $122 million for 1968 and $127 million for 1969) and interest on investments ($148 million and $160 million for the same 2 years). Premium receipts and interest on investments in U.S. securities exceed current claims and expenses; corporation has no capital stock.)

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted-----	19,100	19,036	---------	---------
Transmitted-	---------	---------	21,271	20,546
(D)--------	74	56	---------	18

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
FEDERAL FIELD COMMITTEE FOR DEVELOPMENT PLANNING IN ALASKA						
General and special funds:						
Salaries and expenses 507	NOA	190	235	298	63	Committee will continue to develop and coordinate plans for the economic development of Alaska.
	Exp.	181	238	302	64	
FEDERAL HOME LOAN BANK BOARD						
Public enterprise funds:						
Federal Home Loan Bank Board revolving fund (authorization to spend debt receipts) 551	NOA	13,200				(1968 expenditures include acquisition of land for new headquarters building.)
	Exp.	−158	4,581	731	−3,850	
Limitation on administrative and nonadministrative expenses.		(17,875)	(18,190) D (87)	(19,484)	(1,207)	Increase in administrative expenses is due to the larger number of institutions and growth in total assets.
Federal Savings and Loan Insurance Corporation fund 551	Exp.	−201,029	−388,766	−379,170	9,596	(Increase reflects nonrecurring speedup of premium collections in 1968.)
	NL	43,712	−8,000	−20,000	−12,000	
Limitation on administrative expenses.		(285)	(298) D (8)	(340)	(34)	

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Home Owners Loan Corporation fund 551	Exp.	1	1	1	----	(Expenditures are for interest on matured bonds.)
Total, Federal Home Loan Bank Board.	NOA	**13,200**	----	----	----	
	Exp.	−201,186	−384,184	−378,438	5,746	
	NL	43,712	−8,000	−20,000	−12,000	
FEDERAL MARITIME COMMISSION						
General and special funds:						
Salaries and expenses 508	NOA	**3,419**	**3,600** [D]**50**	**3,678**	**28**	Regulatory program will continue at about the 1968 level.
	Exp.	3,454	3,640	3,660	20	
Subtotal, Federal funds	NOA	**3,419**	**3,650**	**3,678**	**28**	Total Federal funds are distributed as follows:
	Exp.	3,454	3,640	3,660	20	
Adjustments						
Applicable receipts from the public 500	NOA	−7	−6	−6	----	
	Exp.					
Total, Federal Maritime Commission.	NOA	**3,412**	**3,644**	**3,672**	**28**	Totals for the agency are distributed as follows:
	Exp.	3,447	3,634	3,654	20	

Total Federal funds	*1968*		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	3,600	3,595	----	----
Transmitted	----	----	3,678	3,655
(D)	50	45	----	5

Totals for the agency	*1968*		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	3,594	3,589	----	----
Transmitted	----	----	3,672	3,649
(D)	50	45	----	5

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
FEDERAL MEDIATION AND CONCILIATION SERVICE						
General and special funds:						
Salaries and expenses 652	NOA	7,197	7,411 D 26	8,090	653	The increase is primarily for an anticipated higher volume of dispute and preventive mediation activity.
	Exp.	7,079	7,398	8,010	612	
Total, Federal Mediation and Conciliation Service.	NOA	7,197	7,437	8,090	653	Totals for the agency are distributed as follows:
	Exp.	7,079	7,398	8,010	612	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	7,411	7,373	----------	----------
Transmitted	----------	----------	8,090	8,009
(D)	26	25	----------	1

FEDERAL POWER COMMISSION						
Salaries and expenses 401	NOA	14,220	14,220 D 440	16,060	1,400	The increase is primarily to minimize risks of future extensive local and regional electric power system blackouts.
	Exp.	14,009	14,643	15,980	1,337	

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Payments to States under Federal Power Act (permanent, indefinite, special fund) 401	NOA	96	99	99	.....	States are paid 37.5% of license receipts from hydroelectric projects in national forests and public lands.
	Exp.	71	96	99	3	
Subtotal, Federal funds	NOA	**14,316**	**14,759**	**16,159**	**1,400**	Total Federal funds are distributed as follows:
	Exp.	14,081	14,739	16,079	1,340	
Adjustments						
Applicable receipts from the public 400	NOA	*−13*	*−12*	*−12*	.....	
	Exp.					
Total, Federal Power Commission.	NOA	**14,303**	**14,747**	**16,147**	**1,400**	Totals for the agency are distributed as follows:
	Exp.	14,067	14,727	16,067	1,340	
Federal Funds						
FEDERAL RADIATION COUNCIL						
General and special funds:						
Salaries and expenses 903	NOA	**131**	**131**	**127**	**−4**	The Council advises the President on radiation matters affecting health.
	Exp.	107	122	121	−1	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	14,319	14,310	.....	.....
Transmitted	.....	.....	16,159	16,068
(D)	440	429	.....	11

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	14,307	14,298	.....	.....
Transmitted	.....	.....	16,147	16,056
(D)	440	429	.....	11

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Trust Funds						
FEDERAL RESERVE SYSTEM, BOARD OF GOVERNORS						
Federal Reserve System, Board of Governors 904	Exp.	−48	−94	−117	−23	(Operations are financed by levies upon the Federal Reserve banks, in proportion to their capital and surplus.)
Federal Funds						
FEDERAL TRADE COMMISSION						
General and special funds:						
Salaries and expenses 508	NOA	14,378	15,150 [D]131	16,127	846	1969 estimate provides for administration of a new regulation relating to the labeling of wool imports, and for additional work under the Fair Packaging and Labeling Act.
	Exp.	14,108	15,011	15,113	102	
Subtotal, Federal funds	NOA	14,378	15,281	16,127	846	Total Federal funds are distributed as follows:
	Exp.	14,108	15,011	15,113	102	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	15,150	14,900	---	---
Transmitted	---	---	16,127	15,093
([D])	131	111	---	20

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Adjustments						
Applicable receipts from the public 500	NOA Exp.	−3	−4	−4	----------	
Total, Federal Trade Commission.	NOA Exp.	**14,375** 14,105	**15,277** 15,007	**16,123** 15,109	**846** 102	Totals for the agency are distributed as follows:
Federal Funds						
FOREIGN CLAIMS SETTLEMENT COMMISSION						
General and special funds:						
Salaries and expenses 151	NOA Exp.	**2,000** 1,683	**1,275** 1,321	**1,331** 1,327	**56** 6	Estimate reflects salary increases.
Payment of Philippine war damage claims 151	Exp.	−24	----------	----------	----------	(Payments were concluded in 1967.)
Subtotal Federal funds	NOA Exp.	**2,000** 1,658	**1,275** 1,321	**1,331** 1,327	**56** 6	
Trust Funds						
War Claims Fund (permanent) 151	NOA Exp.	---------- 19,339	---------- 198,724	**9,500** 9,502	**9,500** −189,222	Alien property fund receipts are appropriated for claims under the General War Claims Act.
Adjustments						
Interfund and intragovernmental transactions 150	NOA Exp.	---------- ----------	---------- ----------	*−10,000* ----------	*−10,000* ----------	
Total Foreign Claims Settlement Commission.	NOA Exp.	**2,000** 20,997	**1,275** 200,045	**831** 829	**−444** −199,216	

Totals for the agency are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	15,146	14,896	----------	----------
Transmitted	----------	----------	16,123	15,089
[D]	131	111	----------	20

[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
HISTORICAL AND MEMORIAL COMMISSIONS						
General and special funds:						
American Revolution Bicentennial Commission: Salaries and expenses 910	NOA	----------	[A] 325	----------	−325	1968 supplemental is for expenses of the Commission until submission of its report in July 1969.
	Exp.	----------	[A] 100	[A] 200	100	
Corregidor-Bataan Memorial Commission: Salaries and expenses. 805	NOA	25	----------	----------	----------	The Commission's authority expired in May 1967. Construction of the Memorial is being supervised by the Department of the Navy.
	Exp.	21	----------	----------	----------	
Lewis and Clark Trail Commission: Salaries and expenses 405	NOA	25	25	25	----------	The Commission will continue work on its report due in October 1969.
	Exp.	27	26	25	−1	
Miscellaneous appropriations 910	NOA	80	----------	----------	----------	(Activities of a group of historical and memorial commissions are expected to be completed in 1968.)
	Exp.	75	71	----------	−71	
Subtotal, Federal funds	NOA	130	350	25	−325	
	Exp.	124	197	225	28	
Trust Funds						
Civil War Centennial Commission, donations 910	Exp.	----------	1	----------	−1	(All donations will be completely utilized during 1968.)
Total, historical and memorial commissions.	NOA	130	350	25	−325	
	Exp.	124	198	225	27	

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Federal Funds

INDIAN CLAIMS COMMISSION						
General and special funds:						
Salaries and expenses 902	NOA	394	500	619	74	Increase is primarily to expedite the disposition of claims.
			[A] 45			
	Exp.	336	489	619	85	
			[A] 45			
Total, Indian Claims Commission.	NOA	394	545	619	74	
	Exp.	336	534	619	85	
INTERGOVERNMENTAL AGENCIES						
Advisory Commission on Intergovernmental Relations: Salaries and expenses 910	NOA	436	510	551	41	Funds are provided for increased salary costs.
	Exp.	434	494	539	45	
Intragovernmental funds:						
Advances and reimbursements 910	Exp.	−49	49	----------	−49	
Total, Advisory Commission on Intergovernmental Relations.	NOA	436	510	551	41	
	Exp.	385	543	539	−4	
General and special funds:						
Appalachian Regional Commission:						
Salaries and expenses 507	NOA	1,100	746	879	122	The Commission develops, plans, and coordinates comprehensive programs for regional development in Appalachia. In 1969, 13 States will pay 50% of the Commission's operating cost.
Reappropriation	NOA	----------	11			
	Exp.	994	757	879	122	
Intragovernmental funds:						
Advances and reimbursements 507	Exp.	−325	----------	----------	----------	
Total, Appalachian Regional Commission.	NOA	1,100	757	879	122	
	Exp.	670	757	879	122	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
INTERGOVERNMENTAL AGENCIES—Continued						
General and special funds:						
Commission on the Status of Puerto Rico: Salaries and expenses 910	Exp.	132	----------	----------	----------	(Final report was submitted in August 1966.)
Delaware River Basin Commission:						
Salaries and expenses 401	NOA	45	45	47	2	Provides for expenses of the U.S. Commissioner, his alternate, and assistant.
	Exp.	41	45	47	2	
Contribution 401	NOA	115	134	251	117	Increase is primarily for Federal share of the Commission's water quality program.
	Exp.	115	134	251	117	
Total, Delaware River Basin Commission.	NOA	160	179	298	119	
	Exp.	156	179	298	119	
Interstate Commission on the Potomac River Basin: Contribution 555	NOA	5	5	5	----------	The United States contributes $5 thousand annually for the Commission's efforts to reduce pollution.
	Exp.	5	5	5	----------	

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Washington Metropolitan Area Transit Authority: Federal contribution 555	NOA			55,147	55,147	Increase provides for initial construction of rail rapid transit system and continuation of engineering and right-of-way acquisition activities. Expenditures in 1968 were made from balances transferred from the National Capital Transportation Agency.
	Exp.		1,000	18,000	17,000	
Subtotal, Federal funds	NOA	1,701	1,451	56,880	55,429	
	Exp.	1,348	2,484	19,721	17,237	
Trust Funds						
Appalachian Regional Commission: Miscellaneous trust fund accounts (permanent) 507	NOA	142	1,398	1,592	194	The 13 Appalachian States provide 50% of the operating cost of the Commission.
	Exp.	128	1,398	1,592	194	
Commission on the Status of Puerto Rico: Contributions (permanent) 910	NOA	25				(Final report was submitted in August 1966.)
	Exp.	183				
Subtotal, trust funds	NOA	167	1,398	1,592	194	
	Exp.	311	1,398	1,592	194	
Adjustments						
Interfund and intragovernmental transactions 500	NOA		*—728*	*—816*	*—88*	
	Exp.					
Applicable receipts from the public 500	NOA	*—142*	*—70*	*—776*	*—706*	
	Exp.					
900	NOA	*—25*				
	Exp.					
Total, intergovernmental agencies.	NOA	1,701	2,051	56,880	54,829	
	Exp.	1,492	3,084	19,721	16,637	

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
INTERSTATE COMMERCE COMMISSION						
General and special funds:						
Salaries and expenses 508	NOA	**27,169**	**23,460** **D 386**	**23,995**	**149**	Regulatory activity will continue at about the same level.
	Exp.	27,107	23,868	24,109	241	
Payment of loan guaranties 508	LA	**17,400**				Payments required only in event of default by carrier with guaranteed loans.
	NL	17,368				
Recoveries on loan guaranties: Repayments deposited in general fund 508	LA NL	*−332*	*−340*	*−340*		
Subtotal, Federal funds	NOA	**27,169**	**23,846**	**23,995**	**149**	Total Federal funds are distributed as follows:
	LA	**17,068**	**−340**	**−340**		
	Exp.	27,107	23,868	24,109	241	
	NL	17,036	−340	−340		

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	23,460		23,517	
Repayments		−340		−340
(D)	386		351	

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	23,995		24,074	
Repayments		−340		−340
(D)			35	

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Adjustments					
Applicable receipts from the public 500	NOA	—101	—103	—103	
	Exp.				
Repayments deposited in general fund (included in details above).	LA	(—332)	(—340)	(—340)	
	NL				
Total, Interstate Commerce Commission.	NOA	**27,068**	**23,743**	**23,892**	**149**
	LA	**17,068**	**—340**	**—340**	
	Exp.	27,006	23,765	24,006	241
	NL	17,036	—340	—340	
Federal Funds					
NATIONAL CAPITAL HOUSING AUTHORITY					
General and special funds:					
Operation and maintenance of properties 555	NOA	**37**			
	Exp.	44			
Adjustments					
Applicable receipts from the public 550	NOA	—39			
	Exp.				
Total, National Capital Housing Authority.	NOA	**—2**			
	Exp.	5			

[D] Proposed for separate transmittal, civilian pay act supplemental.

Totals for the agency are distributed as follows:

	NOA	*LA*	*Exp.*	*NL*
1968				
Enacted	23,357		23,414	
Repayments		—340		—340
([D])	386		351	
1969				
Transmitted	23,892		23,971	
Repayments		—340		—340
([D])			35	

Rental income is no longer deposited in the general fund of the U.S. Treasury but remains available to the Authority for operation and maintenance of housing properties.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
NATIONAL CAPITAL PLANNING COMMISSION						
General and special funds:						
Salaries and expenses 555	NOA	995	995 [D]22	1,073	56	Increase is primarily for additional staff to prepare plans for redevelopment of Pennsylvania Avenue.
	Exp.	954	1,020	1,040	20	
Land acquisition, John F. Kennedy Center for the Performing Arts 704	Exp.	52	----------	----------	----------	(Land acquisition has been completed.)
Land acquisition, National Capital park, parkway, and playground system 555	Exp.	105	203	117	−86	(Land acquisition continues through 1969.)
	NL	27	103	619	516	
Repayments deposited in general fund.	LA	*−566*	*−201*	*−26*	*175*	
	NL					
Subtotal, Federal funds	NOA	995	1,017	1,073	56	Total Federal funds are distributed as follows:
	LA	−566	−201	−26	175	
	Exp.	1,111	1,223	1,157	−66	
	NL	−539	−98	593	691	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	995	----------	1,203	103
Repayments	----------	−201	----------	−201
([D])	22	----------	20	----------

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	1,073	----------	1,155	619
Repayments	----------	−26	----------	−26
([D])	----------	----------	2	----------

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Trust Funds						
Contributed funds (permanent) 555	NOA	----------	2	100	98	One-half of the cost of acquiring land for the George Washington Memorial Parkway is contributed by the States of Maryland and Virginia.
	Exp.	80	222	100	−122	
Advances from District of Columbia (permanent) 555	NOA	130	238	166	−72	Funds are received from the District of Columbia Redevelopment Land Agency for the preparation of urban renewal plans.
	Exp.	53	311	166	−145	
Subtotal, trust funds	NOA	130	240	266	26	
	Exp.	133	533	266	−267	
Adjustments						
Applicable receipts from the public 550	NOA	*−130*	*−238*	*−166*	*72*	
	Exp.					
Repayments deposited to general fund (included in details above).	LA	*(−566)*	*(−201)*	*(−26)*	*(175)*	
	NL					
Total, National Capital Planning Commission.	NOA	995	1,019	1,173	154	Totals for the Commission are distributed as follows:
	LA	−566	−201	−26	175	
	Exp.	1,114	1,518	1,257	−261	
	NL	−539	−98	593	691	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	997	----------	1,498	103
Repayments	----------	−201	----------	−201
(D)	22	----------	20	--------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	1,173	----------	1,255	619
Repayments	----------	−26	----------	−26
(D)	----------	----------	2	--------

D Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
NATIONAL CAPITAL TRANSPORTATION AGENCY						
General and special funds:						
Salaries and expenses 555	NOA	1,400				(On Sept. 30, 1967, functions and duties of the National Capital Transportation Agency were transferred to the Washington Metropolitan Area Transit Authority, an interstate compact agency.)
	Exp.	806	153		−153	
Construction, rail rapid transit system 555	NOA	9,055				(Unobligated balances of construction funds were transferred to the Department of Housing and Urban Development for payment to the Washington Metropolitan Area Transit Authority.)
	Exp.	2,171	2,022		−2,022	
Total, National Capital Transportation Agency.	NOA	10,455				
	Exp.	2,977	2,175		−2,175	
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
Salaries and expenses 704	NOA	8,945	11,200 [D]15	[F]20,000	9,785	Increase provides for grants for individuals and institutions, and for additional administrative costs.
Indefinite	NOA	2,089	1,000	2,000		
	Exp.	8,998	14,400	20,700	6,300	
Subtotal, Federal funds	NOA	11,034	12,215	22,000	9,785	Total Federal funds are distributed as follows:
	Exp.	8,998	14,400	20,700	6,300	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	12,200	14,386	---	---
Transmitted	---	---	22,000	20,699
([D])	15	14	---	1

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Trust Funds						
Gifts and donations (permanent) 704	NOA	789	1,000	2,000	1,000	Donations are accepted to support the purposes of the Foundation.
	Exp.	789	1,000	2,000	1,000	
Adjustments						
Applicable receipts from the public 850	NOA	----------	*—1*	----------	*1*	
	Exp.					
Total, National Foundation on the Arts and the Humanities.	NOA	**11,823**	**13,214**	**24,000**	**10,786**	Totals for the agency are distributed as follows:
	Exp.	9,787	15,399	22,700	7,301	
Federal Funds						
NATIONAL LABOR RELATIONS BOARD						
General and special funds:						
Salaries and expenses 652	NOA	**31,010**	**32,230**	**35,074**	**2,844**	Additional funds needed for an estimated 5.5% increase in unfair labor practice cases and a 3.5% increase in representation cases.
	Exp.	30,197	31,900	34,729	2,829	
Adjustments						
Applicable receipts from the public 650	NOA	*—7*	*—8*	*—9*	*—1*	
	Exp.					
Total National Labor Relations Board.	NOA	**31,003**	**32,222**	**35,065**	**2,843**	
	Exp.	30,190	31,892	34,720	2,828	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	13,199	15,385	----------	----------
Transmitted	----------	----------	24,000	22,699
(D)	15	14	----------	1

[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
NATIONAL MEDIATION BOARD						
General and special funds:						
Salaries and expenses 652	NOA	**2,085**	**2,150**	**2,242**	**92**	Estimate includes increased salary costs.
	Exp.	1,981	2,084	2,199	115	
NATIONAL SCIENCE FOUNDATION						
Salaries and expenses 703	NOA	**479,984**	**495,000**	**500,000**	**5,000**	Increase is for additional basic research project grants and programs to improve the quality of science education.
	Exp.	412,978	456,000	480,000	24,000	
Intragovernmental funds:						
Advances and reimbursements 703	Exp.	1,906	----------	----------	----------	
Subtotal, Federal funds	NOA	**479,984**	**495,000**	**500,000**	**5,000**	
	Exp.	414,884	456,000	480,000	24,000	
Trust Funds						
Donations (permanent) 703	NOA	**1**	**1**	**1**	----------	Donations are used to further the general purposes of the Foundation.
	Exp.	2	2	2	----------	
Adjustments						
Applicable receipts from the public 700	NOA Exp.	*−1,134*	*−1,085*	*−1,085*	----------	
850	NOA Exp.	*−81*	*−80*	*−80*	----------	
Total, National Science Foundation.	NOA	**478,770**	**493,836**	**498,836**	**5,000**	
	Exp.	413,671	454,837	478,837	24,000	

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Federal Funds						
PRESIDENT'S ADVISORY COMMITTEE ON LABOR-MANAGEMENT POLICY						
General and special funds:						
President's Advisory Committee on Labor-Management Policy 652	Exp.	1	----------	----------	----------	(This Committee is now being supported by the Departments of Labor and Commerce.)
RAILROAD RETIREMENT BOARD						
Payment for military service credits 659	NOA	17,201	17,839	18,446	607	Provides for 5th of 10 installments to pay the retirement account for military service of railroad workers.
	Exp.	17,201	17,839	18,446	607	
Trust Funds						
Limitation on salaries and expenses		(12,975)	(12,850) [A] (612) [D] (362)	(14,490)	(666)	1968 supplemental is mainly for adjustment of benefits made necessary by 1967 amendments to the Social Security Act.
Railroad retirement account (permanent) 654	NOA	1,498,728	1,639,819	1,904,746	264,927	The Railroad Retirement System combines social insurance and staff retirement for workers in the railroad industry. Higher tax receipts result from increases in average earnings and from scheduled increases in wage base and rates.
	LA	114,000	----------	−114,000	−114,000	
Receipts appropriated:						
(Employment taxes)		(794,515)	(876,280)	(957,200)	(80,920)	
(Interest on investments)		(162,807)	(180,200)	(190,100)	(9,900)	
(Payment from OASI trust fund.)		(508,046)	(450,000)	(512,000)	(62,000)	
(Payment from Federal disability insurance trust fund.)		(30,634)	(20,000)	(19,000)	(−1,000)	
(Payment for military service credits.)		(17,201)	(17,839)	(18,446)	(607)	
(Payment of advances to Railroad unemployment insurance account.)		(90,375)	(88,000)	(88,000)	----------	
(Other)		(9,150)	(7,500)	(6,000)	(−1,500)	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Trust Funds—Continued						
RAILROAD RETIREMENT BOARD—Con.						
Railroad retirement account (permanent)—Continued						
Expenditures and net lending_654	Exp.	1,315,445	1,414,261 [A]612	1,490,490	76,841	Expenditure rises in 1968 and 1969 are due to additions to the rolls and a gradual increase in average benefits because of higher wages. Effective February 1968, approximately 400,000 beneficiaries will receive an increase in benefits under a provision which assures them at least 110% of social security benefits for the same coverage.
	NL	114,000	----------	−114,000	−114,000	
(Benefit payments)		(1,257,343)	(1,328,000)	(1,392,000)	(64,000)	The number receiving monthly benefits at the end of each year is as follows (in thousands):
(Administrative expenses)		(12,545)	(13,212) ([A]612)	(14,490)	(666)	
(Advances for unemployment insurance).		(29,250)	(29,000)	(29,000)	----------	
(Payment to Federal hospital insurance trust fund.)		(16,305)	(44,049)	(55,000)	(10,951)	
(Interest on refunds)		(2)	----------	----------	----------	
(Purchase of non-Federal securities.)		(114,000)	----------	(−114,000)	(−114,000)	
Subtotal, trust funds	NOA	**1,498,728**	**1,639,819**	**1,904,746**	**264,927**	
	LA	**114,000**	----------	**−114,000**	**−114,000**	
	Exp.	1,315,445	1,414,873	1,490,490	75,617	
	NL	114,000	----------	−114,000	−114,000	

	1967 actual	*1968 estimate*	*1969 estimate*
Retired individuals	531	541	540
Disabled	100	100	100
Survivors	306	316	325
Supplemental annuities	14	37	52

Total trust funds are distributed as follows:

	1968	
	NOA	*Exp.*
Enacted	1,639,819	1,414,261
([A])	---------	612

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	1,904,746	−114,000	1,490,49	−114,000

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Adjustments					
Interfund and intragovernmental transactions 650	NOA	−700,961	−656,388	−727,446	−71,058
	Exp.				
Applicable receipts from the public 650	NOA	−1			
	Exp.				
Total, Railroad Retirement Board.	NOA	814,967	1,001,270	1,195,746	194,476
	LA	114,000		−114,000	−114,000
	Exp.	631,684	776,324	781,490	5,166
	NL	114,000		−114,000	−114,000
Federal Funds					
RENEGOTIATION BOARD					
General and special funds:					
Salaries and expenses 904	NOA	2,537	2,600	[F] 3,080	404
			[D] 76		
	Exp.	2,519	2,671	3,067	396
Total, Renegotiation Board.	NOA	2,537	2,676	3,080	404
	Exp.	2,519	2,671	3,067	396

Totals for the agency are distributed as follows:

	1968		1969	
	NOA	Exp.		
Enacted	1,001,270	775,712		
([A])		612		
	NOA	LA	Exp.	NL
Transmitted	1,195,746	−114,000	781,490	−114,000

Increase is for processing and review of additional renegotiation filings due to stepped-up procurement for the Vietnam conflict.

Totals for the agency are distributed as follows:

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	2,600	2,599		
Transmitted			3,080	3,063
([D])	76	72		4

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
SECURITIES AND EXCHANGE COMMISSION						
General and special funds—Continued						
Salaries and expenses 508	NOA	**16,721**	**17,350** D 380	**17,903**	**173**	Activity will continue at about the same level as 1968.
	Exp.	16,681	17,770	17,829	59	
Total, Federal funds	NOA	**16,721**	**17,730**	**17,903**	**173**	Total Federal funds are distributed as follows:
	Exp.	16,681	17,770	17,829	59	
Adjustments						
Applicable receipts from the public 500	NOA	−1	−1	−1		
	Exp.					
Total, Securities and Exchange Commission.	NOA	**16,720**	**17,729**	**17,902**	**173**	Totals for the agency are distributed as follows:
	Exp.	16,680	17,769	17,828	59	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	17,350	17,410		
Transmitted			17,903	17,809
(D)	380	360		20

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	17,349	17,409		
Transmitted			17,903	17,808
(D)	380	360		20

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Federal Funds

SELECTIVE SERVICE SYSTEM

General and special funds:					
Salaries and expenses 059	NOA	58,684	57,229 [A] 2,805 [D] 1,384 [E] 172	63,568	1,978
	Exp.	58,036	58,920 [A] 2,463	63,837 [A] 342	2,796
Subtotal, Federal funds	NOA	58,684	61,590	63,568	1,978
	Exp.	58,036	61,383	64,179	2,796
Adjustments					
Applicable receipts from the public 050	NOA Exp.	*—5*	*—4*	*—4*	
Total, Selective Service System.	NOA	58,679	61,586	63,564	1,978
	Exp.	58,031	61,379	64,175	2,796

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

1968 supplemental is to meet increased induction calls, now estimated at 303,000, to provide for improvements in the administration and operation of the system, and for higher postage rates. 1969 increase is for full-year cost of improvements initiated in 1968.

Total Federal funds are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	57,229	57,488		
Transmitted			63,568	63,713
([A])	2,805	2,463		342
([D])	1,384	1,260		124
([E])	172	172		

Totals for the agency are distributed as follows:

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	57,225	57,484		
Transmitted			63,564	63,709
([A])	2,805	2,463		342
([D])	1,384	1,260		124
([E])	172	172		

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
SMALL BUSINESS ADMINISTRATION						
General and special funds:						
Salaries and expenses 506	NOA	8,100	9,900	11,600	1,700	Assistance to loan applicants and borrowers will be increased through stepped-up management counseling and training programs.
	Exp.	5,137	8,779	10,727	1,948	
Payment of participation sales insufficiencies 506	NOA	----------	689	----------	−689	An indefinite appropriation directly to the funds concerned is proposed for 1969.
Public enterprise funds:						
Business loan and investment fund: 506						
Appropriation	NOA	----------	661	----------	−661	Program level will increase $86 million, primarily due to expansion of regular business lending. Agency will continue to stress use of authority to guarantee loans made by private banks.
Indefinite	NOA	485	----------			
Authorization to spend debt receipts.	LA	722,103	150,000	150,000	----------	
	Exp.	66,815	47,351	36,431	−10,920	
	NL	73,930	77,727	114,296	36,569	
Disaster loan fund: 506						
Appropriation:						
Current, indefinite	NOA	440	----------	----------	−508	Disaster loan program level is estimated at $50 million in 1969, compared with $100 million in 1968. Stricter and more equitable eligibility criteria will be used.
Permanent, indefinite	NOA	----------	2,155	1,647		
Authorization to spend debt receipts.	LA	127,897	----------	----------	----------	
	Exp.	11,335	14,266	9,532	−4,734	
	NL	−5,730	35,960	−12,685	−48,645	
Lease guarantees, revolving fund 506	Exp.	----------	−1,173	−4,374	−3,201	(In 1969, an estimated 3,000 leases will be guaranteed.)

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Revolving fund, Small Business Administration 506	Exp.	53				(The assets of this fund were allocated to the Disaster loan and Business loan and investment funds in 1967.)
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	−83				
Total, Small Business Administration.	NOA	9,026	13,405	13,247	−158	
	LA	850,000	150,000	150,000		
	Exp.	83,257	69,223	52,316	−16,907	
	NL	68,200	113,687	101,611	−12,076	
SMITHSONIAN INSTITUTION						
General and special funds:						
Salaries and expenses 704	NOA	22,699	23,913 [C]33 [D]439	27,130	2,745	Increase provides primarily for additional subprofessional and technical support for educational and scientific activities and opening of new galleries.
	Exp.	21,338	24,442	25,510	1,068	
Museum programs and related research (special foreign currency program) 704	NOA	2,316	2,316	6,000	3,684	Excess foreign currencies are granted to American institutions for archeological and biological research, excavation, and preservation.
	Exp.	852	1,959	4,000	2,041	
Construction and improvements, National Zoological Park 704	NOA	1,589	400	660	260	Provides mainly for replacement of the central heating plant.
	Exp.	448	272	2,550	2,278	
Restoration and renovation of buildings 704	NOA	2,300	1,125	1,200	75	Provides for renovation and improvements to facilities.
	Exp.	140	1,053	3,000	1,947	
Construction 704	NOA		803	14,197	13,394	Provides for construction of the Joseph H. Hirshhorn Museum and Sculpture Garden.
	Exp.		574	1,500	926	
Miscellaneous appropriations 704	Exp.	2,929	1,060	355	−705	(Continues construction projects underway.)

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
SMITHSONIAN INSTITUTION—Con.						
General and special funds—Continued						
Salaries and expenses, National Gallery of Art 704	NOA	2,822	3,054 [D]49	3,291	188	Increase provides mainly for electronic protection of art objects, additional pay costs, and workload requirements.
	Exp.	2,745	3,099	3,269	170	
John F. Kennedy Center for the Performing Arts 704	Exp.	1,787	8,000	11,000	3,000	(Construction of the Center is in progress.)
Intragovernmental funds:						
Advances and reimbursements, Smithsonian Institution 704	Exp.	7	12	14	2	
Subtotal, Federal funds	NOA	**31,726**	**32,132**	**52,478**	**20,346**	Total Federal funds are distributed as follows:
	Exp.	30,247	40,471	51,198	10,727	

	1968		1969	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	31,611	39,982	---	---
Transmitted	---	---	52,478	51,166
[C]	33	31	---	2
[D]	488	458	---	30

Trust Funds						
Smithsonian Institution trust funds (permanent) 704	NOA	**2,122**	**2,378**	**2,647**	**269**	The District of Columbia advances funds for operation of the National Zoological Park.
	Exp.	1,970	2,344	2,634	290	

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Adjustments						
Applicable receipts from the public 700	NOA	−2,048	−2,299	−2,522	−223	
	Exp.					
Total, Smithsonian Institution	NOA	31,800	32,211	52,603	20,392	Totals for the agency are distributed as follows:
	Exp.	30,169	40,516	51,310	10,794	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	31,690	40,027		
Transmitted			52,603	51,278
[C]	33	31		2
[D]	488	458		30

Federal Funds						
SUBVERSIVE ACTIVITIES CONTROL BOARD						
General and special funds:						
Salaries and expenses 908	NOA	290	295	425	117	Increase will permit implementation of legislation enacted on Dec. 14, 1967.
			[D]13			
	Exp.	330	379	400	21	
Total, Subversive Activities Control Board.	NOA	290	308	425	117	Totals for the agency are distributed as follows:
	Exp.	330	379	400	21	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	295	366		
Transmitted			425	400
[D]	13	13		

[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
TARIFF COMMISSION						
General and special funds—Continued						
Salaries and expenses 151	NOA	3,562	3,675 D 79	3,860	106	Estimate provides for salary and other personnel cost increases.
	Exp.	3,400	3,847	3,862	15	
Total, Tariff Commission	NOA	3,562	3,754	3,860	106	Totals for the agency are distributed as follows:
	Exp.	3,400	3,847	3,862	15	
TAX COURT OF THE UNITED STATES						
Salaries and expenses 904	NOA	2,355	2,407	2,477	70	Estimate is for full-year cost of the salary increase.
	Exp.	2,172	2,335	2,476	141	
Trust Funds						
Tax court judges survivors annuity fund (permanent) 904	NOA	33	31	31	----------	Judges pay 3% and the Government pays the remainder to finance survivors annuity system.
	Exp.	11	20	20	----------	
Total, Tax Court of the United States.	NOA	2,388	2,438	2,508	70	
	Exp.	2,183	2,355	2,496	141	

	1968		1969	
	NOA	Exp.	NOA	Exp.
Enacted	3,675	3,772	---------	---------
Transmitted	---------	---------	3,680	3,858
(D)	79	75	---------	4

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Federal Funds

TEMPORARY STUDY COMMISSIONS

General and special funds:						
Atlantic-Pacific Interoceanic Canal Study Commission:						
Salaries and expenses 502	NOA	4,000	6,100	[F]4,900	−1,200	Decrease reflects reduced onsite activities in Panama and Colombia.
Reappropriation	NOA	2,725				
	Exp.	5,345	7,172	5,600	−1,572	
Commission on Obscenity and Pornography: Salaries and expenses 903	NOA		[A]150	643	493	This Commission will recommend to the President means of dealing with traffic in obscenity. The requested supplemental is to begin operations.
	Exp.		[A]130	360	250	
				[A]20		
Commission on the Political Activity of Government Personnel: Salaries and expenses 906	NOA	175	25		−25	The Commission expired Dec. 31, 1967.
	Exp.	47	153		−153	
Joint Commission on the Coinage: Salaries and expenses 904	NOA	200				(Established in 1967 to consider those matters relevant to the maintenance of an adequate and stable coinage system.)
	Exp.		183	17	−166	
National Advisory Commission on Food and Fiber: Expenses 355	NOA	475	175		−175	The Commission submitted its report to the President in July 1967.
	Exp.	458	230		−230	
National Commission on Food Marketing: Salaries and expenses 355	Exp.	307	53		−53	(The Commission completed its study and reported to the President and the Congress on June 27, 1966. Expenditures in 1967 and 1968 are for administrative expenses.)
National Commission on Product Safety: Salaries and expenses 903	NOA		[A]2,000		−2,000	Requested supplemental will fund the Commission until its expiration in February 1970.
	Exp.		[A]63	[A]1,125	1,062	

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[F] To carry out authorizing legislation to be proposed.

300-000 O—68—29

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds—Continued						
TEMPORARY STUDY COMMISSIONS— Continued						
General and special funds—Continued						
National Commission on Reform of Federal Criminal Laws:	NOA	50	150 A 50	250	50	Supplemental is for analyses required in 1968 if the reporting deadline of Nov. 8, 1969, is to be met. The 1969 estimate provides for the remaining expenses of the Commission.
Salaries and expenses 908	Exp.		185 A 45	265 A 5	40	
National Commission on Technology, Automation, and Economic Progress: Salaries and expenses 652	Exp.	112	47		−47	(The Commission has submitted its final report to the President and Congress.)
National Visitor Center Study Commission 555	NOA	10				(The Commission submitted its report in September 1967.)
	Exp.		10		−10	
President's Commissions on Law Enforcement and the Administration of Justice and on Crime in the District of Columbia: Salaries and expenses 908	NOA	550				(These Commissions completed their work in 1967.)
	Exp.	790	33		−33	
Intragovernmental funds:						
Advances and reimbursements 908	Exp.	5				

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General and special funds:						
Public Land Law Review Commission: Salaries and expenses 401	NOA	**860**	**3,060**	**944**	**−2,116**	Decrease is due to the completion of funding of the Commission's contract study program.
	Exp.	671	2,200	2,530	330	
Select Commission on Western Hemisphere Immigration: Salaries and expenses 908	NOA	**800**				(Commission completed its studies Jan. 15, 1968.)
	Exp.	91	189		−189	
Total, temporary study commissions.	NOA	**9,845**	**11,710**	**6,737**	**−4,973**	Totals for the temporary study commissions are distributed as follows:
	Exp.	7,825	10,693	9,922	−771	
TENNESSEE VALLEY AUTHORITY						
Public enterprise funds:						
Tennessee Valley Authority fund:						
Power proceeds and borrowings (authorization to spend debt receipts) 401	NOA	**1,000,000**				(Power revenue and receipts of $410 million, together with a net of $170 million of borrowing, will be used to finance the power program.)
	Exp.	38,986	45,500	91,500	46,000	
Appropriations and nonpower proceeds 401	NOA	**63,700**	**61,000**	**50,250**	**−10,750**	The net decrease generally results from lower requirements for projects nearing completion.
	Exp.	63,079	63,200	58,500	−4,700	
Subtotal, Federal funds	NOA	**1,063,700**	**61,000**	**50,250**	**−10,750**	
	Exp.	102,065	108,700	150,000	41,300	
Adjustments						
Applicable receipts from the public 400	NOA	*−62*	*−67*	*−74*	*−7*	
	Exp.					
Total, Tennessee Valley Authority.	NOA	**1,063,638**	**60,933**	**50,176**	**−10,757**	
	Exp.	102,003	108,633	149,926	41,293	

	1968		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	9,510	10,455		
Transmitted			6,737	8,772
(A)	2,200	238		1,150

A Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
UNITED STATES INFORMATION AGENCY						
General and special funds:						
Salaries and expenses 153	NOA	**152,166**	**156,430**	**163,654**	**7,224**	Funds are provided for nondiscretionary wage and salary increases and selective overseas program increases.
	Exp.	147,570	153,907	162,202	8,295	
Salaries and expenses (special foreign currency program) 153	NOA	**10,941**	**8,604**	**9,340**	**736**	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	10,021	9,855	10,662	807	
Special international exhibitions 153	NOA	**2,709**	**2,709**	**5,466**	**−8,550**	The 1968 supplemental will fund U.S. participation in the 1970 Osaka World's Fair. Increase in 1969 is for completion of 5th series exchange with Soviet Union.
			[A] 11,307			
	Exp.	10,424	4,672	4,280	1,176	
				[A] 1,568		
Special international exhibitions (special foreign currency program) 153	NOA	**350**	**387**	**428**	**41**	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	468	363	516	153	
Acquisition and construction of radio facilities 153	NOA	**6,510**	**18,200**	----------	**−18,200**	Decrease is due to nonrecurrence of funding for new transmitting facility in Greece.
	Exp.	16,531	18,700	14,858	−3,842	

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Public enterprise funds:						
Informational media guarantee fund 153	Exp.	300	−180	−86	94	(The program is being phased out.)
Subtotal, Federal funds	NOA	**172,676**	**197,637**	**178,888**	**−18,749**	Total Federal funds are distributed as follows:
	Exp.	185,314	187,317	194,000	6,683	
Trust Funds						
United States Information Agency trust funds (permanent) 153	NOA	**172**	**64**	**62**	**−2**	The decrease is due to lower contributions from private sources for distribution of donated books.
	Exp.	130	90	80	−10	
Adjustments						
Applicable receipts from the public 150	NOA	*−669*	*−371*	*−371*	----------	
	Exp.					
Total, United States Information Agency.	NOA	**172,179**	**197,330**	**178,579**	**−18,751**	Totals for the agency are distributed as follows:
	Exp.	184,775	187,036	193,709	6,673	

Total Federal funds	*1968*		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	186,330	187,317	---------	---------
Transmitted	---------	---------	178,888	192,432
(A)	11,307	---------	---------	1,568

Totals for the agency	*1968*		*1969*	
	NOA	*Exp.*	*NOA*	*Exp.*
Enacted	186,023	187,036	---------	---------
Transmitted	---------	---------	178,579	192,141
(A)	11,307	---------	---------	1,568

A Proposed for separate transmittal under existing legislation, other than pay supplemental.

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Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Federal Funds						
WATER RESOURCES COUNCIL						
General and special funds:						
Water resources planning 401	NOA	**600**	**1,070**	KK **1,281**	**211**	Provides for 2 new commissions for a half year.
	Exp.	323	1,031	1,281	250	
Financial assistance to States 401	NOA	**1,875**	**2,470**	**2,735**	**265**	Provides for an increase in grants to States for water resources planning.
	Exp.	1,648	2,397	2,685	288	
Subtotal, Federal funds	NOA	**2,475**	**3,540**	**4,016**	**476**	
	Exp.	1,971	3,428	3,966	538	
Trust Funds						
River basin commissions (permanent) 401	NOA	**20**	**795**	**1,490**	**695**	Provides for increase in contributions to new commissions.
	Exp.	1	693	1,450	757	
Adjustments						
Interfund and intragovernmental transactions 400	NOA Exp.	*−10*	*−397*	*−745*	*−348*	
Applicable receipts from the public 400	NOA Exp.	*−10*	*−398*	*−745*	*−347*	
Total, Water Resources Council.	NOA	**2,475**	**3,540**	**4,016**	**476**	
	Exp.	1,952	3,326	3,926	600	

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Summary

Total, Federal funds	NOA	2,323,121	1,364,047	1,473,240	109,193
	LA	1,719,846	1,130,476	898,690	−231,786
	Exp.	1,026,213	914,666	1,065,101	150,435
	NL	687,645	837,829	821,719	−16,110
Total, trust funds	NOA	4,482,405	5,085,833	5,662,848	577,015
	LA	416,594	484,514	312,596	−171,918
	Exp.	2,967,985	3,351,547	3,449,901	98,354
	NL	899,100	749,000	543,100	−205,900

Total Federal funds are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	1,336,241	1,133,806	901,099	841,159
Repayments	---	−3,330	---	−3,330
(A)	22,869	---	8,983	---
(C)	33	---	31	---
(D)	4,732	---	4,381	---
(E)	172	---	172	---

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	1,443,040	902,185	1,039,238	810,214
Repayments	---	−3,495	---	−3,495
(A)	---	---	3,310	---
(B)	30,200	---	22,200	15,000
(C)	---	---	2	---
(D)	---	---	351	---

Total trust funds are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	5,085,833	484,514	3,350,935	749,000
(A)	---	---	612	---

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	5,662,848	312,596	3,449,901	543,100

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.
[KK] Includes $11 thousand to carry out authorizing legislation to be proposed.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Adjustments:						
Interfund and intragovernmental transactions 150	NOA	----------	----------	*−10,000*	*−10,000*	
	Exp.					
350	NOA	*−4,490*	*−4,772*	*−6,300*	*−1,528*	
	Exp.					
400	NOA	*−10*	*−397*	*−745*	*−348*	
	Exp.					
500	NOA	----------	*−728*	*−816*	*−88*	
	Exp.					
650	NOA	*−702,027*	*−657,448*	*−728,536*	*−71,088*	
	Exp.					
900	NOA	*−2*	*−1*	*−1*	----------	
	Exp.					

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Applicable receipts from the public 050	NOA	*−5*	*−4*	*−4*	----------
	Exp.				
150	NOA	*−669*	*−371*	*−371*	----------
	Exp.				
400	NOA	*−85*	*−477*	*−831*	*−354*
	Exp.				
500	NOA	*−324*	*−274*	*−990*	*−716*
	Exp.				
550	NOA	*−169*	*−238*	*−166*	*72*
	Exp.				
650	NOA	*−8*	*−8*	*−9*	*−1*
	Exp.				
700	NOA	*−3,182*	*−3,384*	*−3,607*	*−223*
	Exp.				
800	NOA	*−1*	*−1*	----------	*1*
	Exp.				
850	NOA	*−81*	*−81*	*−80*	*1*
	Exp.				
900	NOA	*−27*	*−1*	*−1*	----------
	Exp.				

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
OTHER INDEPENDENT AGENCIES—Continued						
Adjustments—Continued						
Repayments deposited in general fund (included in details above)	LA	(−3,495)	(−3,330)	(−3,495)	(−165)	
	NL					
Total, other independent agencies.	NOA	**6,094,446**	**5,781,695**	**6,383,631**	**601,936**	Totals for other independent agencies are distributed as follows:
	LA	**2,136,440**	**1,614,990**	**1,211,286**	**−403,704**	
	Exp.	3,283,118	3,598,028	3,762,545	164,517	
	NL	1,586,745	1,586,829	1,364,819	−222,010	

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	5,753,889	1,618,320	3,583,849	1,590,159
Repayments	---	−3,330	---	−3,330
(A)	22,869	---	9,595	---
(C)	33	---	31	---
(D)	4,732	---	4,381	---
(E)	172	---	172	---

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	6,353,431	1,214,781	3,736,682	1,353,314
Repayments	---	−3,495	---	−3,495
(A)	---	---	3,310	---
(B)	30,200	---	22,200	15,000
(C)	---	---	2	---
(D)	---	---	351	---

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SPECIAL ALLOWANCES

Allowances for:						
Civilian and military pay increase	NOA	----------	----------	1,600,000	1,600,000	Estimate is for the cost of the salary increase to become effective in 1969. Amounts required to meet the costs of the salary increase, effective in 1968, are contained in the totals for each department and agency.
	Exp.	----------	----------	1,600,000	1,600,000	
Contingencies	NOA	----------	150,000	550,000	400,000	The allowances for contingencies covers unforeseen needs and smaller items of proposed legislation. Specific supplemental estimates will be transmitted as the need arises.
	Exp.	----------	100,000	350,000	250,000	
Total, special allowances	NOA	----------	150,000	2,150,000	2,000,000	
	Exp.	----------	100,000	1,950,000	1,850,000	

GRAND TOTALS

Federal funds	NOA	138,187,879	141,687,311	154,712,538	13,025,227	Total Federal funds are distributed as follows:
	LA	5,738,039	6,099,272	4,563,616	−1,535,656	
	Exp.	127,527,353	139,675,790	148,959,441	9,313,651	
	NL	2,913,818	2,968,199	2,498,316	−469,883	

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	138,510,972	6,348,024	136,841,066	3,216,951
Repayments	----------	−248,752	----------	−248,752
Allowances	150,000	---------	100,000	---------
(A)	1,863,635	---------	1,723,063	---------
(B)	83,871	---------	−34,539	---------
(C)	9,918	---------	9,280	---------
(D)	462,037	---------	434,052	---------
(E)	606,828	---------	602,868	---------

[A] Proposed for separate transmittal under existing legislation, other than pay supplemental.
[B] Proposed for separate transmittal under proposed legislation.
[C] Proposed for separate transmittal, wage-board supplemental.
[D] Proposed for separate transmittal, civilian pay act supplemental.
[E] Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code		1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation
GRAND TOTALS—Continued						
Trust funds	NOA	**45,058,959**	**49,234,046**	**55,007,041**	**5,772,995**	Total trust funds are distributed as follows:
	LA	**4,879,486**	**1,074,569**	**54,846**	**−1,019,723**	
	Exp.	37,013,519	41,776,115	46,422,023	4,645,908	
	NL	2,261,859	2,810,693	767,169	−2,043,524	

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	151,625,066	4,806,950	146,679,418	2,726,650
Repayments	----------	−243,334	----------	−243,334
Allowances	2,150,000	---------	1,950,000	---------
(A)	538	---------	120,532	---------
(B)	936,934	---------	206,859	15,000
(C)	----------	---------	638	---------
(D)	----------	---------	28,034	---------
(E)	----------	---------	3,960	---------

1968

	NOA	*LA*	*Exp.*	*NL*
Enacted	49,083,467	1,074,569	41,231,581	2,810,693
(A)	----------	---------	488,257	---------
(B)	150,389	---------	44,539	---------
(C)	140	---------	132	---------
(D)	50	---------	11,606	---------

1969

	NOA	*LA*	*Exp.*	*NL*
Transmitted	54,958,041	54,846	46,374,036	767,169
(A)	----------	---------	1,348	---------
(B)	49,000	---------	45,000	---------
(C)	----------	---------	8	---------
(D)	----------	---------	1,631	---------

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Adjustments:					
Interfund and intragovernmental transactions:					
Applied by agency above	NOA	*−2,586,119*	*−2,863,908*	*−3,216,811*	*−352,903*
	Exp.				
Government contributions for employee retirement 950	NOA	*−1,734,812*	*−1,912,572*	*−2,006,558*	*−93,986*
	Exp.				
Interest received by trust funds 950	NOA	*−2,268,317*	*−2,638,975*	*−3,016,919*	*−377,944*
	Exp.				
Applicable receipts from the public:					
Applied by agency above	NOA	*−4,695,161*	*−4,142,068*	*−4,349,762*	*−207,694*
	Exp.				
Interest received by trust funds 950	NOA	*−18,257*	*−38,702*	*−24,845*	*13,857*
	Exp.				
Repayments deposited in general fund (included in details above)	LA	*(−234,968)*	*(−248,752)*	*(−243,334)*	*(5,418)*
	NL				
Grand total	NOA	**171,944,174**	**179,325,131**	**197,104,684**	**17,779,553**
	LA	**10,617,525**	**7,173,841**	**4,618,462**	**−2,555,379**
	Exp.	153,238,208	169,855,679	182,796,569	12,940,890
	NL	5,175,677	5,778,892	3,265,485	−2,513,407

Totals are distributed as follows:

	1968			
	NOA	*LA*	*Exp.*	*NL*
Enacted	175,998,213	7,422,593	166,476,420	6,027,644
Repayments	----------	−248,752	----------	−248,752
Allowances	150,000	---------	100,000	---------
(A)	1,863,635	---------	2,211,320	---------
(B)	234,260	---------	10,000	---------
(C)	10,058	---------	9,412	---------
(D)	462,137	---------	445,658	---------
(E)	606,828	---------	602,868	---------

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
B Proposed for separate transmittal under proposed legislation.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
E Proposed for separate transmittal, military pay act supplemental.

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Table 14. **ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY** (in thousands of dollars)—**Continued**

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (−)	Explanation

GRAND TOTALS—Continued

	1969			
	NOA	*LA*	*Exp.*	*NL*
Transmitted	193,968,212	4,861,796	180,438,558	3,493,819
Repayments	----------	−243,334	----------	−243,334
Allowances	2,150,000	---------	1,950,000	---------
(A)	538	---------	121,880	---------
(B)	985,934	---------	251,859	15,000
(C)	----------	---------	646	---------
(D)	----------	---------	29,666	---------
(E)	----------	---------	3,960	---------

A Proposed for separate transmittal under existing legislation, other than pay supplemental.
B Proposed for separate transmittal under proposed legislation.
C Proposed for separate transmittal, wage-board supplemental.
D Proposed for separate transmittal, civilian pay act supplemental.
E Proposed for separate transmittal, military pay act supplemental.

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PART 6

SPECIAL ANALYSES

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SPECIAL ANALYSIS A

COMPARISON OF NEW AND OLD BUDGET CONCEPTS

This analysis provides a comparison of the budget totals under the new concept used in this budget with two older concepts used heretofore.[1] It also presents, as a transitional matter, a full table based upon the old concept of the "administrative budget." It continues the presentation of a gross table on the flow of funds, as a supplementary measure of Federal financial data.

The New Concept of the Budget

In this budget, a unified comprehensive summary budget statement is utilized to present the total financial plan for the Government, along the lines recommended by the President's Commission on Budget Concepts in its report of October 10, 1967. The basic principles are that the budget encompasses all programs of the Federal Government and its agencies, with the outlay and deficit divided between the expenditure account and loan account, and with proprietary receipts offset against outlays, regardless of the funding structure at any particular time. Payments between funds are eliminated from the totals, as is conventional in statements that consolidate data for a number of funds. These principles are explained on pages 48 to 50 of this document.

The financial plan also includes appropriate attention to congressional action on the budget, a comprehensive statement of the Federal debt with a distinction between that which is internal and that which is held by the public, and a redefinition of participation certificates in loans to be a part of the debt rather than a sale of assets.

Two of the fundamental recommendations of the Commission could not be adopted in this budget because, as the Commission report indicates, more time is required to provide an appropriate accounting basis for the data. These relate to the use of the accrual basis, instead of the cash basis, for the presentation of receipts and expenditures, and the identification of subsidies on loans (including the capitalization of the interest subsidies at the time the loan is disbursed).

Old Measures of the Budget

The administrative budget.—While the budget documents have for many years covered all of the types of funds administered by the Government, certain funds were totaled separately from others to form the "administrative budget." This administrative budget covered receipts and expenditures of the Federal funds—that is, funds owned by the Government. It excluded funds held in trust by the Federal Government. In the case of public enterprise funds, intra-

[1] Transactions in the Federal sector of the national income and product accounts, another measure of Government finances, are set forth and explained in Special Analysis B.

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governmental funds, and reimbursements which by law are mingled with appropriations, the administrative budget offset receipts against expenditures; otherwise, it presented receipts and expenditures gross, except for refunds.

While the administrative budget was not coextensive with either the finances requiring annual action or the expenditures subject to legislative and administrative control, it was often the focus of attention as the principal financial plan for the Government. Actually, it always included a number of appropriations and funds in which money becomes available each year without new action by the executive or legislative branches, the most important being interest on the public debt. Similarly, it excluded a few items on which annual action is required, but which are in the nature of trust funds.

Consolidated cash statement.—The consolidated cash statement sought to reflect the transactions between the Government and the public. It was "consolidated" in the sense that it included both Federal funds and the trust funds. It was "cash" in the sense that its totals were basically on a checks-paid basis, as distinguished from the checks-issued basis used in the administrative budget.

Since the trust funds, particularly those derived from taxes and social insurance premiums, have become of greater importance, the consolidated cash statement took on a greater significance in the presentation of Federal finances, and in permitting analysis of the relationship between Federal finances and the remainder of the economy. This statement followed the same rules as the administrative budget with respect to grossing and netting; most trust funds were reported gross, but a few, designated as trust revolving funds, were included on the basis of the net excess of expenditures over receipts. The consolidated cash statement also included among Government-sponsored enterprises two privately owned groups—the Federal home loan banks and the Federal land banks—which at one time were mixed ownership in nature.

Elements of Difference

Table A–1 presents "bridges" between the measures of receipts and expenditures used in this budget and the older measures of the administrative budget and the consolidated cash statement. Table A–2 makes a similar presentation for the measures of borrowing and other financing presented in this budget, as compared with the changes in the net borrowing by Federal funds, related to the administrative budget, and the net borrowing from the public, related to the consolidated cash statement.

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Table A-1. **RELATION OF BUDGET TOTALS TO OLDER MEASURES**

(In billions of dollars)

Description	Reconciliation to administrative budget			Reconciliation to consolidated cash		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
RECEIPTS						
Unified, comprehensive budget totals	149.6	155.8	178.1	149.6	155.8	178.1
Additions or deductions (−), differences in:						
Coverage (adjusted for intragovernmentals [1]):						
Trust funds	−37.0	−38.9	−43.9			
D.C. municipal funds				.3	.4	.4
Grossing of proprietary receipts:						
To be continued in fund structure	2.8	2.1	2.0	4.5	4.1	4.2
Proposed for netting in new funds	.4			.4		
Interfund and intragovernmental transactions:						
Employee payments for retirement	−1.2	−1.3	−1.4	−1.2	−1.3	−1.4
Employer payments of Government for social security	.5	.5	.6	.5	.5	.6
Social security annuitants' payments for supplementary medical insurance				−.5	−.6	−.8
Definition of receipts: Seigniorage	.8	.4	.2	*	*	*
Total, receipts under older concepts	115.9	118.6	135.6	153.6	158.9	181.1
OUTLAYS (FORMERLY EXPENDITURES)						
Unified, comprehensive budget totals	158.4	175.6	186.1	158.4	175.6	186.1
Additions or deductions (−), differences in:						
Coverage (adjusted for intragovernmentals [1]):						
Trust funds	−30.9	−35.1	−36.6	*	*	*
D.C. municipal funds				.3	.3	.4
Privately owned institutions	−.1		.1	−3.9	1.6	2.8
Grossing of proprietary receipts:						
To be continued in fund structure	2.8	2.1	2.0	4.5	4.1	4.2
Proposed for netting in new funds	.4			.4		
Interfund and intragovernmental transactions	−.7	−.8	−.8	−1.2	−1.4	−1.6
Timing:						
Debt issued in lieu of checks:						
International lending agencies	−.2					
Other program payments				*	*	*
Interest				−.7	−.6	−.6
Other interest accruals, checks outstanding, and clearing accounts				.7		
Deposit fund liabilities				−1.1	−.4	−.4
Definition of cash, monetary assets	−.6	−.4	−.7	.1		
Definition of borrowing:						
Sales of participation certificates, net	−3.5	−4.7	−3.1	−2.6	−3.4	−2.3
Increase in balances held for buyers of participation certificates	.1	.3	.3			
Sales of Defense family housing mortgages, net	.1	.1	.1	.1	.1	.1
Totals, outlays under older concepts	125.7	137.2	147.4	155.1	176.0	188.7

*Less than $50 million.

[1] The adjustments for coverage take account of the change in the intragovernmental transactions caused by inclusion or exclusion of funds which have transactions with the Federal funds.

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Significant differences are as follows:

Coverage.—Trust funds must be subtracted from the new budget totals in moving toward the administrative budget concept. The District of Columbia municipal funds, and certain transactions of Government sponsored, but privately owned corporations (Federal land banks and Federal home loan banks), for which the U.S. Treasurer acts as fiscal agent, must be added to the new budget to move toward the consolidated cash statement.

Grossing of proprietary receipts from the public.—The new budget offsets against expenditures the proprietary receipts from the public, both in the Federal funds and the trust funds, regardless of fund structure. The older budget concepts permitted such offsets only in accordance with the fund structure—that is, when the receipts are deposited in public enterprise funds, trust revolving funds, etc. The proposals to create new public enterprise funds such as for the Rural Electrification Administration and the power marketing agencies of the Department of the Interior, have no effect on the totals under the new concept; under both of the older concepts, however, the adoption of such proposed legislation would reduce the receipts and expenditures from the levels which would otherwise prevail.

Interfund and intragovernmental transactions.—Under each concept, payments between funds covered by that concept are netted out to avoid duplication. However, there are differences in the application of this principle. The Government's payments into the social security trust funds, representing its contributions as employer of military personnel and covered civilian personnel, are treated as an intragovernmental transaction in the new budget, just as the Government's payments into the civil service and foreign service retirement and disability funds are treated there and in the consolidated cash statement. On the other hand, the new budget does not treat as an intragovernmental payment the employee's share of retirement or social security, which is collected by payroll deductions. Nor does the new budget treat as an intragovernmental transaction the monthly payments for supplementary medical insurance which are collected from social security or other annuitants through deductions from their annuity checks. The older consolidated cash statement had given intragovernmental treatment to such deductions. The new concept does not diminish the recorded expenditures in payment of earnings or annuities because of the payroll deduction method of making collection from the payees.

Timing.—The new budget follows closely the checks-issued principle of the conventional accounts, and therefore differs from the old administrative budget only in one minor regard with respect to timing. In accordance with the recommendations of the President's Commission on Budget Concepts, payments to international lending organizations are recognized in the new budget only when the cash is actually paid out, whereas the administrative budget recognized the expenditure at the time that the public debt figures were increased through the issuance of notes to these organizations.

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Table A–2. **RELATION OF FINANCING TOTALS TO OLDER MEASURES**

(In billions of dollars)

Description	Reconciliation to administrative budget			Reconciliation to consolidated cash		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
FINANCING						
Unified comprehensive budget deficit	8.8	19.8	8.0	8.8	19.8	8.0
Additions of deductions (−) to borrowing, differences in:						
Coverage:						
Trust funds	6.5	4.3	7.1	−.6	*	*
Borrowings from D.C. government				*	*	*
Privately owned institutions	−.1		.1	−3.9	1.6	2.8
Timing	−.2			−.6	−.6	−.6
Definition of cash, monetary assets	−.3	−.4	−.7	.5		
Definition of borrowing	−3.4	−4.6	−3.0	−2.5	−3.3	−2.2
Net change in borrowing	2.5	−.7	3.5	−7.4	−2.3	.1
Additions or deductions (−) to other financing, differences in:						
Coverage:						
Trust funds	−.4	−.4	.2	.7	*	*
Other				.1	*	*
Timing				−.4	−.4	−.4
Definition of cash, monetary assets	−.3			−.3		
Definition of borrowing	.1	.3	.3			
Definition of receipts	−.8	−.4	−.2	*	*	*
Net change in other financing	−1.4	−.5	.3	.1	−.4	−.4
Deficit under older concepts	9.9	18.6	11.8	1.5	17.2	7.6

*Less than $50 million.

Several adjustments are necessary, however, to move from the new budget toward the old consolidated cash statement, since the latter was on a checks-paid basis. The exclusion of deposit funds from the coverage of the new budget is a reconciling item; the exclusion is made because deposit funds generally represent a timing adjustment with respect to transactions of other funds; the most common uses of deposit funds are to account temporarily for receipts before they are earned, and to account temporarily for certain expenditures after the check in payment of the liability has been drawn but pending final settlement. Such funds are also used to account for moneys deposited with the Government as banker.

Definition of cash and monetary assets.—The United States drawing rights in the International Monetary Fund (which represent a part of the Government's equity in the fund) are now treated like cash. Hence, the exercise of those drawing rights, under which cash is moved from the IMF to the U.S. Treasury, no longer affects receipts, expenditures, borrowing, or redemption of borrowing. Also, the exchange of notes for cash in connection with subscriptions to the IMF do not affect the new budget totals. In the older concepts, certain transactions with the IMF affected the totals.

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Definition of receipts.—Seigniorage, representing the difference between the face value and the intrinsic value of coins manufactured, increases the Goverment's cash without an increase in liabilities and has therefore been a receipt in the administrative budget. It has been excluded from the consolidated cash statement of receipts because it did not come from the public. The new budget similarly excludes seigniorage.

Definition of borrowing.—Both of the older concepts treated the sale of certificates of participation in loans as the sale of an asset, and therefore as a receipt offsetting expenditures in the public enterprise funds concerned. However, the portion of the loan repayments received by the Government and retained for the certificate holders until maturing of the certificates was accounted for in a trust fund. On recommendations of the President's Commission, such sales are now treated as borrowing. Under these circumstances, the repayments on loans collected by the Government are appropriately deposited into Federal funds. The new budget also treats Defense family housing mortgages as a form of borrowing.

Borrowing.—Several of the factors named above also affect the figures on borrowing. The reconciliation of debt oustanding under the three concepts is as follows (in billions of dollars):

	1967 actual	*1968 estimate*	*1969 estimate*
Public debt issued by the Treasury	326,221	347,031	358,908
Agency debt issued by authorized agencies (TVA, FHA, etc.), other than participation certificates and trust fund issuances	910	1,099	1,333
Portion of above debt held by Federal funds (−)[1]	−2,736	−3,637	−4,270
Total net debt outstanding, administrative budget concept	324,394	344,493	355,971
Participation certificates issued to public	6,119	9,504	11,737
Defense family housing mortgages outstanding	2,034	1,954	1,871
Agency debt issued by trust funds to public	7,821	10,617	12,033
Public and agency debt held by trust funds (−)[1]	−67,881	−73,630	−81,376
Public debt held by the IMF and international lending organizations (−)	−3,328	−2,937	−2,237
Total net debt outstanding, unified comprehensive budget concept	269,160	290,000	298,000
Participation certificates and defense family housing above	−8,153	−11,458	−13,608
Debt issued in lieu of checks other than to IMF and international lending organizations (−)	−13,321	−13,916	−14,466
Debt issued to public by Federal land banks and Federal home loan banks	8,239	8,119	10,979
Public and agency debt held by Federal land banks and Federal home loan banks (−)	−3,851	−2,100	−2,100
Debt issued for IMF drawings, net of Exchange Stabilization Fund holdings	828	828	828
Debt issued by trust revolving funds, not included in consolidated cash computations (−)	−93	−91	−104
Public debt held by trust revolving funds not included in consolidated cash computations	11	12	13
Debt issued by the District of Columbia Armory Board	20	20	20
Public and agency debt held by District of Columbia agencies	−65	−70	−73
Total net debt outstanding, consolidated cash concept	252,773	271,344	279,489

[1] After adjusting for reclassification of participation sales trust fund.

Financing other than borrowing.—The remaining adjustments in table A–1 that do not affect borrowing (except for those which are self-balancing within table A–1) generally affect either the cash accounts

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or the liabilities related to the cash accounts. One item in this group is the accumulation of trust fund balances, which, in conventional administrative budget terms, represent a change in liabilities. In both the consolidated and comprehensive budget concepts, trust fund balances, like the Federal fund balances, are merely a reservation within the total balances on the books of the Treasury that result from the cumulative surplus or deficit.

The "Administrative Budget"

Table A–3 presents, according to customary classifications, the administrative budget as derived from the adjustments set forth in the preceding tables.

Table A–3. **THE "ADMINISTRATIVE BUDGET" (in millions of dollars)**

Description	1967 actual	1968 estimate	1969 estimate
RECEIPTS BY SOURCE			
Individual income taxes	61,526	67,700	80,900
Corporation income taxes	33,971	31,300	34,300
Excise taxes	9,278	9,509	9,908
Estate and gift taxes	2,978	3,100	3,400
Customs	1,901	2,000	2,070
Miscellaneous receipts	6,87›	5,644	5,669
Interfund transactions	−682	−678	−660
Total, administrative budget receipts	115,849	118,575	135,587
EXPENDITURES BY AGENCY			
Legislative Branch	250	285	296
The Judiciary	87	95	101
Executive Office of the President	28	32	33
Funds appropriated to the President	4,141	4,808	4,900
Department of Agriculture	5,741	6,520	7,220
Department of Commerce	757	856	910
Department of Defense—Military	67,664	73,930	76,881
Department of Defense—Civil	1,343	1,401	1,371
Department of Health, Education, and Welfare	10,794	13,156	14,515
Department of Housing and Urban Development	493	495	1,249
Department of the Interior	1,516	1,542	1,717
Department of Justice	409	443	504
Department of Labor	512	713	712
Post Office Department	1,141	1,087	767
Department of State	414	421	431
Department of Transportation	1,467	1,570	2,093
Treasury Department	14,538	15,493	16,440
Atomic Energy Commission	2,264	2,333	2,546
General Services Administration	675	648	673
National Aeronautics and Space Administration	5,426	4,805	4,575
Veterans Administration	6,197	6,325	6,818
Other independent agencies	543	804	1,322
Allowances for:			
Civilian and military pay increase	----------	----------	1,600
Contingencies	----------	100	350
Interfund transactions	−682	−678	−660
Total, administrative budget expenditures	125,718	137,182	147,363
Excess over receipts (+) or expenditures (−)	−9,869	−18,607	−11,776

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As in the case of the basic tables of the budget, the amounts shown include transactions under both existing and proposed legislation. The receipts, therefore, include the expected income from the proposed income tax surcharge, as well as lesser amounts from other tax proposals. The expenditures include those to be financed from Federal funds under the President's legislative program, as well as those recommended under existing legislation, and its renewal or extension.

Flow of Government-Administered Funds

In recent years there has been presented in the special analyses of the budget, a consolidated statement of Government-administered funds on a gross basis. This statement presents the flow of moneys between the Federal Government and the public. It has been on a checks-issued basis and its coverage has been substantially the same as the new concept. It excludes borrowing and repayment thereof.

The Commission recommended that the compilation of such gross figures be continued as supplementary information. Table A–4 presents such a statement.

Table A–4. **GROSS FLOW OF GOVERNMENT-ADMINISTERED FUNDS**

(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
RECEIPTS BY SOURCE			
Individual income taxes	61,526	67,700	80,900
Corporation income taxes	33,971	31,300	34,300
Employment taxes	27,823	29,730	34,154
Unemployment insurance	3,652	3,660	3,594
Premiums for insurance and retirement	1,853	2,049	2,275
Excise taxes	13,719	13,848	14,671
Estate and gift taxes	2,978	3,100	3,400
Customs	1,901	2,000	2,070
Other receipts from the public:			
General and special funds	5,280	4,838	5,070
Public enterprise funds	14,812	14,755	16,542
Trust funds (excluding trust revolving funds)	1,836	2,035	2,291
Trust revolving funds	9,549	11,481	13,238
Reimbursements to appropriations and other funds	2,450	2,475	2,630
Total receipts from the public	181,350	188,971	215,135
PAYMENTS BY FUNCTION			
National defense	74,245	80,389	83,979
International affairs and finance	6,032	6,334	6,635
Space research and technology	5,439	4,812	4,589
Agriculture and agricultural resources	18,859	20,184	22,075
Natural resources	3,920	4,196	4,308
Commerce and transportation	12,953	14,234	15,285
Housing and community development	4,313	6,370	5,897
Health, labor, and welfare	39,017	45,311	50,419
Education	4,186	4,702	4,879
Veterans benefits and services	7,937	8,195	8,405
Interest	10,561	11,147	11,655
General government	2,709	2,803	3,015
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		100	350
Total payments to the public	190,173	208,775	223,090
Excess of payments (−)	−8,823	−19,805	−7,954

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It differs from the unified comprehensive budget, only with respect to grossing and netting and the distribution here of the nonfunctional adjustments shown elsewhere. Its deficits are the same. The items which are here grossed may be summarized as follows (in millions of dollars):

	1967 actual	*1968 estimate*	*1969 estimate*
Receipts conventionally offset against expenditures:			
Receipts of public enterprise funds (table C–1)	14,812	14,755	16,542
Receipts of trust revolving funds (table C–5)	9,549	11,481	13,238
Reimbursements to appropriations and other funds:			
Department of Defense	2,249	2,278	2,432
Other agencies	200	197	198
Other receipts offset against expenditures in the new budget (table 12)	4,948	4,430	4,617
Total	31,758	33,141	37,027

Table A–4 is not fully comparable to similar information presented in recent budgets (table B–9 in the 1968 budget), because of the following conceptual changes that were set forth earlier in this analysis:

- Definition of borrowing (sale of participation certificates);
- Definition of cash and monetary assets (IMF);
- Timing of payments to international lending organizations;
- Government payments as employer for social security.

Comparison of Results

Table A–5 summarizes receipts, expenditures, and deficits under the new concept, the old administrative budget, the consolidated cash statement, and the flow of funds statement included above.

Table A–5. **COMPARISON OF RESULTS UNDER FOUR CONCEPTS**

(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Unified, comprehensive budget:			
Receipts	149,591	155,830	178,108
Expenditures and net lending	158,414	175,635	186,062
Budget deficit	8,823	19,805	7,954
The "administrative budget":			
Receipts	115,849	118,575	135,587
Expenditures (including lending)	125,718	137,182	147,363
Excess of expenditures	9,869	18,607	11,776
"Consolidated cash" statement:			
Receipts	153,596	158,823	181,146
Expenditures (including lending)	155,142	175,981	188,725
Excess of expenditures	1,546	17,157	7,579
Flow of Government-administered funds:			
Receipts from the public	181,350	188,971	215,135
Payments to the public	190,173	208,775	223,090
Excess of payments	8,823	19,805	7,954

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SPECIAL ANALYSIS B

FEDERAL TRANSACTIONS IN THE NATIONAL INCOME AND PRODUCT ACCOUNTS

The budget is designed to serve many purposes:

- It represents a proposed *allocation of resources* to serve national objectives, between the private and public sectors, and within the public sector;
- It is an *economic document* which embodies the taxing and spending policies of the Government for promoting high employment, price stability, growth of the national economy, and maintainance of the Nation's balance of payments;
- It sets forth the *President's requests to Congress* for appropriation action on existing or new programs, and changes in tax legislation;
- It is a *report to the Congress and the people* on how the Government has spent the funds entrusted to it in past years.

No single budget concept can completely satisfy all purposes. The budget is designed to provide a unified picture of the Federal Government's finances, while other series—such as the Federal sector of the national income accounts (NIA)—focus on specific areas of concern for various other purposes.

In past years, the budget document included a special analysis which concentrated on explaining the relationship among the three most widely used measures of Federal financial transactions: (1) the administrative budget, (2) consolidated cash statement (receipts from and payments to the public), and (3) the Federal sector of the national income accounts. In accordance with the recommendations of the President's Commission on Budget Concepts, neither the administrative budget nor the consolidated cash will be utilized as major measures of Federal finances. The relationship between the new budget and these two older concepts is discussed in detail in Special Analysis A.

The budget document and related Treasury reports provide detailed information on the finances of the Federal Government. The national income accounts of the United States are the most widely used measures of aggregate economic activity in the country. This analysis is designed to explain the relationships of the budget to the Federal sector of the national income accounts, and to present the budget estimates in national income terms.

This analysis is divided into three major sections: (1) the size and trends of major components in the Federal sector; (2) the relationship between the Federal sector and the budget; and (3) definitions of the major categories of the Federal sector.

Trends in Federal Sector Receipts and Expenditures

Total expenditures in the Federal sector accounts budget are estimated to rise by $13.9 billion between fiscal 1968 and 1969, receipts by $21.4 billion. As a consequence, the Federal sector deficit will decline by $7.5 billion, from $10 billion in 1968 to $2.5 billion in 1969.

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Trends in Federal sector receipts.—Rising levels of economic activity expand the Nation's tax base and provide increased sources of Federal revenues. Between 1952 and 1967, Federal sector receipts more than doubled despite major decreases in tax rates and liberalization of tax provisions. Receipts in the national income accounts increased from $65.1 billion in fiscal 1952 to $147.6 billion in 1967. Part of this growth, however, has resulted from increases in social security tax rates and wage ceilings. Consequently, Federal receipts have kept pace with the growth in the economy.

Two major factors account for most of the changes in Federal sector receipts in 1969:

(1) *The level of economic activity.*—Personal tax and nontax receipts consist mainly of income taxes and tend to increase as personal income rises. Since income tax rates are progressive, there is a larger than proportional increase in these receipts as more people enter the higher income brackets. Corporate profits taxes, which are closely related to corporate profits, are also influenced by the level of economic activity and the profitability of business corporations. Since business taxes consist mainly of excise taxes on certain goods and services, such as tobacco, alcohol, automobiles, and telephones, they depend largely on the level of purchases of these items. Social insurance contributions expand with the growth in employment and earnings.

(2) *Changes in tax rates.*—The 1969 budget recommends a 10% income tax surcharge on individuals and corporations. In addition, contributions for social insurance in fiscal 1969 will be affected by recent legislation which increased the ceiling on wages subject to social security taxes from $6,600 to $7,800 beginning January 1, 1968, and which raised the combined employer and employee tax rate from 8.8% to 9.6% effective January 1, 1969.

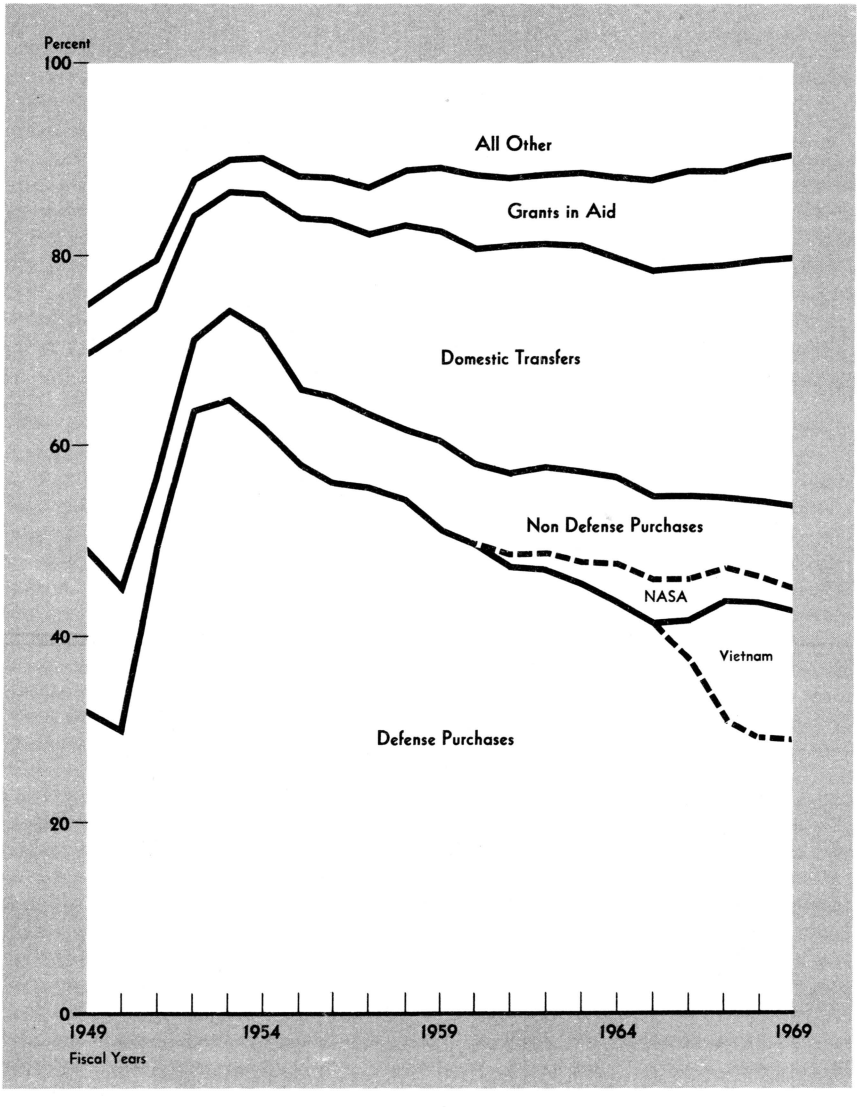
Trends in Federal sector expenditures.—The $13.9 billion rise in Federal sector expenditures in 1969 compares with increases of $16 billion in 1968 and $23.2 billion in 1967. The upsurge in defense purchases, starting with the large-scale commitments of American troops in Vietnam, is expected to continue in the year ahead, but at a much reduced rate. Federal sector expenditures, like receipts, have grown significantly over the past 15 years. The demands of a growing population, an expanding economy, and an unsettled world have resulted in new and expanded Federal programs to meet these needs. Nevertheless, despite a doubling of Federal sector expenditures from 1952 to 1967, about the same proportion of the gross national product was devoted to Federal programs in 1967 as prevailed 15 years previously. This year, Federal sector expenditures will account for 20.9% of the GNP, slightly lower than the 21.1% accounted for 15 years ago.

Significant shifts, however, have occurred among the several categories of expenditures, reflecting world conditions, domestic problems, and basic Government policy. As chart B–1 indicates, the largest proportion of Federal outlays is for national defense purchases of goods

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and services, which increased rapidly early in the 1950's due primarily to the requirements of the Korean war. Since that time defense spending as a percent of the total declined to a low point of 7.5% in 1965, and has risen somewhat since as a result of the conflict in Vietnam; they are expected to reach 9.1% of GNP this year, compared with 13.6% in 1953.

Federal Sector Expenditures *Major Categories as a Percent of Total*



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Aside from space, nondefense spending for goods and services has been a very stable proportion of total expenditures. Nondefense purchases have been subject to especially heavy economy efforts recently in order to mitigate inflationary pressures. Expenditures for space exploration have grown rapidly in recent years, rising from $401 million in 1960 to a high of $5.9 billion in 1966; they have declined somewhat since then, and are expected to total $4.6 billion in 1969.

Grants-in-aid reflect Federal efforts to assist State and local governments in meeting pressing domestic needs. Most of the items included in the grants-in-aid category in the Federal sector accounts are also included in the discussion of Federal aids in Special Analysis K of this budget. Table B–1 shows both grants and domestic transfer payments—broken into several major groupings—for the past 10 years.

Table B–1. **GRANTS-IN-AID AND DOMESTIC TRANSFER PAYMENTS**
(In billions of dollars)

Fiscal year	Grants-in-aid			Domestic transfer payments			
	Public assistance	Highways	All other	Retirement and disability	Unemployment insurance	Hospital and supplemental medical insurance	All other
1960	2.1	2.9	1.9	16.5	2.6	----	1.5
1961	2.2	2.6	2.1	18.1	4.0	----	1.5
1962	2.4	2.8	2.4	20.1	3.5	----	1.5
1963	2.7	3.0	2.6	21.9	2.9	----	1.6
1964	2.9	3.6	3.3	23.1	2.8	----	1.4
1965	3.3	4.0	3.6	24.3	2.4	----	1.6
1966	3.5	3.9	5.3	28.1	2.0	----	1.7
1967	4.2	4.0	7.2	29.7	2.0	3.2	2.8
1968	5.2	4.3	8.5	32.5	2.4	4.8	3.3
1969	5.8	4.3	9.9	36.4	2.4	5.5	3.6

Domestic transfer payments (which are mainly pensions, unemployment benefits, and veterans benefits) account for the second largest share of total Federal expenditures—an estimated 25.9% in 1969. During the late 1950's there was a rapid decline in expenditures for the GI bill but recent legislation is providing benefits for veterans who were ineligible under the earlier programs, while social security benefits under both retirement and health programs have expanded rapidly in recent years. A significant part of the war on poverty is in the form of transfer payments. In general, the growth of these programs has been the result of efforts to meet the needs of the poor, sick, and elderly—an obligation that our Nation cannot afford to shirk.

Table B–2 shows Federal expenditures as a percent of total GNP, for alternate years, since 1952. These expenditures have been remarkably stable as a portion of our Nation's economy.

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Table B–2. **FEDERAL SECTOR NIA EXPENDITURES AS A PERCENT OF GNP**

Fiscal year	Total expenditures	Purchases			Domestic transfer payments	Grants-in-aid	All other
		Defense	Nondefense				
			NASA	Other			
1952	19.6	12.4	(1)	1.4	2.5	0.7	2.5
1954	20.5	12.6	(1)	2.1	2.9	.8	2.1
1956	17.0	9.6	(1)	1.5	3.1	.8	2.1
1958	18.9	10.2	(1)	1.3	4.0	1.1	2.2
1960	18.4	9.1	0.1	1.5	4.2	1.4	2.2
1962	19.6	9.3	.2	1.7	4.6	1.4	2.4
1964	19.1	8.3	.7	1.7	4.5	1.6	2.3
1966	18.4	7.6	.8	1.6	4.4	1.8	2.2
1968	20.9	9.1	.6	1.7	5.3	2.2	2.1
Excluding Vietnam:							
1966	17.5	6.8	.8	1.6	4.4	1.8	2.2
1968	17.9	6.4	.6	1.7	5.3	2.2	2.1

[1] Less than 0.05%.

Relationship of the Budget to the Federal Sector of the National Income Accounts

The national income accounts depict the Nation's current production, income, and spending in separate major categories which are designed to aid understanding of the operations of the economy and to facilitate useful economic analysis. These accounts attempt to include all current income and production activities and do not measure transactions—such as loans—which represent an exchange of assets rather than income or production. Loan transactions have a significant economic impact, affecting both income and output, but they are best analyzed as part of monetary rather than fiscal policy. Special Analysis E (Federal credit programs) and the means of financing statement (p. 61 of the budget) are both designed to facilitate a study of the monetary policy implications of the budget.

Budget outlays are divided into two major segments—the expenditure account and the loan account. All transactions included in the loan account are excluded from the Federal sector, so this discussion will focus exclusively on how the Federal budget expenditure account relates to the Federal sector account.

Table B–3 shows the major differences between the receipt-expenditure account in the budget and the Federal sector estimates. These differences are explained in the following paragraphs.

Employee retirement.—The Civil Service and Foreign Service retirement programs are financed by employer and employee contributions. Retirement benefits under these programs are recorded as expenditures in the budget and as transfer payments in the Federal sector

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Table B-3. **RELATIONSHIP OF THE RECEIPT-EXPENDITURE ACCOUNT TO THE FEDERAL SECTOR NIA (in billions of dollars)**

	1967 actual	1968 estimate	1969 estimate
RECEIPTS			
Total budget receipts	149.6	155.8	178.1
Employer share, employee retirement (grossing)	1.7	1.9	2.0
Other netting and grossing	1.1	1.2	1.2
Adjustment to accruals	−4.8	2.2	1.1
Other	(1)	(1)	(1)
Federal sector, NIA receipts	147.6	161.1	182.5
EXPENDITURES			
Total budget expenditures (excludes net lending)	153.2	169.9	182.8
Employer share, employee retirement (grossing)	1.7	1.9	2.0
Other netting and grossing	1.1	1.2	1.2
Defense timing adjustment	−.4	.3	.4
Lending in the expenditure account	−1.4	−1.7	−2.1
Dollar expenditures to finance agricultural exports	−.8	−.7	−.5
Other	1.6	.2	1.1
Federal sector, NIA expenditures	155.1	171.1	185.0

[1] Less than $50 million.

accounts. The contributions of Government agencies, as employers, to these retirement trust funds are deducted from total budget expenditures since these contributions represent intragovernmental transactions. However, the NIA accounts consider Government payments for employee retirement to be part of the compensation paid to Government employees who, in turn, make their trust fund contributions. Therefore, the Federal sector accounts include the Government's contributions to employee retirement funds in both receipts and expenditures. Likewise, Federal payments on behalf of its employees to the old-age and survivors disability insurance programs are included in Federal sector receipts and expenditures. These adjustments affect total receipts and expenditures equally and thus do not alter the budget surplus or deficit.

Other netting and grossing.—The budget normally counts as receipts only income from taxation or revenues due to the exercise of governmental power to compel. Money received in the course of business type transactions, therefore, are normally shown as offsets against expenditures. For instance, receipts from two major insurance programs operated by the Veterans Administration (National Service Life Insurance and United States Government Life Insurance) are

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netted against expenditures in the budget since these programs are voluntary, business-type activities. However, in the NIA the receipts are treated in the same way as receipts from compulsory Government insurance programs. This adjustment also has no impact on the budget surplus or deficit.

Timing adjustments.—At the present time the budget counts receipts when the cash is collected, and most expenditures when the checks are issued to pay the bills. In the NIA receipts are counted when the income is earned or when the transaction giving rise to the receipt occurs, even though the cash may be received at a later point. Accrued expenditures record outlays when the production or work takes place rather than when the payment is made. This permits changes in receipts and expenditures to more accurately reflect the impact of the Government on the economy. Since the accrual concept is followed in the national income accounts receipts, they differ from budget receipts by the amount of estimated accruals which are not collected in the time period covered.

Defense purchases are recorded in the Federal sector at the time of delivery of goods instead of when they are paid for; work in process on fixed-price contracts is counted as change in business inventories. Both the budget and the Federal sector record public debt interest when it accrues.

Lending.—The loan account in the budget includes only those domestic credit transactions where there are definite requirements for full repayment of the loans, plus all foreign loans made on commercial terms. Those credit programs which do not meet these requirements are included in the expenditure account. The Federal sector, however, excludes not only all lending transactions included in the loan account, but also some credit programs included as expenditures in the budget—such as foreign loans in AID and tobacco and foreign loans in the Commodity Credit Corporation (CCC). Certain credit transactions in the expenditure account—like most CCC nonrecourse commodity loans—are treated as purchases of goods under the national income accounts concept.

Dollar expenditures to finance agricultural exports.—The Commodity Credit Corporation facilitates the export of agricultural products by acquiring the foreign currencies used to pay for such commodities. This expenditure of dollars is included in the budget but excluded from the Federal sector on the ground that it is an exchange of financial assets: dollars for foreign currencies. When the foreign currencies thus acquired are spent, they are then counted as Federal sector expenditures.

Other.—This category includes some of miscellaneous adjustments largely for certain specialized aspects of the national income accounts

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such as purchases and sale of land, which are included in the budget but not in the national income accounts. Certain nondefense timing adjustments are included here because of the difficulty in separating them from other adjustment categories included herein. It also includes adjustments for the expenditure of foreign currency acquired as described in the paragraph above.

Major Categories of the Federal Sector of the National Income Accounts

Federal sector receipts.—Federal receipts on a national income basis largely reflect the tax payments or liabilities of individuals and of corporations and other businesses arising out of incomes earned. They also include other tax and nontax receipts. These receipts are classified into the following four categories: (1) personal tax and nontax receipts, (2) corporate profits tax accruals, (3) indirect business tax and nontax accruals, and (4) receipts from contributions for social insurance.

1. *Personal tax and nontax receipts* consist mostly of individual income taxes, estate and gift taxes, fines, fees, and donations.

2. *Corporate profits tax accruals* comprise the Federal tax liability incurred and accrued on corporate earnings during the specified year or period. While the budget treats Federal Reserve payments of earnings to the Treasury as miscellaneous receipts, these are included in the corporate profit tax category in the Federal sector.

3. *Indirect business tax and nontax accruals* consist primarily of excise taxes, customs duties, and Federal receipts from rents and royalties.

4. *Contributions for social insurance* are composed chiefly of payroll taxes for retirement, disability, hospital, and unemployment insurance, plus employer and employee contributions to retirement funds of Federal Government employees and premiums for federally operated veterans and medical insurance programs.

Table B–4 shows the adjusted receipts and expenditures after reclassification into the national income accounts categories.

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Table B-4. **FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS (in billions of dollars)**

Description	1967 actual	1968 estimate	1969 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts	64.6	71.0	83.8
Corporate profits tax accruals	31.4	34.3	37.2
Indirect business tax and nontax accruals	15.9	17.1	18.1
Contributions for social insurance	35.7	38.7	43.4
Total receipts, national income basis	147.6	161.1	182.5
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services	84.5	92.8	99.4
Defense	(67.6)	(74.4)	(78.8)
Nondefense	(16.9)	(18.4)	(20.6)
Transfer payments	39.8	44.9	49.9
Domestic ("to persons")	(37.7)	(43.0)	(47.9)
Foreign	(2.1)	(1.9)	(2.0)
Grants-in-aid to State and local governments	15.4	18.0	20.0
Net interest paid	10.1	10.7	11.2
Subsidies less current surplus of Government enterprises	5.3	4.6	4.5
Total expenditures, national income basis	155.1	171.1	185.0
Surplus (+) or deficit (−), national income basis	−7.5	−10.0	−2.5

Federal sector expenditures.—Federal expenditures on a national income basis represent either purchases of goods and services or outlays which directly affect current levels of income. These expenditures are classified in the following five categories: (1) purchases of goods and services, (2) transfer payments, (3) grants-in-aid to State and local governments, (4) net interest paid, and (5) subsidies less current surplus of Government enterprises. The definitions of the categories have been developed by the Department of Commerce so that they are consistent with the framework of accounts used to cover all sectors of the Nation's economic activity.

1. *Purchases of goods and services* measure the value of the Nation's output (i.e., gross national product) bought directly by the Federal Government. Thus, Federal expenditures for goods and services represent the value of output taken by the Federal Government itself.

These purchases include the pay of active military and civilian employees of the Federal Government, employer contributions for retirement, insurance, and other benefits for Federal employees; deliveries of equipment and supplies for defense and other programs; construction put in place for the Government; payments on research and development contracts with corporations and on similar agree-

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ments with private nonprofit institutions; expenditures for the purchase of commodities to be donated to schools or similar institutions; and, generally, the administrative expenses of Government programs.

Federal purchases, in turn, are classified in two major subcategories—defense and nondefense. The defense category includes purchases for those activities classified under the defense function of the budget. Purchases for all other types of activities are classified as nondefense.

2. *Transfer payments* consist of expenditures by the Federal Government for which no *current* services have been rendered. Examples of transfer payments are: veterans compensation, pensions, and benefits; retired pay to Federal civilian or military personnel; unemployment benefits; old-age, survivors, disability, health, and supplemental medical insurance; and nonrepayable outlays for scholarships and fellowships.

Although transfer payments do not directly enter gross national product as a Federal Government component, they are a part of personal income and are counted as part of national output when respent by the recipients.

3. *Grants-in-aid to State and local governments,* for purposes of the national income accounts, are Federal payments (other than for interest on the public debt) to State and local governments, including State and local educational institutions. Like transfer payments and net interest paid, Federal grants-in-aid are counted in the GNP when spent by recipients—in this case, as purchases by State and local governments or as consumption expenditures of individuals receiving State or local transfer payments.

4. *Net interest paid* consists of the interest outlays to residents (including State and local governments) minus the interest received from them.

5. *Subsidies less current surplus of Government enterprises* consists of two elements which are consolidated for statistical reasons: (a) subsidy payments to resident businesses and (b) the "current surplus" or "deficit" of Government enterprises.

(a) A subsidy is a monetary grant to a private business. By definition, therefore, subsidies are made only to businesses organized for profitmaking purposes (including farms). Examples of subsidies are Government payments to farmers for land retirement, payments to air carriers, and the operating differential subsidy of the Maritime Administration.

(b) Government enterprise is the term applied to those functions of the Government (usually appearing in the budget as public enterprise revolving funds) for which operating costs are to a great extent covered by the sale of goods and services to the public, as distinguished from those being financed by tax receipts. Government enterprises conduct operations which are of a business-type nature. The difference between their sales and current operating expenses constitutes the surplus or deficit of Government enterprises. The Post Office and the Tennessee Valley Authority are two of the largest enterprises.

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SPECIAL ANALYSIS C

PUBLIC ENTERPRISES, TRUST FUNDS, AGENCY BORROWING, AND INVESTMENT

This analysis presents selected information on the financing and operations of the public enterprise funds and the trust funds. Additional tables in this special analysis relating to agency borrowing and to agency investments in U.S. securities are an integral part of the computation of the changes in debt in table 9 (in part 2 of the budget).

Public Enterprise Funds

The public enterprise funds are federally owned funds which carry on a cycle of operations, primarily with the public, organized usually on a business-type basis. Some of them are incorporated enterprises; others are unincorporated. Their outlays have been included, on a net basis, in the budgets and financial reports on Federal funds for many years. The general fund usually supplies them with capital; the provision of such capital, its return, and any dividends given to the general fund are not counted in the budget totals as expenditures, net lending or receipts.

Outlays and receipts.—Gross outlays of public enterprise funds are estimated to be $30.5 billion in 1969, and their receipts will be $22.8 billion (table C–1), resulting in net outlays of $7.7 billion. The Commodity Credit Corporation and the postal fund together account for slightly more than half of the outlays. The figures exclude the effects of proposed legislation to create new funds for certain activities now funded directly by general fund appropriations. The receipts do not include the proceeds of borrowing (either through participation certificates or otherwise), nor do the expenditures include the repayment of borrowing.

The outlays in table C–1 include certain interfund payments to the general fund, principally for interest (see table 12). The receipts shown in table C–1 are generally from the public; but they include some transactions from within the Government—notably, the sales of Commodity Credit Corporation inventories and services to appropriations for special activities, and the short-term loans and repayments resulting from the line of credit extended to the Federal National Mortgage Association secondary market operations fund. The sales of Tennessee Valley Authority power to Government agencies, payments by all agencies to the Post Office for postal services, and interest paid to certain funds on their investments are other examples of such intragovernmental receipts included in table C–1.

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Table C-1. **GROSS OUTLAYS AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)**

Description	Gross outlays			Applicable receipts		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Funds appropriated to the President:						
Economic assistance	1,137	1,074	1,186	76	85	108
Other	210	400	231	320	362	84
Department of Agriculture:						
Commodity Credit Corporation [1]	8,682	7,758	8,090	6,764	4,876	5,233
Farmers Home Administration	1,367	1,672	1,757	1,385	1,771	1,759
Federal Crop Insurance Corporation	28	56	47	35	41	46
Department of Commerce	243	213	213	255	229	238
Department of Defense:						
Military	29	20	27	30	18	13
Civil (Panama Canal Company)	131	148	154	144	153	156
Department of Health, Education, and Welfare	18	64	83	15	10	14
Department of Housing and Urban Development:						
College housing loan fund	460	454	461	101	121	134
Urban renewal fund	991	973	1,176	546	473	465
Low-rent public housing fund	416	505	560	148	205	240
Federal National Mortgage Association	3,015	4,350	2,965	2,385	3,368	2,658
Federal Housing Administration	944	930	1,047	957	972	1,029
Other	262	280	354	18	28	33
Department of the Interior	116	123	113	51	56	61
Department of Labor	279	306	356	282	310	360
Post Office Department	6,468	6,919	7,342	5,326	5,832	6,575
Department of Transportation	23	27	32	20	23	23
Treasury Department	1	2	177	1	2	179
General Services Administration	*	*	*	*	*	*
Veterans Administration	821	890	1,035	606	674	733
Other independent offices:						
Export-Import Bank of Washington	1,707	1,760	1,928	1,271	1,188	1,362
Farm Credit Administration	3	7	4	16	12	13
Federal Home Loan Bank Board:						
Federal Savings and Loan Insurance Corporation	105	19	7	262	416	406
Other	17	24	22	17	19	21
Small Business Administration	430	557	556	283	383	413
Tennessee Valley Authority	479	529	586	377	420	436
United States Information Agency	3	1	*	3	1	*
Total	28,385	30,061	30,509	21,694	22,049	22,792
Receipts from the public				(14,812)	(14,755)	(16,542)
Receipts from other accounts				(6,882)	(7,294)	(6,250)

*Less than $500 thousand.
[1] Includes advances from foreign assistance and special export programs of $1,509 million in 1967, $1,198 million in 1968, and $1,448 million in 1969.

Capital and borrowing.—Capital requirements of the public enterprise funds are usually supplied through budget authority (either appropriations or some other form of such authority) from the general fund. While most public enterprise funds are operated to be self-sustaining over a period of years, the largest—the Commodity Credit

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Corporation—has incurred substantial losses in most years. Appropriations have been made regularly to make up for the loss in this fund, the postal deficit, and other losses in a few smaller funds. Contract authorizations have also been provided for the Commodity Credit Corporation and for the urban renewal fund of the Department of Housing and Urban Development. Authorizations to spend debt receipts are used, especially for credit programs. Table C–2 reflects all such new obligational authority.

The return of capital shown here includes the writeoff of unused authority, the return of capital and transfer of dividends to the general fund of the Treasury, net transfers to other accounts, and the repayment of borrowing that is not renewable.

The effect of these capital transactions, together with outlays and receipts, upon the public enterprise fund group may be summarized as follows (in millions of dollars):

	1967	*1968*	*1969*
Balances, start of year:			
Cash and balances in Treasury	8,926	10,823	11,768
U.S. securities	2,394	2,836	4,016
Undrawn authorizations:			
Contract authorizations	3,815	3,006	3,994
Authority to borrow from Treasury	22,508	25,844	25,509
Authority to borrow from the public	779	1,264	1,601
Additional amounts becoming available:			
Budget authority	12,289	11,998	11,817
Applicable receipts	21,694	22,049	22,792
Total available	72,405	77,821	81,496
Application of funds:			
Expenditures and loan disbursements	28,385	30,061	30,509
Return of capital and authority, net of transfers in	248	875	1,209
Balances, end of year:			
Cash and balances in Treasury	10,823	11,768	12,702
U.S. securities	2,836	4,016	4,939
Undrawn authorizations:			
Contract authorizations	3,006	3,994	3,644
Authority to borrow from Treasury	25,844	25,509	27,394
Authority to borrow from the public	1,264	1,601	1,100
Total application and balances	72,405	77,821	81,496

Where the new obligational authority consists of authorizations to expend public debt receipts or appropriations to provide capital, rather than to make up deficits or finance losses, it is customary for the amounts thereof to become interest bearing when used or when credited to the fund.

Upon the creation of new revolving funds, to finance programs previously financed otherwise, capital may also be provided by the transfer of assets, including appropriation balances, into the new fund. Liabilities and obligations are taken over, also.

Minor adjustments in capital occasionally include other transfers to or from appropriations when authorized by law, and the transfer of real or personal property into or out of a fund.

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Table C–2. **BUDGET AUTHORITY AND OF CAPITAL OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)**

Description	Budget authority			Return of capital (net of transfers in)		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Funds appropriated to the President:						
Economic assistance	920	824	1,280	34	226	28
Other	75	34	4	−133	(1)	-------
Department of Agriculture:						
Commodity Credit Corporation	2,785	2,423	3,362	−13	18	29
Farmers Home Administration	671	750	425	-------	-------	-------
Department of Commerce	-------	-------	-------	5	2	-------
Department of Defense—Military	-------	20	12	1	-------	1
Department of Defense—Civil (Panama Canal Company)	-------	-------	-------	-------	10	-------
Department of Health, Education, and Welfare	316	124	105	−1	*	-------
Department of Housing and Urban Development:						
College housing loan fund	602	1,924	648	-------	-------	-------
Urban renewal fund	740	850	1,250	-------	-------	-------
Federal National Mortgage Association	1,366	1,237	1,730	177	185	994
Low-rent housing fund	269	[2] 305	358	*	*	*
Other	292	333	303	6	4	10
Department of the Interior	73	55	41	3	3	2
Department of Labor	-------	-------	43	-------	-------	-------
Post Office Department	1,215	1,174	920	40	-------	-------
Department of Transportation	-------	13	-------	-------	-------	-------
Treasury Department	-------	1	-------	*	[1] *	32
General Services Administration	-------	-------	-------	*	*	*
Veterans Administration	260	851	527	17	199	3
Other independent offices:						
Export-Import Bank	779	865	608	50	50	50
Federal Home Loan Bank Board	13	-------	-------	-------	-------	-------
Small Business Administration	851	153	152	-------	115	-------
Tennessee Valley Authority	1,064	61	50	62	62	62
Total	12,289	11,998	11,817	248	875	1,209

*Less than $500 thousand.
[1] In addition, the $400 million balance of the foreign military sales fund was transferred from Funds appropriated to the President to the Treasury Department in 1968, for liquidation.
[2] Includes $6 million appropriation made in 1968 for 1967.

Balances available.—The balances of public enterprise funds are shown in table C–3. They are there divided between the balances which are accounted for as assets of the funds, and the undrawn authorizations to obtain capital from the Treasury, to borrow, or (in two cases) to contract in excess of their cash availability.

In most cases, a large part of the balances are obligated or reserved—to pay loan commitments, purchase and construction contracts, or other obligations entered into but on which the other party has not yet required or earned the money. The balances include inactive "standby" authority for loans to the Federal Deposit Insurance Corporation, the home loan banks, and the Federal Savings and Loan Insurance Corporation.

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Table C–3. **BALANCES OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)**

Description	Cash balances in Treasury and U.S. securities as of June 30			Undrawn authorizations as of June 30		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Funds appropriated to the President:						
Economic assistance	2,978	2,786	2,960	199	-------	-------
Other	440	40	8	250	246	135
Department of Agriculture:						
Commodity Credit Corporation	64	50	50	4,403	3,940	4,417
Farmers Home Administration	891	1,434	1,723	131	261	171
Federal Crop Insurance Corporation	37	22	22	-------	-------	-------
Department of Commerce	32	47	72	-------	-------	-------
Department of Defense—Military	19	37	35	-------	-------	-------
Department of Defense—Civil (Panama Canal Company)	23	19	21	10	10	10
Department of Health, Education, and Welfare	316	385	420	-------	-------	-------
Department of Housing and Urban Development:						
College housing loan fund	87	88	87	1,109	2,685	2,978
Urban renewal fund	1,270	1,620	2,159	3,606	3,606	3,606
Low-rent public housing fund	112	120	154	1,500	1,496	1,500
Federal National Mortgage Association	163	666	1,019	5,719	5,796	6,477
Other	1,241	1,331	1,442	1,295	1,322	1,165
Department of the Interior	22	18	8	14	3	-------
Department of Labor	309	313	360	-------	-------	-------
Post Office Department	581	667	820	-------	-------	-------
Department of Transportation	5	18	18	15	11	3
Treasury Department	*	401	372	-------	-------	-------
General Services Administration	*	*	*	-------	-------	-------
Veterans Administration	1,342	1,800	2,003	196	85	-------
Other independent offices:						
Export-Import Bank	116	358	366	6,000	6,000	5,985
Farm Credit Administration	161	165	173	-------	-------	-------
Loans to Federal Deposit Insurance Corporation	-------	-------	-------	3,000	3,000	3,000
Federal Home Loan Bank Board:						
Loans to Federal home loan banks	-------	-------	-------	1,000	1,000	1,000
Federal Savings and Loan Insurance Corporation	1,733	2,130	2,529	750	750	750
Other	1	2	3	13	8	6
Small Business Administration	975	891	709	330	50	-------
Tennessee Valley Authority	77	95	104	1,233	1,105	935
United States Information Agency	5	6	6	1	*	*
Total	12,999	15,508	17,641	30,774	31,374	32,138

*Less than $500 thousand.

Trust Funds

The trust funds are administered in a fiduciary capacity by the Government. They are not included in the administrative budget totals, and transactions between the general fund and the trust funds are conducted "at arm's length"—that is, payments between them are reported as expenditures and receipts of the funds involved.

Outlays and receipts.—Trust fund outlays are estimated to be $47.2 billion in 1969, with receipts of $54.6 billion, as shown in table C–4. The transactions of the Federal old-age and survivors insurance fund are far larger than any other one fund.

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Table C–4. **OUTLAYS AND RECEIPTS OF TRUST FUNDS**

(In millions of dollars)

Description	Outlays			Receipts		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Funds to which receipts are appropriated:						
Federal old-age and survivors insurance trust fund	19,842	21,650	24,567	23,371	24,005	27,188
Federal disability insurance trust fund	2,071	2,268	2,617	2,332	2,838	3,655
Health insurance trust funds	3,411	5,064	5,770	4,373	5,751	6,827
Unemployment trust fund	2,868	3,163	3,088	4,072	4,119	4,095
Railroad retirement accounts	1,429	1,415	1,376	1,611	1,629	1,791
Federal employees retirement funds	2,091	2,133	2,262	3,105	3,452	3,638
Highway trust fund	3,973	4,219	4,203	4,455	4,379	4,805
Advances, foreign military sales	1,070	1,125	1,330	1,078	1,150	1,400
Veterans life insurance funds	970	638	559	736	752	744
Other trust funds (nonrevolving)	407	602	426	277	380	416
Trust revolving funds (table C–5)	1,143	2,310	990			
Subtotal	39,275	44,587	47,189	45,411	48,455	54,559
Interfund transactions	−686	−641	−720	−686	−641	−720
Total	38,589	43,946	46,469	44,725	47,814	53,839

When trust funds are consolidated with Federal funds, as in the unified comprehensive budget, appropriate deductions must be made for expenditures and receipts between the two groups of funds. The unified comprehensive budget also offsets some of the above receipts against expenditures.

The trust funds include a small group of trust revolving funds (see table C–5) which, like the public enterprise funds, are stated on a net basis in figures used elsewhere in the budget. The group includes the Federal Deposit Insurance Corporation, the three mixed-ownership enterprises, and several other business-type activities.

Table C–5. **TRANSACTIONS OF TRUST REVOLVING FUNDS**

(In millions of dollars)

Description	Gross outlays			Applicable receipts		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Federal intermediate credit banks	7,161	8,531	9,693	6,692	8,067	9,214
Banks for cooperatives	1,898	2,186	2,474	1,703	1,944	2,238
Federal National Mortgage Association	1,288	2,616	1,351	481	667	761
Civil Service Commission (employees' life insurance and health benefits)	604	960	1,209	692	1,045	1,300
Federal Deposit Insurance Corporation	19	14	18	258	275	292
All other trust revolving funds	62	65	115	62	64	65
Total trust revolving funds	11,031	14,370	14,860	9,887	12,061	13,870
Receipts from the public				(9,549)	(11,481)	(13,238)
Receipts from other accounts				(338)	(580)	(632)

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Balances available.—Trust fund balances, both open book balances with the Treasury and investments in U.S. securities are shown in table C–6. These balances are reserved to carry out the purposes of the trusts.

Table C–6. **TRUST FUND BALANCES (in millions of dollars)**

Description	As of June 30			
	1966 actual	1967 actual	1968 estimate	1969 estimate
Federal old-age and survivors insurance trust fund	19,872	23,401	25,756	28,377
Federal disability insurance trust fund	1,686	1,948	2,518	3,556
Health insurance trust funds	851	1,813	2,500	3,557
Unemployment trust fund	9,300	10,504	11,460	12,467
Railroad retirement accounts	4,181	4,363	4,577	4,991
Federal employees retirement funds	16,795	17,811	19,130	20,507
Highway trust fund	244	725	885	1,487
Advances, foreign military sales	754	762	787	857
Veterans life insurance funds	7,061	6,827	6,942	7,126
Other trust funds:				
Nonrevolving	815	684	461	450
Revolving	4,102	4,428	4,773	5,099
Subtotal	65,661	73,267	79,789	88,475
Agency debt issuances of trust funds held by other trust funds (—)		—646	—550	—450
Total	65,661	72,621	79,239	88,025

Note.—The balances shown here cover the amounts on deposit with Treasury, and the U.S. securities held. In addition, certain funds have authority to obligate in advance of receiving moneys, and to borrow from the public. The reconciliation is as follows:

	1966	*1967*	*1968*	*1969*
Balance available on an authorization basis	78,801	89,444	95,146	102,990
Unfinanced contract authorizations:				
Highway trust fund	—8,801	—9,267	—10,049	—10,548
Advances, foreign military sales	—1,974	—2,376	—2,576	—2,496
Other	—8	—12	—12	—2
Undrawn authorizations to borrow:				
Federal National Mortgage Association	—813	—3,934	—2,508	—2,049
Banks for Cooperatives	—1,267	—1,073	—878	—648
Federal Intermediate Credit Banks	—661	—380	—349	—393
Unappropriated receipts:				
Available as needed, on an indefinite basis	41	37	25	26
Available for appropriation by Congress:				
Soldiers' Home	108	107	108	108
Highway trust fund	235	721	882	1,487
Agency debt issuances of trust funds held by other trust funds		—646	—550	—450
Balance available on a cash basis	65,661	72,621	79,239	88,025

The trust fund balances are affected by the transactions as follows (in millions of dollars):

	1967	*1968*	*1969*
Balances, start of year	65,661	72,621	79,239
Receipts	44,725	47,814	53,839
Agency debt issuances (other than to other trust funds)	824	2,750	1,416
Total available	111,210	123,185	134,494
Outlays	38,589	43,946	46,469
Balances, end of year	72,621	79,239	88,025
Total application and balances	111,210	123,185	134,494

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Borrowing

Agency debt.—The Tennessee Valley Authority has authority to borrow $1,750 million from the public. The Federal Housing Administration has an indefinite authorization to issue short-term debentures in connection with its settlements. The three mixed-ownership trust revolving funds all have authority to issue their own debt instruments. A few funds in liquidation are retiring earlier debt issuances.

Agency borrowing also takes the form of the sale of participation certificates in which buyers are purchasing a share in a pool of Government-owned loans (see Special Analysis E).

Some Government enterprise debt is guaranteed by the Treasury; some is not formally guaranteed.

Some agency debt is issued to other enterprises or trust funds, rather than to the public, and in some cases another fund may purchase or sell agency debt on the market. Table C–7 separates the agency debt on the basis of net issuances and holdings, as between the public and the Government-administered funds.

Relation to Treasury borrowing.—The Treasury borrowing, often called the "public debt," includes both borrowing from the public and the issuance of debt instruments to trust funds and other Government-administered funds with balances available to invest.

In a number of cases, Government enterprises obtain capital by borrowing from the Treasury, which is usually directed by the law to use the proceeds of public debt receipts (that is, its borrowing) to supply the funds to the enterprise. The enterprise borrowing that takes this form is included in the capital section of the balance sheets in the budget appendix, and is not included in the phrase "agency debt" as used herein.

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Table C–7. **AGENCY DEBT ISSUANCES, NET (in millions of dollars)**

Description	Transactions			End 1969, estimate outstanding
	1967 actual	1968 estimate	1969 estimate	
Borrowing from the public:				
By public enterprise funds:				
Agriculture: Farmers Home Administration [1]	419	456	190	1,065
Health, Education, and Welfare:				
Office of Education [1]	70	68	----------	138
Public Health Service [1]	----------	10	----------	10
Housing and Urban Development:				
Federal Housing Administration [2]	67	57	68	538
Public facility loans [1]	56	54	54	164
College housing loans [1]	419	935	338	1,692
Housing for the elderly [1]	----------	40	46	86
Federal National Mortgage Association [1]	467	359	713	2,324
Treasury: Federal Farm Mortgage Corporation [2]	*	*	*	*
Veterans Administration [1]	121	456	341	1,893
Export-Import Bank [1]	779	865	608	3,637
Federal Home Loan Bank Board:				
Home Owners Loan Corporation [2]	*	*	*	*
Board revolving fund	----------	5	2	7
Small Business Administration [1]	293	143	−57	729
Tennessee Valley Authority	130	130	170	715
By trust funds:				
Federal National Mortgage Association	360	1,843	690	6,162
Banks for cooperatives	219	240	236	1,547
Federal intermediate credit banks	273	714	490	4,324
By general fund appropriation: Defense family housing	−77	−80	−83	1,872
Total, borrowing from the public	3,596	6,293	3,805	26,902
Borrowing from other funds:				
By public enterprise funds:				
Agriculture: Farmers Home Administration [1]	181	219	130	530
Health, Education, and Welfare:				
Office of Education [1]	30	32	----------	62
Public Health Service [1]	----------	5	----------	5
Housing and Urban Development:				
Federal Housing Administration [2]	−16	−1	−3	73
Public facility loans [1]	24	26	24	74
College housing loans [1]	181	450	149	780
Housing for the elderly [1]	----------	20	20	39
Federal National Mortgage Association [1]	224	197	351	772
Veterans Administration [1]	78	249	178	504
Small Business Administration [1]	157	102	44	303
Tennessee Valley Authority	2	−2	----------	----------
By trust funds:				
Federal National Mortgage Association	450	100	−100	450
Banks for cooperatives	−28	----------	----------	----------
Federal intermediate credit banks	196	−242	----------	----------
Total, borrowing from other funds	1,479	1,155	792	3,594
Total, agency debt issuances [3]	5,075	7,448	4,597	30,495

Note.—Excludes borrowing from the general fund. Negative figures represent net retirement of debt.

*Less than $500 thousand.

[1] Certificates of participation in loans.

[2] Guaranteed by the Treasury (except for a small part of the HOLC obligations).

[3] In addition, debt of the D.C. Armory Board is guaranteed by Treasury: 1967 actual, $0; 1968 estimate, $0; 1969 estimate, $0; outstanding, end of 1969, estimate, $20.

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Investments in U.S. Securities

The investment transactions of federally administered funds in the securities issued by the Government and its agencies are shown in table C–8.

Table C–8. **AGENCY INVESTMENTS IN U.S. SECURITIES (in millions of dollars)**

Description	Transactions			End 1969, estimate outstanding
	1967 actual	1968 estimate	1969 estimate	
Investment in public debt (issued by Treasury):				
By public enterprise funds:				
Agriculture: Farmers Home Administration	----------	250	----------	250
Commerce: Maritime Administration	1	1	7	13
Housing and Urban Development:				
Federal Housing Administration	57	91	106	749
Public Housing Administration	−8	−13	7	7
Federal National Mortgage Association	84	528	349	964
Export-Import Bank	82	−82	----------	----------
Federal Savings and Loan Insurance Corporation	212	396	397	2,521
Veterans Administration	54	60	60	362
By trust funds:				
Federal old-age and survivors insurance trust fund	3,438	1,934	2,372	25,652
Federal disability insurance trust fund	226	323	858	2,870
Federal supplementary medical insurance trust fund	479	−143	−19	317
Federal hospital insurance trust fund	406	862	1,070	3,124
Unemployment trust fund	778	770	917	11,718
Railroad retirement accounts	62	−21	254	4,364
Federal employees' funds	775	1,134	1,279	20,285
Highway trust fund	484	186	285	1,193
Veterans life insurance funds	−492	57	110	6,726
Federal Deposit Insurance Corporation	238	265	273	4,120
Bank for cooperatives	−1	−1	*	45
Federal intermediate credit banks	----------	8	11	128
All other	−32	49	45	166
Total, investments in public debt	6,840	6,654	8,382	85,573
Investment in agency debt:				
By public enterprise funds:				
Public Housing Administration	−3	----------	----------	----------
Federal Housing Administration	−12	−1	−3	73
Federal National Mortgage Association	−24	−51	----------	----------
By trust funds:				
Federal National Mortgage Association	*	----------	----------	----------
Veterans Administration	260	58	75	392
Federal hospital insurance trust fund	92	----------	----------	92
Federal old-age and survivors insurance trust fund	304	248	159	711
Federal disability insurance trust fund	70	240	159	469
Unemployment trust fund	379	173	84	636
Civil service retirement and disability fund	304	248	159	710
Railroad retirement accounts	111	240	159	510
Total, investments in agency debt [1]	1,479	1,155	792	3,594
Total, agency investments in U.S. securities	8,319	7,810	9,173	89,167

Note.—Negative figures represent net reduction of investments.
*Less than $500 thousand.
[1] Excludes purchases of securities of the privately-owned Federal land banks and Federal home loan banks. Such purchases are treated as a part of net lending to private enterprises.

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SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

The United States, unlike some other governments, includes in its budget those outlays which are for "capital" or investment-type activities on the same basis as other or "current" activities and costs. Nevertheless, for a complete understanding of budget programs and levels, it is useful to recognize a distinction between those outlays which yield benefits over a period of years and those providing benefits largely in the year in which they are made. Special Analysis D presents the budget data in a manner that makes this distinction, covering both Federal funds and trust funds.

In dividing budget outlays (i.e., including the expenditure account and the loan account) according to their character, two basic breakdowns are used:

First.—Investment-type outlays are considered to be (1) those which add to the financial or physical assets of the Federal Government or add to State, local, and private assets and (2) those which are for "intangible" investments or developmental purposes, such as education, training, health, and research and development. All other outlays are considered as mainly for current operations; they are divided among current expenses for aids and special services, retirement and social insurance benefits, and other services and current operating expenses. (In addition, some outlays which cannot be properly categorized are left "unclassified.")

Second.—In each category, outlays for national defense purposes are reported separately from those for all other, i.e., civil programs; this separation highlights both (1) the difficulty of definition—e.g., whether to treat military outlays such as procurement of "hardware" as additions to assets—and (2) the basic difference in nature between most military and civil programs.

The combination of Federal funds and trust funds in tables D–1 and D–2, in accordance with the new budget concepts used throughout the 1969 budget, inflates certain of the figures because payments between Government funds and accounts have the effect—over the long run—of causing certain outlays to be counted twice; therefore, a deduction is made at the end of the table to remove the double counting for interfund and intragovernmental transactions. A second deduction is required under the new concept for receipts from the public which are business-type or market-oriented in character, and which are therefore applied against expenditures.

Summary.—Excluding outlays for national defense, $31.4 billion of estimated outlays in 1969 are for activities which will directly or indirectly promote future gains in productivity and economic growth.

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CIVIL INVESTMENT AND DEVELOPMENTAL OUTLAYS (in billions of dollars)

Description	1964 actual	1967 actual	1968 estimate	1969 estimate
Additions to Federal assets:				
Loans and other financial investments	1.5	6.2	8.1	5.4
Physical assets:				
Major commodity inventories	−.4	−1.2	−.9	.1
Other	3.0	3.2	3.1	3.1
Additions to State, local, and private assets	5.1	5.7	6.6	6.9
Developmental outlays:				
Education, training, and health	1.6	6.2	7.9	8.8
Research and development:				
National Aeronautics and Space Administration	3.7	5.1	4.6	4.5
Other	1.4	1.9	2.2	2.4
Other developmental outlays	.1	.2	.3	.3
Total	16.2	27.3	31.9	31.4

Additions to Federal civil assets are estimated at $8.6 billion in 1969. This includes $5.4 billion in loans and financial investments for housing, farming, small business, and other purposes. It also includes $3.2 billion for physical assets of various types—such as civil public works, major equipment, and commodity inventories.

Another $6.9 billion of budget outlays in 1969 will help finance additions to State, local, and private assets such as highways, hospitals, schools, conservation projects, and a variety of public facilities.

Developmental outlays for civil purposes are estimated at $16 billion in 1969, compared with $13.5 billion in 1967 and $6.8 billion in 1964. Thus, the 1969 budget continues a trend begun several years ago toward emphasizing investment in human resources and scientific research and development. No less important than investment in physical assets, this type of investment helps promote the long-run growth of the Nation by expanding knowledge, enhancing occupational skills, increasing productivity, and encouraging technological development. Outlays for civil education, training, and health programs will be $8.8 billion in 1969. Another $6.9 billion will be for scientific research and development (including $4.5 billion for space programs), representing a major source of funds for all such activities undertaken in the United States.

Outlays of an Investment Nature

Outlays of an investment nature are divided into three categories: (1) additions to Federal assets; (2) additions to State, local, and private assets; and (3) developmental outlays.

Additions to Federal assets.—This category comprises additions to both financial and physical assets of the Federal Government.

The financial assets consist mainly of direct loans—for example, loans to finance private housing construction and encourage homeownership, to help small businesses, to finance college dormitory construction, to aid farm ownership and operation, to finance rural electric and telephone systems, and to promote economic development abroad. All Federal financial assets are covered, both loans and other financial

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investments which have been classified under the new budget concept in the expenditure account as well as loans in the loan account. (The specific distinction between the two types of loans is presented and discussed in Special Analysis E.) Other financial investments include the capital provided for certain international organizations and for supersonic aircraft development.

Additions to physical assets include expenditures for public works, such as dam construction, flood control projects, and Federal power systems. They also include changes in major commodity inventories and outlays for major equipment (including military equipment) and for the acquisition and improvement of real property and other physical assets.

Table D–1. **SUMMARY OF INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (in millions of dollars)**

	1967 actual	1968 estimate	1969 estimate
INVESTMENT-TYPE OUTLAYS			
Additions to Federal assets:			
Civil:			
Loans and other financial investments	6,207	8,062	5,398
Physical assets:			
Major commodity inventories	−1,230	−859	52
Other	3,173	3,094	3,102
National defense	21,993	23,743	24,242
Additions to State, local, and private assets:			
Civil	5,721	6,649	6,905
National defense	11	11	12
Developmental outlays:			
Civil	13,456	14,950	15,951
National defense	8,923	9,063	9,702
Subtotal, investment-type outlays:			
Civil	27,325	31,896	31,408
National defense	30,927	32,817	33,956
CURRENT OUTLAYS			
Current expenses for aids and special services:			
Civil	23,156	24,148	25,301
National defense	1,841	1,737	2,006
Retirement and social insurance benefits—civil	29,048	33,430	37,783
Other services and current operating expenses:			
Civil:			
Interest	13,524	14,497	15,349
Other	4,208	4,606	4,779
National defense	39,030	43,427	45,478
UNCLASSIFIED ITEMS			
Payments to other funds	657	573	663
Allowances:			
Civilian and military pay increase			1,600
Contingencies		100	350
Undistributed intragovernmental payments:			
Government contribution for employee retirement (−)	−1,735	−1,913	−2,007
Interest received by trust funds (−)	−2,268	−2,639	−3,017
Interfund and intragovernmental transactions (−)	−2,585	−2,863	−3,217
Applicable receipts from the public (−)	−4,713	−4,181	−4,375
Total budget outlays	158,414	175,635	186,062

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Additions to State, local, and private assets.—Federal outlays under this heading add to State, local, and private assets. Grants-in-aid which augment the physical assets of State and local governments are primarily for the construction of highways (mainly through the highway trust fund), hospitals, airports, waste-treatment works, watershed protection projects, schools in federally affected areas, and public facilities under regional economic development programs for depressed regions.

Outlays which increase the value of privately owned assets are largely for the conservation and improvement of private farmland and water, for grants for construction of private nonprofit hospitals and other health facilities, and for construction subsidies to the merchant fleet.

Developmental outlays.—Federal outlays of this type are principally for research and development, education and health, and other programs which increase the Nation's fund of knowledge and technical skills and improve the physical vigor of the population. The total of Federal outlays shown in this category does not fully reflect the Government's contribution to the productivity of the economy, since it excludes loans and additions to physical assets, as well as certain other programs which further this end. The latter are classified in accordance with their principal purpose; thus, veterans educational benefits are listed as veterans aids rather than as developmental outlays. Similarly, the training of military personnel or other Government personnel is treated as an operating expense and not as part of the Government's education and training programs.

Outlays of a Current Nature

Outlays of a current nature are divided into the following categories: (1) current expenses for aids and special services, (2) retirement and social insurance benefits, and (3) other services and current operating expenses.

Current outlays for aids and special services.—Outlays classified under this heading provide aids or special services to certain groups—mainly in the year in which the outlays are made. In addition to such items as realized losses of the Commodity Credit Corporation on its farm programs, maritime operating subsidies, veterans pensions, and grants to foreign nations for economic and military assistance, this category includes (1) administrative and other operating expenses attributable to investment-type programs which benefit specific groups, and (2) the costs of maintaining the physical assets related to those programs.

Only part of the Federal Government's aid to special groups is reflected in this classification, which is limited by definition to current expenses. For example, subsidies for the construction of private merchant ships are classified as additions to private assets. Similarly, outlays for which the Federal Government receives assets or collateral (as the acquisition of farm commodities by the Commodity Credit Corporation) are treated as additions to Federal assets. Many indirect Government aids are excluded from this classification either because

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they are not reflected in outlays or cannot be readily measured. Examples of such indirect benefits include low interest rates on some loans and certain preferential tax treatments.

Although outlays in this category essentially provide a direct aid or special service yielding immediate benefits, some of the items included contribute indirectly to the Nation's future development. Among these are grants for slum clearance and urban renewal.

Retirement and social insurance benefits.—This category applies only to trust funds. It covers benefit programs which (1) are financed from special taxes or contributions and (2) provide insurance against the loss of income due to unemployment, retirement, disability, or death. It does not include outlays for Government employees' health and life insurance expenditures which are in the form of premium payments to approved companies.

Other services and current operating outlays.—The outlays reported under this heading support a wide range of activities. They consist mainly of: pay and subsistence of military personnel; repair, maintenance, and operation of physical assets of the national military establishment and general purpose public buildings; conduct of foreign affairs; tax collection; payment of interest on the national debt; and operation and administration of other direct Federal programs not elsewhere classified.

Unclassified

Certain transactions cannot be properly classified into any of the categories described above. The major examples of such transactions include special allowances for (1) the second stage of the pay increase enacted in 1967 for Government personnel and (2) unforeseen contingencies. They also include transactions which occur entirely within Government accounts and which therefore do not result in any flow of funds between the public and the Government. In addition, under the new budget concept, receipts from the public arising from market-oriented or business-type activities of the Government are applied against outlays to highlight the *net* impact of the budget.

Relationship to Capital Budget

The U.S. Government does not produce a capital budget in the sense of a long-range program for the acquisition of assets, with separate financing of capital outlays. Some foreign governments and some State and local governments fund a portion of their capital expenditures by separate borrowing and exclude most or all such expenditures from their computation of budget totals, except for annual charges to amortize these capital outlays over a number of years.

While not a precise measure of the difference between capital and current items, this analysis does provide useful general magnitudes. However, it does not make any allowance for depreciation and obsolescence on existing physical assets, anticipated losses on loan programs, or profit or loss on sales of assets at figures different from their book value, although agencies record such allowances for transactions only

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where the data will serve program and management needs, as in the case of the public enterprise funds. As a result, it is not possible to determine directly from this analysis the net addition to the value of federally owned assets.

Recoverability of outlays.—In general, Government outlays for assets are not expected to be recovered by specific revenues. However, most loans, investment in commodity inventories, the construction of powerplants, and outlays for range and forest improvements on public domain and national forest lands are offset in whole or in part by receipts to the Treasury through repayments and sales, specific charges, or recoveries. Where activities are carried on through revolving funds, such as in the case of most loan programs, receipts are credited directly against disbursements and only the difference is included in the total of outlays in the budget and in this analysis. All other receipts from the public arising from market-oriented or business-type activities of the Government are offset against total outlays.

Whether recovered by specific revenues or not, investment and developmental outlays for both physical and human capital add to the wealth and income of the Nation and, by helping to expand the tax base, augment the Government's potential future revenues. However, this analysis does not attempt to measure the degree of recoverability of developmental outlays, the potential gain in public revenues which will be forthcoming from them, nor the duration of future benefits and their discounted present value.

Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS**

(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays			
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Department of Agriculture:			
Commodity Credit Corporation: Price support and related programs	−600	157	−546
Rural Electrification Administration	232	278	360
Farmers Home Administration:			
Emergency credit revolving fund	4	−29	−9
Agricultural credit insurance	−18	−79	−14
Rural housing insurance	42	−24	−3
Direct loans	14	36	21
Trust funds	*	−4	−2
Department of Commerce:			
Industrial development loans and guarantees	23	29	36
Other	−9	−8	−7
Department of Health, Education, and Welfare:			
Office of Education:			
Higher educational activities	41	75	73
Higher education facilities loans fund	7	20	27
Other	124	5	5
Public Health Service	33	43	45

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Loans—Continued			
Civil—Continued			
To domestic private borrowers—Continued			
Department of Health, Education, and Welfare—Con.			
Social Security Administration:			
Federal old-age and survivors insurance trust fund	114	----------	−114
Federal disability insurance trust fund	74	----------	−74
Other trust funds	15	----------	−15
Other	3	4	4
Department of Housing and Urban Development:			
Renewal and housing assistance:			
College housing loans	163	142	116
Housing for the elderly or handicapped	77	89	98
Other	5	17	19
Mortgage credit:			
Federal Housing Administration fund	17	62	113
Federal National Mortgage Association:			
Management and liquidating functions	421	367	52
Special assistance functions	109	639	410
Participation sales fund	147	----------	−179
Secondary market operations trust fund	831	2,012	643
Other	4	2	−1
Department of Labor: Unemployment trust fund	114	----------	−114
Veterans Administration:			
Veterans direct loans	53	66	82
Loan guarantee revolving fund	217	246	281
National service life insurance trust fund	133	55	−15
United States Government life insurance trust fund	82	−2	−85
Other	4	5	5
Civil Service Commission (trust fund)	114	----------	−114
Farm Credit Administration:			
Banks for cooperatives trust fund	193	249	238
Federal intermediate credit banks trust fund	478	500	533
Federal Home Loan Bank Board	44	−8	−20
Railroad Retirement Board (trust fund)	114	----------	−114
Small Business Administration:			
Disaster loan fund	−6	36	−13
Business loan and investment fund	74	78	114
Other agencies	45	20	5
Total, to domestic private borrowers, civil	3,534	5,077	1,845
To State and local governments:			
Department of Commerce: Economic development	7	24	30
Department of Health, Education, and Welfare:			
Higher educational activities	38	148	150
Other	59	15	18
Department of Housing and Urban Development:			
Renewal and housing assistance:			
Urban renewal fund	58	1	12
College housing loans	199	174	141
Other	11	20	−15
Metropolitan development:			
Public facility loans	56	41	50
Other	7	−3	−6

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Loans—Continued			
Civil—Continued			
To State and local governments—Continued			
General Services Administration:			
General Services Administration credit sales	2	−44	−40
Other	−4	−2	−1
Loans to District of Columbia	20	17	64
Other agencies	21	19	12
Total, to State and local governments, civil	473	411	416
To foreign borrowers:			
Funds appropriated to the President: Economic assistance	1,147	1,041	1,163
Department of Agriculture: Commodity Credit Corporation: Credit sales, Public Law 480	153	428	680
Export-Import Bank of Washington	540	716	675
Total, to foreign borrowers, civil	1,840	2,184	2,518
Total, loans, civil	5,847	7,673	4,778
National defense:			
To domestic private borrowers: other agencies	−3	−2	−4
To foreign borrowers:			
Funds appropriated to the President: Military assistance	----------	−20	6
Other agencies	----------	----------	11
Total, to foreign borrowers, national defense	----------	−20	17
Total, loans, national defense	−3	−22	14
Total, loans	5,844	7,651	4,792
Other financial investments—civil:			
Investments in quasi-public institutions, trust funds, and international institutions:			
Funds appropriated to the President:			
Economic assistance	61	54	44
Inter-American Development Bank	54	88	120
International Development Association	106	125	80
Other	10	10	10
Department of Housing and Urban Development: Federal National Mortgage Association	----------	20	28
Department of Transportation: Civil supersonic aircraft	145	100	351
Other agencies	−17	−8	−12
Total, investments in quasi-public institutions, trust funds and international institutions	360	389	620
Public works—sites and direct construction:			
Civil:			
Department of Agriculture:			
Forest protection and utilization	30	27	27
Forest roads and trails	70	94	80
Other [1]	26	43	46

[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Continued			
Civil—Continued			
Department of Defense—Civil:			
Corps of Engineers:			
Construction, general	974	942	854
Flood control, Mississippi River and tributaries	60	55	46
Trust funds	23	26	23
Other [1]	10	23	21
Department of Health, Education, and Welfare: Public Health Service and other [1]	46	68	91
Department of the Interior:			
Bureau of Indian Affairs:			
Construction	41	38	35
Other	16	20	20
National Park Service:			
Parkway and road construction	32	32	34
Other [1]	20	22	17
Bureau of Reclamation:			
Construction and rehabilitation	182	165	179
Upper Colorado River storage project	44	40	30
Other [1]	5	6	6
Bonneville Power Administration:			
Construction	104	113	115
Other [1]	2	2	1
Other	40	37	35
Post Office Department	43	42	88
Department of Transportation:			
Coast Guard: Acquisition, construction, and improvements	29	34	70
Federal Aviation Administration	62	79	102
Other	*	3	9
General Services Administration: Public buildings	239	214	172
National Aeronautics and Space Administration	289	160	76
Veterans Administration: Hospitals and other	60	59	66
Tennessee Valley Authority	183	249	263
Other agencies	122	114	103
Total, public works, civil	2,752	2,706	2,607
National defense:			
Department of Defense—Military	1,601	1,623	1,538
Atomic Energy Commission	130	161	245
Total, public works, national defense	1,731	1,784	1,783
Total, public works, sites and direct construction	4,483	4,489	4,391
Major commodity inventories:			
Civil:			
Department of Agriculture: Commodity Credit Corporation	−1,253	−884	31
Department of the Interior: Helium fund	23	26	21
Total, major commodity inventories, civil	−1,230	−859	52
National defense: Other agencies	9	12	8
Total, major commodity inventories	−1,221	−847	60

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS**
(In millions of dollars)—Continued

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Major equipment:			
Civil:			
Post Office Department	55	127	118
Department of Transportation:			
Coast Guard	72	66	65
Other	1	*	4
Other agencies	36	38	31
Total, major equipment, civil	163	231	218
National defense:			
Department of Defense—Military [1]	19,498	21,295	21,785
Atomic Energy Commission	152	150	165
Total, major equipment, national defense	19,650	21,445	21,950
Total, major equipment	19,813	21,675	22,168
Other physical assets—acquisition and improvement:			
Civil:			
Department of Agriculture [1]	54	57	60
Department of Housing and Urban Development	149	48	120
Department of the Interior:			
Land and water conservation	40	41	79
Other	42	34	34
Veterans Administration	−8	−29	−21
Other agencies [1]	−19	5	6
Total, other physical assets, civil	258	157	277
National defense: Atomic Energy Commission	606	524	488
Total, other physical assets—Acquisition and improvement	864	680	765
Total, additions to Federal assets	30,144	34,038	32,796
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets:			
Civil:			
Funds appropriated to the President:			
Appalachian regional redevelopment programs		127	219
Public works acceleration	19	12	
Department of Agriculture:			ffi
Watershed protection	54	60	50
Rural water and waste disposal grants	11	27	34
Other	29	24	28
Department of Commerce: Economic development:			
Development facilities and other	20	99	138
Appalachian development highway system	40		
Department of Defense—Civil: Corps of Engineers	12	26	69
Department of Health, Education, and Welfare:			
Office of Education:			
Higher educational activities	136	207	142
School assistance in federally affected areas	39	22	19
Vocational education	61	60	57

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
State and local assets—Continued			
Civil—Continued			
Department of Health, Education, and Welfare—Continued			
Public Health Service:			
Hospital construction activities	91	104	95
Construction of health educational facilities	21	63	65
Community mental health resources support	4	25	25
Other education and health	26	48	26
Department of Housing and Urban Development:			
Renewal and housing assistance: Grants for neighborhood facilities	1	15	32
Metropolitan development:			
Open space land programs	19	60	60
Grants for basic water and sewer facilities	6	90	130
Urban mass transportation	41	96	144
Other metropolitan development			3
Department of the Interior:			
Land and water conservation	22	56	74
Construction grants for waste treatment works and other	85	112	154
Other	9	16	28
Department of Transportation:			
Federal Aviation Administration	64	58	73
Federal Highway Administration:			
Highway trust fund	3,951	4,191	4,171
Forest highways	28		
State and community highway safety programs	1	26	70
Other [1]	11	2	6
Other agencies [1]	*	4	27
Total, State and local assets, civil	4,797	5,630	5,939
National defense: Other agencies [1]	10	10	12
Total, State and local assets	4,807	5,640	5,952
Private assets—civil:			
Department of Agriculture:			
Soil conservation	141	144	143
Agricultural stabilization and conservation	420	440	416
Other [1]	−7	−4	−4
Department of Commerce: Merchant ships	82	86	71
Department of Health, Education, and Welfare:			
Office of Education: Higher educational activities	58	89	61
Public Health Service:			
Construction of health educational facilities	8	25	25
Hospital construction activities	112	104	117
Grants for construction of health research facilities	37	37	37
Other education and health	13	17	22
National Science Foundation	58	60	52
Other agencies	2	21	25
Total, private assets, civil	924	1,019	966

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS**
(In millions of dollars)—Continued

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
Private assets—Continued			
National defense: Atomic Energy Commission trust fund	1	1	*
Total, private assets	925	1,020	967
Total, additions to State, local, and private assets	5,732	6,660	6,918
DEVELOPMENTAL OUTLAYS			
Education, training, and health:			
Civil:			
Funds appropriated to the President:			
Economic opportunity program	838	1,066	1,236
Appalachian regional development		1	1
Department of Agriculture: Extension service [1]	93	90	97
Department of Health, Education, and Welfare:			
Office of Education:			
Elementary and secondary educational activities	1,266	1,423	1,408
School assistance in federally affected areas	400	341	385
Higher educational activities	250	422	550
Vocational education	166	188	187
Libraries and community services	33	78	120
Defense educational activities	202	182	8
Educational improvement for the handicapped	24	34	55
Education professions development activities			57
Salaries and expenses	36	38	45
Other	33	53	77
Public Health Service:			
Comprehensive health planning and services	*	72	110
National Institutes of Health	61	73	90
Mental health research and services	93	122	95
Indian health activities	73	79	90
Health manpower education and utilization	1	47	90
Chronic diseases	60	57	17
Community health services	65	43	52
Air pollution	14	29	27
Communicable diseases	22	35	27
Community mental health resources support	*	15	25
Other [1]	211	192	157
Social and Rehabilitation Service:			
Grants to States for public assistance and medical assistance	1,173	1,761	2,121
Grants for rehabilitation services and facilities	207	298	364
Grants for maternal and child health and welfare	179	214	249
Rehabilitation research and training	31	40	42
Social services demonstrations training and projects			30
Other	24	34	43
Other [1]	23	40	69
Department of the Interior:			
Bureau of Indian Affairs: Education and welfare	96	95	121
Other	8	13	13
Department of Labor: Manpower Administration:			
Manpower development and training	275	444	430
Other	27	31	32

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D–2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
DEVELOPMENTAL OUTLAYS—Continued			
Education, training, and health—Continued			
Civil—Continued			
National Science Foundation	136	145	159
Other agencies [1]	42	56	71
Total, education, training, and health, civil	6,163	7,849	8,751
National defense: Atomic Energy Commission	18	17	18
Total, education, training, and health	6,181	7,866	8,769
Research and development:			
Civil:			
Funds appropriated to the President:			
Economic opportunity program	35	53	58
Other	9	10	10
Department of Agriculture:			
Agricultural Research Service	137	141	146
Cooperative State Research Service	56	58	62
Forest Service	38	39	42
Other [1]	22	22	21
Department of Commerce:			
National Bureau of Standards	26	25	27
Other	38	44	41
Department of Health, Education, and Welfare:			
Office of Education: Research, training, and other	66	84	91
Public Health Service:			
National Institutes of Health	795	841	908
Air pollution	16	24	53
Other	94	120	116
Social and Rehabilitation Service:			
Rehabilitation research and training	21	21	25
Other	15	22	34
Other	10	11	11
Department of the Interior:			
Geological Survey	32	34	36
Bureau of Mines [1]	30	34	35
Federal Water Pollution Control Administration	15	30	40
Other [1]	72	95	106
Department of Transportation:			
Federal Aviation Administration	46	44	40
Federal Highway Administration: Highway trust fund	23	27	31
Other transportation [1]	17	44	60
National Aeronautics and Space Administration [1]	5,131	4,641	4,496
Veterans Administration	44	45	48
National Science Foundation	209	240	257
Other agencies [1]	61	73	91
Total, research and development, civil	7,057	6,819	6,885
National defense:			
Department of Defense—Military:			
Military personnel	325	328	325
Operation and maintenance	44	50	2
Procurement	110	95	45
Research, development, test, and evaluation	7,160	7,200	7,800
Other	10	11	12

[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Investment-Type Outlays—Continued			
DEVELOPMENTAL OUTLAYS—Continued			
Research and development—Continued			
National defense—Continued			
Atomic Energy Commission	1,256	1,362	1,500
Total, research and development, national defense	8,905	9,046	9,684
Total, research and development	15,962	15,865	16,569
Engineering and natural resource surveys—civil:			
Department of Commerce	26	28	31
Department of Defense—Civil	22	29	31
Department of Housing and Urban Development	22	31	46
Department of the Interior:			
Geological Survey [1]	50	54	60
National Park Service	36	43	45
Other [1]	41	54	61
Other agencies [1]	40	44	41
Total, engineering and natural resource surveys	236	282	315
Total, developmental outlays	22,379	24,014	25,653
Current Outlays			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil:			
Department of Agriculture:			
Consumer and Marketing Service:			
Removal of surplus agricultural commodities	145	175	178
Other [1]	7	8	8
Foreign Agricultural Service	21	25	26
Agricultural Stabilization and Conservation Service:			
Expenses	132	140	144
Sugar Act	82	86	87
Other [1]	*	1	*
Commodity Credit Corporation and special export programs:			
Transfer to supplemental stockpile	33	25	1
Price support, and related programs	3,760	3,398	3,313
National Wool Act	35	64	63
Other	−9	−1	−2
Rural Electrification Administration [1]	12	13	13
Farmers Home Administration:			
Salaries and expenses	52	59	58
Direct loans and other [1]	−60		3
Other	62	88	77
Farm Credit Administration:			
Federal Intermediate Credit Banks trust fund	−11	−36	−54
Other [1]	1	−8	−2
Other agencies	7	5	4
Total, agriculture	4,269	4,040	3,918

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Business:			
Civil:			
Department of Commerce:			
Patent office	36	38	41
Maritime Administration:			
Ship operating subsidies and other	182	207	211
Federal ship mortgage insurance escrow trust fund	18	47	75
Other [1]	62	88	86
Department of Defense—Civil:			
Corps of Engineers—Operation and maintenance	115	140	150
Other	−21	−21	−20
Post Office Department	474	298	−94
Department of Transportation:			
Coast Guard: Navigation aids and other [1]	308	298	358
Federal Aviation Administration: Operations	513	554	597
Other [1]	2	20	7
Civil Aeronautics Board: Payments to air carriers	62	58	54
Small Business Administration:			
Business loan and investment fund	66	47	36
Other	16	22	16
Other agencies [1]	27	24	20
Total, business, civil	1,860	1,819	1,538
National defense: Funds appropriated to the President: Expansion of defense production	−102	22	146
Total, business	1,758	1,841	1,684
Labor—civil:			
Department of Health, Education, and Welfare: Work incentive activities		11	86
Department of Labor:			
Unemployment trust fund	584	620	664
Other	20	31	41
Other agencies	12	15	34
Total, labor	616	677	824
Homeowners and tenants—civil:			
Department of Housing and Urban Development:			
Renewal and housing assistance:			
Urban renewal	370	500	700
College housing loans	−4	17	69
Low-rent public housing program	257	280	335
Other	−3	14	16
Mortgage credit:			
Federal Housing Administration	−126	−149	−214
Secondary market operations trust fund	−24	−43	−25
Other	−16	5	39
Other	2	1	19
Federal Home Loan Bank Board	−201	−389	−380
Other agencies	3		
Total, homeowners and tenants	259	236	557

[1] Includes both Federal funds and trust funds.

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Table D–2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS**
(In millions of dollars)—Continued

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Veterans—civil:			
Department of Health, Education, and Welfare: Payments for military service credits	105	105	105
Veterans Administration:			
Compensation and pensions	4,302	4,606	4,654
Readjustment benefits	292	518	618
Medical care	1,272	1,336	1,413
General operating expenses	176	190	199
National Service Life Insurance trust fund	671	509	576
United States Government Life Insurance trust fund	84	75	83
Veterans reopened insurance fund	−34	−35	−35
Veterans special term insurance fund	−30	−30	−32
Other [1]	34	21	33
Other agencies [1]	38	40	41
Total, veterans	6,910	7,336	7,654
International aids:			
Civil:			
Funds appropriated to the President:			
Foreign economic assistance [1]	1,102	1,104	1,118
Peace Corps [1]	112	108	110
Department of Agriculture: Commodity Credit Corporation and special export programs:			
Credit sales, Public Law 480	917	462	322
Commodities disposed of and other costs incurred in connection with donations abroad and other	381	425	442
Export-Import Bank of Washington	−104	−144	−110
Other agencies	36	42	42
Total, international aids, civil	2,445	1,999	1,924
National defense:			
Funds appropriated to the President:			
Military assistance	873	570	519
Advances, military assistance trust fund	1,070	1,125	1,330
Department of Defense—Military: Construction	----------	20	25
Other agencies	----------	----------	−14
Total, international aids, national defense	1,943	1,715	1,860
Total, international aids	4,388	3,714	3,784
Other aids and special services—civil:			
Funds appropriated to the President:			
Disaster relief	53	45	36
Economic opportunity program [1]	598	722	696
Appalachian regional development	----------	3	3
Department of Agriculture:			
Special milk program	96	102	102
Food stamp program	114	178	238
School lunch program	208	220	246
Department of Health, Education, and Welfare:			
Public Health Service:			
Hospitals and medical care	61	61	66
Other	42	43	35

* Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—civil—Continued			
Department of Health, Education, and Welfare—Continued			
Social and Rehabilitation Service:			
Grants to States for public assistance and maintenance payments	3,002	3,436	2,963
Coordination and development of programs for the aging	7	13	26
Assistance to refugees in the United States	27	29	34
Demonstration projects and training	----------	----------	558
Work incentive activities	----------	4	33
Other	8	9	31
Social Security Administration:			
Payment to trust funds for health insurance for the aged	950	1,280	1,360
Payment for special benefits for the aged	----------	----------	226
Federal supplementary medical insurance trust fund	135	139	164
Federal hospital insurance trust fund	89	83	94
Federal old-age and survivors insurance trust fund	333	452	443
Federal disability insurance trust fund	98	112	129
Other [1]	19	29	35
Department of Housing and Urban Development: Model cities programs and other	35	66	303
Department of the Interior:			
Bureau of Indian Affairs and other [1]	74	88	99
Indian tribal funds (trust)	174	140	119
Post Office Department	557	605	634
Department of Transportation:			
Federal Highway Administration:			
Landscaping, scenic enhancement, and beautification	22	73	78
Other [1]	4	14	20
Other [1]	3	8	11
Other agencies [1]	88	86	104
Total, other aids and special services, civil	6,797	8,041	8,886
Total, current expenses for aids and special services	24,999	25,885	27,309
RETIREMENT AND SOCIAL INSURANCE BENEFITS			
Insurance benefits—civil:			
Department of Health, Education, and Welfare:			
Federal supplementary medical insurance trust fund	664	1,473	1,656
Federal hospital insurance trust fund	2,508	3,369	3,865
Federal old-age and survivors insurance trust fund	18,886	20,742	23,711
Federal disability insurance trust fund	1,861	2,118	2,521
Railroad Retirement Board (trust fund)	1,257	1,328	1,392
Total, insurance benefits	25,176	29,030	33,145
Unemployment benefits—civil: Department of Labor: Unemployment trust fund	2,072	2,455	2,451

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
RETIREMENT AND SOCIAL INSURANCE BENEFITS—Con.			
Other retirement and social insurance benefits—civil:			
Civil Service Commission: Civil Service retirement and disability trust fund	1,789	1,932	2,174
Other trust funds	11	12	13
Total, other retirement and social insurance benefits	1,800	1,944	2,187
Total, retirement and social insurance benefits	29,048	33,430	37,783
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance and operation of physical assets (excluding special services):			
Civil:			
Department of Agriculture: Forest Service	192	195	175
Department of Defense—Civil: Corps of Engineers and other	63	88	98
Department of the Interior:			
Bureau of Land Management	36	42	32
National Park Service	27	31	35
Bureau of Reclamation	52	61	64
Other [1]	45	53	56
General Services Administration: Public buildings	283	301	309
Tennessee Valley Authority	−119	−172	−147
Other agencies [1]	41	41	38
Total, repair, maintenance and operation of physical assets, civil	622	641	661
National defense:			
Department of Defense—Military:			
Operation and maintenance	18,923	19,720	22,221
Family housing	151	152	158
Atomic Energy Commission	101	119	129
Other agencies	*	*	*
Total, repair, maintenance and operation of physical assets, national defense	19,175	19,991	22,508
Total, repair, maintenance and operation of physical assets	19,797	20,631	23,169
Regulation and control—civil:			
The Judiciary	87	94	101
Department of Agriculture:			
Agricultural Research Service	80	86	87
Consumer and Marketing Service:			
Protective, marketing, and regulatory programs	77	90	102
Expenses and refunds, inspection and grading of farm products trust fund	29	32	32
Other [1]	4	4	5
Department of Health, Education, and Welfare:			
Food and Drug Administration and other	48	51	52

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Regulation and control—civil—Continued			
Department of Justice:			
Legal activities and general administration	77	81	88
Federal Bureau of Investigation	185	195	206
Immigration and Naturalization Service	80	82	86
Bureau of Prisons [1]	55	58	61
Proposed legislation for control of crime		10	33
Department of Labor: Wage and labor standards and other	31	35	37
Department of Transportation:			
Coast Guard	36	37	44
Federal Aviation Administration	44	48	52
Other		5	6
Federal Deposit Insurance Corporation trust fund	−239	−261	−274
Interstate Commerce Commission	27	24	24
National Labor Relations Board	30	32	35
Other agencies [1]	138	145	160
Total, regulation and control	787	850	939
Other operation and administration:			
Civil:			
International activities:			
Department of Justice: Alien property trust fund	2	4	53
Department of State:			
Administration of foreign affairs [1]	201	211	220
International organizations and conferences [1]	108	118	124
Educational exchange [1]	49	47	47
Other [1]	11	7	3
Foreign Claims Settlement Commission: War claims trust fund and other	21	200	11
United States Information Agency	165	171	180
Other agencies [1]	14	26	20
Total, international activities	572	782	657
Federal financial activities:			
Legislative branch: General Accounting Office	49	54	58
Treasury Department:			
Bureau of Accounts	34	36	46
Bureau of Customs	79	82	89
Bureau of the Public Debt	52	53	61
Internal Revenue Service	662	688	760
Other	35	33	32
Other agencies [1]	5	5	5
Total, Federal financial activities	915	951	1,052
Other direct Federal programs:			
Legislative branch [1]	176	199	206
Department of Commerce:			
Environmental Science Services Administration	112	108	114
Other	12	9	9

[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS (In millions of dollars)—Continued**

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration—Continued			
Civil—Continued			
Other direct Federal programs—Continued			
Department of Defense—Civil	60	65	61
Treasury Department: Bureau of Accounts [1]	49	8	6
General Services Administration [1]	126	110	166
Civil Service Commission:			
Salaries and expenses and other	18	36	40
Civil Service retirement and disability trust fund	176	189	190
Employees life insurance fund trust fund	−69	−63	−68
Employees health benefits fund trust fund	−19	−21	−25
Other agencies [1]	50	63	69
Total, other direct Federal programs	691	705	767
Retirement, unemployment, and accident compensation for Federal employees:			
Department of Labor:			
Unemployment compensation for Federal employees and ex-servicemen	79	91	92
Employees compensation claims and expenses	57	56	53
Department of Transportation: Coast Guard: Retired pay	45	44	54
Civil Service Commission: Special payments and annuities	111	113	114
Other agencies	4	7	8
Total, retirement, unemployment, and accident compensation for Federal employees	295	311	322
Shared revenues and grants-in-aid:			
Department of Agriculture: Forest Service	43	45	48
Department of the Interior:			
Bureau of Land Management	71	73	72
Other	47	54	62
Treasury Department:			
Bureau of Customs	27	29	29
Internal Revenue Service	59	65	67
District of Columbia: Federal payment	58	81	81
Other agencies	21	21	22
Total, shared revenues and grants-in-aid	326	367	383
Total, other operation and administration, civil	2,800	3,116	3,180
National defense:			
Department of Defense—Military:			
Military personnel	19,462	21,472	22,445
Operation and maintenance	33	30	60
Family housing	265	290	302
Civil defense	78	69	61
Other [1]	−64	1,491	12
Selective Service System	58	61	64
Other agencies [1]	22	22	26
Total, other operation and administration, national defense	19,855	23,436	22,970
Total, other operation and administration	22,654	26,552	26,150

[1] Includes both Federal funds and trust funds.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS**
(In millions of dollars)—Continued

Description	1967 actual	1968 estimate	1969 estimate
Current Outlays—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Interest:			
On the public debt	13,391	14,350	15,200
Other interest:			
On refunds:			
Treasury Department	120	134	137
General Services Administration		*	*
On uninvested funds: Treasury Department	13	13	12
Total, other interest	133	147	149
Total, interest	13,524	14,497	15,349
Total, other services and current operating expenses	56,762	62,530	65,606
UNCLASSIFIED			
Payments to other funds [1]	657	573	663
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		100	350
Undistributed:			
Interfund and intragovernmental payments	−6,589	−7,415	−8,240
Applicable receipts from the public	−4,713	−4,181	−4,375
Total, budget outlays	158,414	175,635	186,062

*Less than $500 thousand.
[1] Includes both Federal funds and trust funds.

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SPECIAL ANALYSIS E

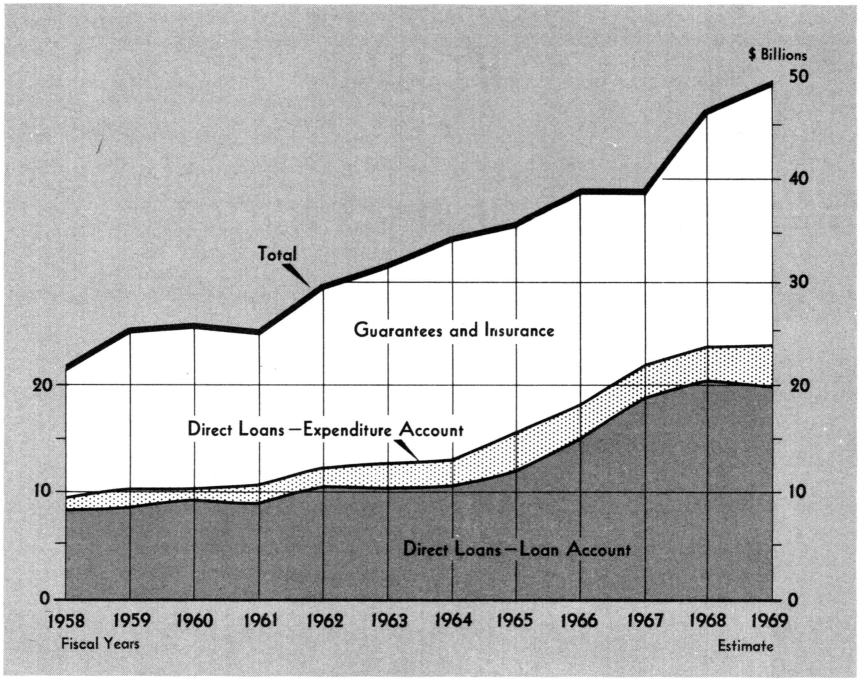
FEDERAL CREDIT PROGRAMS

Introduction

Federal credit aids—direct loans and insurance or guarantees of private loans—play a major role in Government programs for: (a) improvement of housing and encouragement of homeownership; (b) development of agricultural and other natural resources; (c) assistance to economic development and military preparedness abroad; (d) promotion of business, especially exports, transportation, and small business generally; (e) redevelopment of communities and regions; and (f) aid to higher education.

Federal Credit Programs

New Commitments



Over the past decade the overall level of Federal credit assistance has doubled, a rate of increase comparable to the rise in the gross national product. During the same period many existing programs have been broadened and new programs initiated to meet emerging needs. On the other hand, other programs established for temporary reasons in earlier years are liquidating their operations as outstanding

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loans are repaid or privately refinanced. Moreover, as private investors accumulate experience with ongoing programs, they often refinance outstanding Federal loans or directly finance the new credit requirements of borrowers.

Federal credit programs help borrowers to help themselves. In several programs, the credit aids are part of a package of Federal assistance. Such a package sometimes also includes, for example, grants to provide necessary public facilities for depressed areas; grants for work-training, education, and other types of community action to help combat poverty; technical aids to help underdeveloped countries plan and construct basic transportation systems; or management advice to help rural residents plan, develop and operate their farms economically and productively.

Scope of Special Analysis

This analysis (a) summarizes the 1967–1969 trends in Federal credit programs, (b) indicates the relationship between the credit programs and the overall budget totals, and (c) discusses certain subsidy aspects of credit programs.

The 1969 analysis includes for the first time information on the level and trends of all Federal credit programs. It comprises not only those operated by wholly owned Government agencies, but also those administered by mixed-ownership corporations and trust funds. Both currently active programs and programs in process of liquidation are included.

The principal disbursements and repayments of most, but not all of the direct Federal loans covered by this analysis are included in the loan account; the specific appropriation accounts which finance these programs are separately identified in Part 5. In addition, in line with the recommendations of the President's Commission on Budget Concepts, two specific types of direct loan programs, accounting for about 15% of new commitments, are reflected in the expenditure account; these programs comprise (a) foreign loans made largely on noncommercial terms, and (b) other loans where the terms of the loan contract make repayment in certain respects contingent rather than mandatory.

As in previous years, the analysis includes both direct Federal loans and Federal guarantees and insurance of loans made by private lenders. It excludes all borrowing operations of Federal agencies, whether from the Treasury or the public. Pursuant to the recommendations of the Commission on Budget Concepts, sales of certificates of participation in loans by the Export-Import Bank and by the Federal National Mortgage Association as trustee for several agencies are treated as borrowing. Sales and retirements of such certificates are shown in table E–6, but the transactions otherwise are excluded from the analysis.

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In addition, contrary to the practice followed in previous years, the analysis is confined to loans made and repayable in dollars and, therefore, excludes significant amounts of loans, mainly some of those made by the Agency for International Development, which are repayable in foreign currencies.[1] This exclusion facilitates reconciliation with other budget totals.

The 1969 analysis covers credit programs administered by nine departments and 10 other agencies. The estimates for 1968 and 1969 include credit aid authorized by legislation enacted during the past year.[2]

The analysis also reflects the impact on credit programs of proposed legislation (a) authorizing a new export expansion program by the Export-Import Bank; (b) broadening Federal assistance for existing programs of student loan insurance; (c) revising the formulas governing interest rates on college housing and academic facility loans; (d) authorizing a flexible ceiling for interest rates on insured or guaranteed housing loans; (e) accelerating the transfer of the secondary market operations of the Federal National Mortgage Association to private ownership; (f) creating two new cooperative banks for rural electric and telephone loans; (g) authorizing federally insured loans to Indians; and (h) extending authority to make credit sales of military equipment.

New Commitments

New commitments are the best single measure of the short-run trends in most Federal credit programs. They also give the best advance indication of trends in the financing impact of these programs, since changes in the level of new commitments usually precede corresponding changes in the volume of loans disbursed by either public agencies or private lenders and in the purchase of goods and services by the ultimate borrowers.

In this analysis, commitments are defined as approvals by Federal agencies of direct loans or of insurance or guarantees of private loans. They are shown on a gross basis, including administrative reservations, commitments which do not later result in actual credit extensions, and the unguaranteed portions of loans partially covered by Federal guarantees.

[1] Data on loans repayable in foreign currency is contained in table M–6 in Special Analysis M.
[2] See summary on pp. 527–528 for further details.

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Table E–1. **NEW COMMITMENTS FOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ASSISTANCE AND ACCOUNT** (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance	65	289	72	190	61	235
Economic assistance	1,190	59	996	315	1,459	303
Department of Agriculture: Commodity Credit Corporation	1,417	166	2,112	354	2,180	400
Department of Health, Education, and Welfare	220	.....	236	.....	248	.....
Other programs	7	.....	7	.....	7	.....
Total, expenditure account	2,899	514	3,422	859	3,955	938
LOAN ACCOUNT						
Office of Economic Opportunity	32	.....	29	.....	18	.....
Department of Agriculture:						
Commodity Credit Corporation	277	.....	161	.....	220	.....
Rural Electrification Administration	472	.....	470	.....	470	.....
Farmers Home Administration	505	822	458	817	435	870
Department of Commerce:						
Economic Development Administration	75	7	72	7	86	9
Maritime Administration	.....	104	.....	140	.....	166
Department of Health, Education, and and Welfare	209	.....	157	476	157	165
Department of Housing and Urban Development:						
Federal National Mortgage Association	2,436	.....	3,874	.....	1,651	.....
Federal Housing Administration	676	9,991	667	12,657	415	14,238
Public housing loans	23	443	52	985	67	1,265
College housing loans	300	.....	200	.....	300	.....
Urban renewal loans	177	777	211	869	214	886
Housing for the elderly loans	84	.....	85	.....	85	.....
Public facility loans	30	.....	50	.....	40	.....
Department of the Interior	24	8	29	6	17	11
General Services Administration	39	.....	.....	45	.....	.....
Veterans Administration:						
Housing loans and guarantees	529	2,831	539	4,005	592	4,350
Insurance policy loans	161	.....	155	.....	165	.....
District of Columbia	77	.....	119	.....	144	.....
Export-Import Bank	2,661	1,160	2,111	1,446	2,440	2,076
Farm Credit Administration:						
Banks for cooperatives	1,815	.....	2,101	.....	2,370	.....
Federal intermediate credit banks	6,999	.....	8,349	.....	9,481	.....
Federal Home Loan Bank Board	66	.....	12	.....	.....	.....
Small Business Administration	357	132	429	318	459	365
Other agencies or programs	28	96	17	12	12	8
Purchase of obligations of federally sponsored enterprises.	850	.....	.....	.....	.....	.....
Total loan account	18,903	16,371	20,346	21,783	19,840	24,408
Grand total	21,802	16,885	23,768	22,642	23,795	25,346

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Direct loans.—New commitments of $23.8 billion for direct loans in 1969 are unchanged from the revised estimates for 1968, but roughly $2 billion higher than the actual commitments made in 1967. Over the 2-year period, the largest increases are anticipated in short-term credit provided by the Federal intermediate credit banks and the Banks for Cooperatives in the loan account, and in commodity loans and long-term export sales credit by the Commodity Credit Corporation in the expenditure account. These three credit aids alone account for well over half of the direct loan commitments projected for 1969. On the other hand, mortgage purchase commitments by the Federal National Mortgage Association for the account of the Government are expected to be sharply lower, because legislation is proposed both to lift the statutory ceiling on interest rates, encouraging broader private credit extension, and to transfer the secondary market operations to private ownership.

Guarantees and insurance.—New commitments of $16.9 billion in 1967 for guarantees and insurance of private loans were at the lowest level since 1961. This was primarily attributable to the sharp decline in housing construction—aggravated by the unattractiveness of investment in federally insured or guaranteed loans at the fixed statutory ceilings on interest rates.

Total commitments, however, are expected to reach a record level of $25.3 billion in 1969. Increases in commitments for mortgage insurance by the Federal Housing Administration ($4.2 billion), and in housing loan guarantees by the Veterans Administration ($1.5 billion) account for the great bulk of the estimated expansion. Other substantial increases are anticipated in guarantees of foreign loans by the Export-Import Bank ($0.9 billion) and in low-rent housing loans underwritten in the public housing program ($0.8 billion).

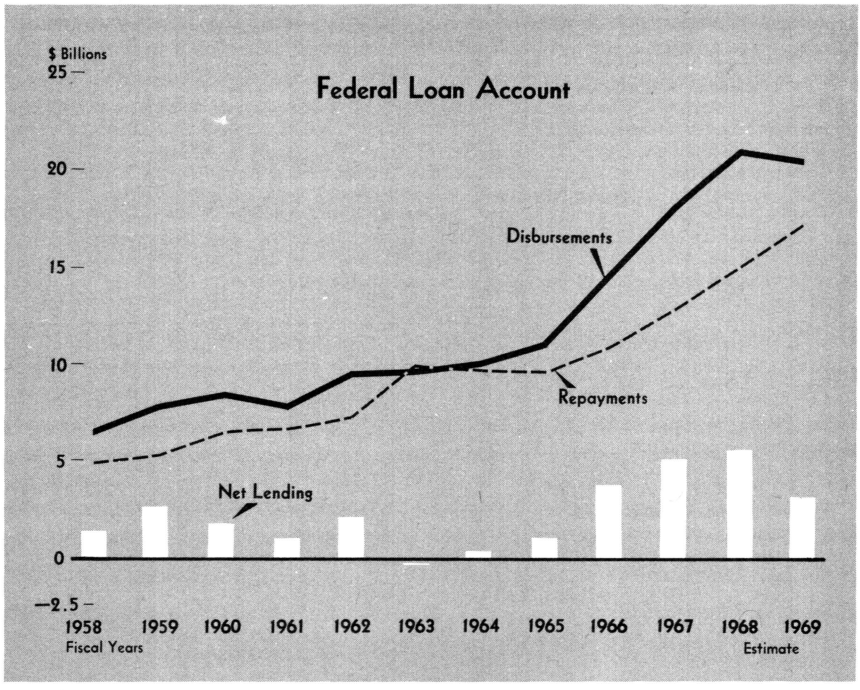
Disbursements and repayments.—Gross disbursements for direct loans have the most immediate impact on the budget. In long-established programs, or in programs involving short-term loans, however, the cash outflow required for such disbursements usually is largely or wholly offset by repayments on the outstanding portfolio of loans. This is true for most of the credit extensions by the Federal intermediate credit banks, the banks for cooperatives, the Farmers Home Administration and the Commodity Credit Corporation, as well as for the interim financing of public housing and urban renewal projects.

On the other hand, long-term loans, such as those to finance construction of college housing and academic facilities or rural electrification and telephone systems, as well as purchases of mortgages to help finance residential housing, have a major net impact on the budget, since repayments usually fall short of new loans. This is expecially true for rapidly expanding programs, such as the Export-Import Bank. Moreover, while in some previous years substantial sales of outstanding loans have augmented repayments, the current outlook is for sales of only $0.2 billion in 1968 and 1969.

Federal guarantees and insurance of private loans ordinarily have only minor and indirect budget consequences. Principal disbursements of Federal funds normally occur only when the borrower defaults, or

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in a few programs when holders of such insured loans exercise their repurchase options.



In accordance with the recommendations of the Commission on Budget Concepts, both the budget as a whole and this analysis segregate and treat separately net lending—the excess of principal disbursements over collections of all credit programs in the loan account. The gross data on disbursements are also adjusted to reflect writeoffs, losses, and recoveries. As a result, the net lending in any year equals the change between the loans outstanding in the loan account at the beginning of the year and the total outstanding at the year end.

The same principles are followed in deriving the gross and net loan expenditures for credit programs in the expenditure account. As a result, the net loan disbursements for all credit programs in the loan account and for most of the credit programs in the expenditure account are identical with the outlays shown as "loans" in the "additions to Federal assets" category in Special Analysis D.[1] The only exceptions are for those programs in the expenditure account not financed through revolving funds, where repayments are individually recorded in miscellaneous receipts, rather than netted against expenditures. Omission of these repayments in Special Analysis D causes the total of "additions to assets" in that analysis to exceed the net loan disbursements in this analysis by $467 million, $177 million, and $223 million in 1967, 1968 and 1969, respectively.

[1] See table D–2 on pp. 498–500.

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Table E–2. **DISBURSEMENTS AND REPAYMENTS FOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ACCOUNT (in millions of dollars)**

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance [1]	43	43	34	54	6	-------
Economic assistance	1,169	66	1,064	84	1,191	94
Department of Agriculture: Commodity Credit Corporation	1,376	2,085	2,072	1,458	2,140	2,030
Department of Health, Education, and Welfare	222	*	238	*	238	*
Treasury Department [1]	-------	416	-------	109	11	151
Other programs	14	12	8	14	5	14
Total, expenditure account	2,823	2,622	3,416	1,720	3,591	2,288
LOAN ACCOUNT						
Office of Economic Opportunity	32	8	29	12	18	15
Department of Agriculture:						
Commodity Credit Corporation	277	15	161	190	220	196
Rural Electrification Administration	412	180	470	192	550	190
Farmers Home Administration	1,231	1,188	1,426	1,526	1,352	1,358
Department of Commerce:						
Economic Development Administration	34	4	58	5	72	7
Maritime Administration	-------	9	-------	8	-------	8
Department of Health, Education, and Welfare	88	3	73	1	87	4
Department of Housing and Urban Development:						
Federal National Mortgage Association	1,766	405	3,513	495	1,669	564
Federal Housing Administration	662	641	658	594	405	292
Public housing loans	154	144	220	200	220	235
College housing loans	391	29	350	34	295	38
Urban renewal loans	607	543	470	453	475	444
Housing for the elderly loans	78	1	90	1	100	2
Public facility loans	59	3	45	4	54	4
Department of the Interior	28	3	26	4	16	4
General Services Administration	38	40	*	46	-------	41
Veterans Administration:						
Housing loans and guarantees	522	252	537	225	600	238
Insurance policy loans	146	85	155	97	165	101
District of Columbia	55	36	55	39	108	43
Export-Import Bank	1,167	627	1,645	929	1,680	1,005
Farm Credit Administration:						
Banks for cooperatives	1,815	1,622	2,101	1,852	2,370	2,132
Federal intermediate credit banks	6,999	6,520	8,349	7,849	9,481	8,948
Federal Home Loan Bank Board	53	9	12	20	-------	20
Small Business Administration	280	212	410	296	421	320
Other agencies or programs	45	33	17	20	12	16
Purchase of obligations of federally sponsored enterprises	850	-------	-------	-------	-------	882
Total, loan account	17,787	12,611	20,869	15,091	20,372	17,106
Grand total	20,610	15,233	24,285	16,811	23,963	19,394

*Less than $500 thousand.

[1] All 1969 transactions of the Foreign military sales fund are shown in a Treasury liquidation account.

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Over the 1957–66 decade, net lending for all Federal programs in the loan account ranged from a high of $3.8 billion in 1966 to a low in 1963 when repayments exceeded new loan disbursements by $0.1 billion. The actual net lending in 1967 and the net lending now estimated for 1968 is at record levels, $5.2 billion and $5.8 billion, respectively. A sharp cutback to $3.3 billion is now forecast for 1969. This reflects predominantly the $1.8 billion reduction in net mortgage purchases by the Federal National Mortgage Association.

Loan disbursements in the expenditure account also are expected to substantially exceed repayments—by $1.7 billion in 1968 and $1.3 billion in 1969. This is partly because most loans for foreign economic assistance permit deferment of principal repayments during the early years.

Outstanding Direct and Guaranteed Loans

The best index of the level of Federal credit programs over a period of years is provided by the total outstanding direct and guaranteed loans. By the close of 1969, these will amount to $156.9 billion in the loan account and an additional $19.4 billion in the expenditure account—or a gross total of $176.2 billion.

Outstanding direct loans in the loan account (including loans pooled as collateral for certificates of participation) will rise by an estimated $9 billion over the 2-year period—almost half of this because of the $4.1 billion increase in the total FNMA portfolio. Other major increases are estimated for the Export-Import Bank ($1.4 billion) and the Federal intermediate credit banks ($1 billion), as well as in college housing loans, VA housing loans, and REA loans.

An additional $3 billion rise is anticipated between 1967 and 1969 in the direct loan portfolios in the expenditure account. Most of this occurs in foreign assistance credits of the Agency for International Development, long-term export sales credit by the Commodity Credit Corporation, and repayable capital contributions to student loan funds by the Department of Health, Education, and Welfare.

Outstanding guaranteed and insured loans in both accounts will rise from a total of $99.5 billion at the end of 1967 to $117.1 billion in 1969. Housing loans insured by the Federal Housing Administration or guaranteed by the Veterans Administration or in the low-rent public housing program account for two-thirds of this increase. Other major increases are expected in loans insured by the Farmers Home Administration ($1.6 billion), the Export-Import Bank ($0.9 billion), the Commodity Credit Corporation ($0.7 billion), and the urban renewal program ($0.7 billion).

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a more complete picture of the economic impact of these programs and to tie in better with banking statistics. Thus, they do not indicate the estimated contingent liability of the Federal Government. The major program for which the contingent liability differs materially from the principal amount of the loans is the veterans loan guarantee program; by the end of 1969, the Government's liability will be $17.6 billion lower than the amount of guaranteed loans outstanding under that program.

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Table E-3. OUTSTANDING DIRECT LOANS, AND GUARANTEED AND INSURED LOANS FOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ACCOUNT (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance [1]	43	218	23	388	6	235
Economic assistance	6,074	237	7,055	552	8,152	854
Department of Agriculture: Commodity Credit Corporation	1,085	1,021	1,698	1,375	1,808	1,775
Department of Health, Education, and Welfare	959	.....	1,196	.....	1,434	.....
Treasury Department [1]	4,686	.....	4,577	.....	4,461	463
Other programs	184	.....	177	.....	168	.....
Total, expenditure account	13,031	1,476	14,727	2,315	16,030	3,327
LOAN ACCOUNT						
Office of Economic Opportunity	70	.....	87	.....	90	.....
Department of Agriculture:						
Commodity Credit Corporation	294	.....	265	.....	288	.....
Rural Electrification Administration	4,506	.....	4,785	.....	5,146	.....
Farmers Home Administration	2,229	1,636	2,129	2,505	2,123	3,260
Department of Commerce:						
Economic Development Administration	191	11	244	17	309	26
Maritime Administration	101	562	93	669	85	796
Department of Health, Education, and Welfare	164	.....	236	476	320	641
Department of Housing and Urban Development:						
Federal National Mortgage Association	7,403	.....	10,421	.....	11,527	.....
Federal Housing Administration	635	54,197	699	56,538	812	60,361
Public housing loans	68	5,772	88	6,394	73	7,299
College housing loans	2,606	.....	2,923	.....	3,180	.....
Urban renewal loans	286	1,921	304	2,271	335	2,609
Housing for the elderly loans	225	.....	314	.....	412	.....
Public facility loans	269	.....	310	.....	360	.....
Department of the Interior	170	12	192	16	203	25
General Services Administration	174	.....	128	45	87	25
Veterans Administration:						
Housing loans and guarantees	2,203	31,537	2,515	33,203	2,878	35,151
Insurance policy loans	756	.....	814	.....	878	.....
District of Columbia	180	.....	197	.....	261	.....
Export-Import Bank	4,151	1,790	4,868	1,904	5,543	2,727
Farm Credit Administration:						
Banks for cooperatives	1,302	.....	1,551	.....	1,790	.....
Federal intermediate credit banks	3,547	.....	4,047	.....	4,580	.....
Federal Home Loan Bank Board	149	.....	141	.....	121	.....
Small Business Administration	1,373	355	1,486	515	1,588	703
Other agencies or programs	88	232	85	203	81	188
Purchase of obligations of federally sponsored enterprises	882	.....	882	.....	.....	.....
Total, loan account	34,026	98,024	39,804	104,756	43,070	113,811
Grand total	47,057	99,500	54,531	107,071	59,100	117,138

[1] All 1969 transactions of the Foreign military sales fund are shown in a Treasury liquidating account.

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Interest Rates and Maturities

Two of the major ways in which Federal credit programs help achieve program objectives are by providing more favorable interest rates or maturities than many borrowers can obtain from other sources. Table E–4 summarizes the current range of interest rates charged by the various major credit programs on direct loans (or prevailing on insured or guaranteed loans) and the customary maturities for both direct and insured and guaranteed loans. These terms are on newly committed loans by currently active programs, and do not necessarily correspond to those on outstanding loans, or on loans covered by commitments made in earlier years.

Interest rates charged on direct loans vary both among the various Federal credit agencies and sometimes among the various types of loans made by a single agency. Many of the differences in rates reflect mainly differences in the cost of providing the loan (including the cost of borrowing the necessary funds), of administering the several types of loans and of incurring the varying degrees of risk of probable loss. In many cases, the rate charged is governed by statutory limits or formulas. Frequently, these are intended to assure loans at rates below those prevailing in the private market or below the cost to the Government, in order to provide special assistance to particular groups of borrowers as a method of accomplishing Federal program objectives. In some cases, the rates charged reflect mainly Government borrowing costs in earlier periods, rather than current market yields of Government obligations.

Interest rates charged on insured and guaranteed loans tend to correspond more closely to market rates of interest on comparable loans by private lenders—allowing for the reduction or removal of the normal private credit risk. In a few cases, however, interest rates on insured loans are set below the market rate and a secondary market is provided to assure the willingness of the private lender to originate the loans. The Federal Housing Administration, for example, was authorized in the Housing Act of 1961 to insure certain types of loans to finance moderate-income housing at rates well below those prevailing in the private market (currently 3%), and the Federal National Mortgage Association purchases all of such mortgages. In other cases, the Federal agency pays part of the interest costs necessary to obtain private financing, for example, for insured student loans made by private lenders under the Higher Education Act of 1965.

Maturities, both on direct and on insured or guaranteed loans, often are substantially more liberal than on private loans of similar types. Private lenders are often limited by law or supervisory policy to shorter maturities. When a Federal agency insures or guarantees the loans, however, these limitations customarily do not apply. Lenders can, safely, extend their loan maturities and borrowers can take advantage of lower periodic installments to acquire assets yielding income or tangible benefits over a long period of years.

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Table E–4. **INTEREST RATES AND MATURITIES FOR MAJOR ACTIVE CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM, DECEMBER 1967**

Agency or program	Direct loans		Guaranteed and insured loans	
	Interest rate (percent)	Maturity (years)	Interest rate (percent)	Maturity (years)
EXPENDITURE ACCOUNT				
Funds appropriated to the President:				
Military assistance	0–6	3–10	3½–6¼	4–10
Economic assistance	¾–5¾	5–40	6–7½	5–25
Department of Agriculture: Commodity Credit Corporation	[1] 3½	1–11	3½	½–1
Department of Health, Education, and Welfare	0–5⅛	[2]		
LOAN ACCOUNT				
Office of Economic Opportunity	4⅛	15–30		
Department of Agriculture:				
Commodity Credit Corporation	4–7	½–5		
Rural Electrification Administration	2	35		
Farmers Home Administration	3–5	1–50	4–6½	33–40
Department of Commerce:				
Economic Development Administration	4¼–4¾	5–40	6–8	5–10
Maritime Administration	6	9–25	6	25
Department of Health, Education, and Welfare	3–6	0–40	6	[2]
Department of Housing and Urban Development:				
Federal National Mortgage Association	3–6	25–40		
Federal Housing Administration	5¼–6	20–40	[3] 3–6	20–40
Public housing loans	2½–5½	0–40	2⅓–4⅗	½–40
College housing loans	3	40–50		
Urban renewal loans	2⅗–5¼	0–34	2⅗–5¼	½–34
Housing for the elderly loans	3	30–50		
Public facility loans	4¼–4½	10–40		
Department of the Interior: (Reclamation loans)	0–3¼	22–50		
General Services Administration	6	1–30		
Veterans Administration:				
Housing loans and guarantees	4–6¾	7–30	5¼–6¾	7–30
Insurance policy loans	4	[4]		
District of Columbia	0–5½	0–40		
Export-Import Bank	6	1¼–20	6–10	½–7
Farm Credit Administration:				
Banks for cooperatives	4¼–6	1–20		
Federal intermediate credit banks	4¼–6⅕	1–7		
Federal Home Loan Bank Board	4–7⅕	1–25		
Small Business Administration	3–5½	1–30	3–8	1–30

[1] When commodity loan is repaid by forfeiting collateral, no interest is charged.
[2] On student loans, maturities begin when student leaves school and exclude periods of military or Peace Corps service.
[3] In addition, property improvement loans are insured for 4–5% discount per year (equivalent to over 8% simple interest), and with maturities of 6 months to 7 years.
[4] Indefinite.

Unlike most other programs, Government outlays on credit programs are largely or wholly repayable with interest, so that the ultimate net cost is normally low. Some programs are fully self-supporting; in most others, income from interest payments or insurance and guarantee fees covers most of the current expenses, and sometimes provides reserves for future losses. But a substantial number of loan programs contain an element of subsidy, e.g., by

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lending at more favorable interest rates than the cost of money to the Government and/or at rates inadequate to defray the administrative expenses of the program or to establish an adequate reserve for probable future losses.

The Commission on Budget Concepts has recommended:

(a) "That the full amount of the interest subsidy on loans compared to Treasury borrowing costs be reflected and specifically disclosed in the expenditure account of the budget, and furthermore, that it be measured on a capitalized basis at the time the loans are made"; and

(b) "That effective measures be developed to reflect (in the expenditure rather than the loan account of the budget) the further subsidy involved in the fact that Federal loans have a larger element of risk than Treasury borrowing. This should be done by creation of allowances for losses and making appropriate credits to those allowances and charges to expense as new loans are extended."

As the Commission recognized, these recommendations will require extensive further study and consultation to develop the information and methods necessary to place them in force. While it is not possible in this budget to present reliable data on the amounts of "subsidy" involved, a preliminary review indicates that of the roughly $20 billion in new commitments for loans estimated for the fiscal year 1968 by loan programs in the loan account, three-fourths are being made at interest rates of 5% or higher. However, the great bulk of the estimated new commitments of $3.4 billion in direct loan commitments by programs in the expenditure account are made at lower rates of interest and/or with terms which give the borrower considerably greater option on the timing and extent of interest and/or principal payments.

Government-Sponsored Credit Programs

Three major groups of Government-sponsored, privately owned institutions administer credit programs. The operations of the Federal land banks and of the Federal home loan banks are not reflected in the budget totals, but detailed schedules and explanatory statements are printed as annexed budgets in Part III of the Appendix. The operations of the Federal Reserve banks have no direct effect on

Table E-5. **OUTSTANDING LOANS FOR MAJOR GOVERNMENT-SPONSORED CREDIT PROGRAMS** (in millions of dollars)

Agency	Outstanding at end of—			
	1966 actual	1967 actual	1968 estimate	1969 estimate
Farm Credit Administration: Federal land banks	4,725	5,304	6,069	6,860
Federal Home Loan Bank Board: Federal home loan banks	6,783	4,302	4,600	5,600
Federal Reserve, Board of Governors: Federal Reserve banks	530	204	(1)	(1)
Total	12,038	9,810	----------	----------

[1] Estimates are not available.

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budget totals, but payments of excess Federal Reserve profits are regularly made to the Treasury and these will continue to be treated as budget receipts in line with the recommendations of the Commission on Budget Concepts.

The Federal land banks anticipate a continued rapid expansion, amounting to $2.1 billion over the 3-year period, in outstanding loans made through the nearly 700 Federal land bank associations. The Federal home loan banks, after the rapid repayment of advances during 1967, now expect a net expansion of $1.3 billion in outstanding advances over the next 2 years. Outstanding discounts, advances, and acceptances of the Federal Reserve banks declined by $0.3 billion during 1967.

Certificates of Participation in Federal Loans

For several years the Export-Import Bank and the Federal National Mortgage Association, as trustee for five departments and agencies, have been pooling blocks of direct loans and selling certificates of participation in such pools. Receipts from these sales not only have provided private financing for the specific programs involved, but also under previous budget concepts have been treated as offsets to budget expenditures, comparable to the proceeds from direct sales of individual loans.

Table E–6. **SALES AND RETIREMENTS OF CERTIFICATES OF PARTICIPATION IN FEDERAL LOANS (in millions of dollars)**

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Sales	Retirements	Sales	Retirements	Sales	Retirements
Department of Agriculture: Farmers Home Administration	600	.....	675	.....	500	180
Department of Health, Education, and Welfare:						
Office of Education	100	.....	100	.....	.....	.....
Public Health Service	.....	.....	15	.....	.....	.....
Department of Housing and Urban Development:						
Federal National Mortgage Association	740	49	605	49	1,205	140
College housing loans	600	.....	1,385	.....	500	13
Housing for the elderly loans	.....	.....	60	.....	65	.....
Public facility loans	80	.....	80	.....	80	2
Veterans Administration	260	61	765	61	600	82
Small Business Administration	520	70	315	70	200	213
Subtotal, trusts administered by FNMA	2,900	180	4,000	180	3,150	630
Export-Import Bank	1,329	550	1,300	435	850	242
Total	4,229	730	5,300	615	4,000	872

In this budget, in accordance with the recommendations of the Commission on Budget Concepts, sales of participations are treated as means of financing the loan portfolio, i.e., agency borrowing, rather than sale of assets. Table E–6 summarizes the trends in sales and retirements for the six departments and agencies involved.

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Summary of Legislation Authorizing New and Broadened Federal Credit Programs

The following summary lists all legislation authorizing new Federal credit programs or revising existing programs in major respects enacted during the last session of Congress. It excludes simple extensions in expiring laws and increases in funds for continuing programs.

I. Department of State—Agency for International Development and Department of Defense

A. Foreign Assistance Act of 1967—Public Law 90–137

(1) Revises interest rates for Development Loan Fund and Alliance for Progress loans, and criteria for DLF loans; (2) revises standards for investment guarantees and basis for determining interest rates, (3) transfers the military sales fund at the end of the fiscal year 1968 from the Department of Defense to the Treasury Department to discharge outstanding liabilities and obligations arising out of previous credit sales agreements; and (4) limits guaranteed military sales credit extended in 1968 and terminates authorities for sales and guarantees as of June 30, 1968.

II. District of Columbia

A. District of Columbia Federal Payment Authorization and Borrowing Authority Act of 1967—Public Law 90–120

Provides broader and more flexible formula to govern Federal loan authorization to the D.C. General Fund (capital outlay).

B. Amendments to the Act of June 12, 1960—Public Law 90–84

Forgives half of outstanding debt on the Dulles Interceptor sewer line.

III. Farm Credit Administration

Amendments to the Federal Farm Loan Act and the Farm Credit Act of 1933—Public Law 90–204.

Removes statutory interest ceiling on loans made by Federal land banks and banks for cooperatives, and makes related adjustments in other interest rates.

IV. Small Business Administration and Office of Economic Opportunity

A. Small Business Act Amendments of 1967 and Small Business Investment Act Amendments of 1967—Public Law 90–104

(1) Increases maximum maturity of business loans for construction purposes to 15 years, and (2) liberalizes authority to purchase debentures of small business investment companies and establishes new interest formula on such debentures.

B. Economic Opportunity Amendments of 1967—Public Law 90–222

Revises standards for SBA loans to provide employment and investment incentives to small businesses in areas with high proportions of unemployed or low-income individuals or businesses owned by low-income individuals.

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V. Appalachian Regional Commission

A. Appalachian Regional Development Act Amendments of 1967—Public Law 90–103

Authorizes grants and loans with flexible interest and repayment requirements for expenses of planning and obtaining insured loans for low and moderate income housing construction in growth areas of Appalachian region.

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SPECIAL ANALYSIS F

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Recent substantial increases in civilian employment in the executive branch are attributable chiefly to support for Vietnam operations and to a large increase in mail volume. Because of the expected near stabilization of Vietnam defense requirements, the rise in civilian employees in fiscal 1969 is estimated to be substantially less than in 1968.

Full-Time Permanent Civilian Employment

Full-time permanent civilian employment is estimated to reach 2,687,500 by the end of 1969. Nearly one-half of these employees will work in the Defense Department, another one-fifth in the Post Office, and about 6% in the Veterans Administration. Thus, these three agencies account for nearly three-quarters of all permanent full-time employment in the executive branch.

Table F–1 outlines the estimated changes in civilian permanent full-time employment between 1968 and 1969. Of the total anticipated increase of 46,000, over 39% is for the Post Office to service a 3.8% increase in mail volume and a further substantial rise in the number of mailing addresses. Another 6%, or 3,000 employees, is for the Department of Defense to support operations in Vietnam.

The remaining increase is for providing a larger number of public services to a growing population and expanding economy. Ten agencies account for the bulk of these added employees:

(1) The Treasury Department, up 3,500, as the Internal Revenue Service will require an additional 2,700 persons to stay abreast of 112 million tax returns, up 3 million in 1969, and the Bureau of Customs expects a 7% increase in formal cargo entries.

(2) The Department of Health, Education, and Welfare, up 3,400, mainly because the number of claims processed for old-age and survivors insurance is expected to rise, and bills and claims received under the supplementary medical insurance plan are expected to increase by 3 million.

(3) The Department of the Interior, up 2,400, chiefly for teachers to educate Indians on reservations, for personnel to continue building and to operate new power facilities initiated in prior years, for work on water pollution control (including the staffing of new laboratories), and for accommodating a 9% increase in visitors to the National Parks.

(4) The Department of Transportation, up 1,900, largely for additional workload in the Federal Aviation Administration associated with increased aviation activity, illustrated by a 15% increase in landings and takeoffs at airports with FAA towers.

(5) The Veterans Administration, up 1,900, primarily to enlarge and improve hospital services and give better medical care.

300–000 O—68——34

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Table F-1. **SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH**

Agency	As of June			Increase, 1969 over 1968
	1967 actual	1968 estimate	1969 estimate	
Department of Defense, Military and military assistance	1,193,657	1,220,500	1,223,500	3,000
Post Office Department	528,254	550,600	568,400	17,800
Subtotal	1,721,911	1,771,100	1,791,900	20,800
Department of Agriculture	85,723	85,800	86,300	500
Department of Commerce	25,900	26,200	27,000	800
Department of Defense, Civil	31,980	32,200	32,600	400
Department of Health, Education, and Welfare	97,792	105,400	108,800	3,400
Department of Housing and Urban Development	14,250	14,800	16,200	1,400
Department of the Interior	60,606	61,100	63,500	2,400
Department of Justice	33,176	33,650	34,200	550
Department of Labor	9,461	9,700	10,700	1,000
Department of State	26,849	26,900	27,000	100
Agency for International Development	16,713	17,600	18,100	500
Peace Corps	1,240	1,400	1,600	200
Department of Transportation	55,187	57,700	59,600	1,900
Treasury Department	81,591	82,000	85,500	3,500
Atomic Energy Commission	7,013	7,150	7,300	150
General Services Administration	37,117	38,300	39,700	1,400
National Aeronautics and Space Administration	33,726	32,400	32,600	200
Veterans Administration	150,225	152,100	154,000	1,900
Other agencies:				
Selective Service System	7,085	7,200	6,900	—300
Small Business Administration	4,142	4,300	4,700	400
Tennessee Valley Authority	11,903	12,350	12,700	350
The Panama Canal	14,571	14,950	15,000	50
United States Information Agency	11,686	11,650	11,700	50
Miscellaneous agencies [1]	32,204	33,550	35,100	1,550
Subtotal	850,140	868,400	890,800	22,400
Allowance for contingencies	----------	2,400	4,800	2,400
Total	2,572,051	2,641,900	2,687,500	45,600

[1] Excludes member-employees of the Soldiers' Home.

(6) The Department of Housing and Urban Development, up 1,400, mainly covering an anticipated growth of 100,000 FHA mortgage insurance applications, and the new or expanded activities in the Model Cities, Public Housing, and Urban Renewal programs.

(7) The General Services Administration, up 1,400, mostly to handle the increased volume of supplies required for support of military operations in Southeast Asia, and for the operation and maintenance of 3 million square feet of new Federal buildings, construction of which will have been completed.

(8) The Labor Department, up 1,000, to administer an expanded Federal manpower program including full cost on-the-job training for the disadvantaged, short-term employability training, and support for State and local manpower program planning.

(9) The Commerce Department, up 800, largely for (a) a larger number of overseas commercial exhibitions in 1969 which are expected

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to boost sales of American products abroad, (b) a significant increase in weather observations and improved weather forecasting capability, and (c) a 4% increase in the disposition of patent applications.

(10) The Justice Department, up 550, mainly for crime control and civil rights activities of the FBI and the Department's attorneys, and for the expected 7 million additional inspections by the Immigration and Naturalization Service.

Total Federal Personnel

Employees in permanent full-time positions account for nearly 90% of total civilian employment in the executive branch. The remainder consists of part-time and intermittent workers, employed largely in projects of a special, temporary, or seasonal nature.

Total Federal Government employment also includes military personnel in the executive branch and employment in the legislative and judicial branches.

	As of June		
	1967 actual	*1968 estimate*	*1969 estimate*
Civilian employment in the executive branch: [1]			
Permanent full-time	2,572,051	2,641,900	2,687,500
Other than permanent full-time [2]	305,276	289,800	299,200
Military personnel:			
Department of Defense	3,374,436	3,487,510	3,474,589
Reimbursable details to other agencies	2,075	2,366	2,931
Department of Transportation (Coast Guard)	36,540	37,321	38,475
Total executive branch personnel	6,290,378	6,458,897	6,502,695
Legislative and judicial personnel	34,291		
Total	6,324,669		

[1] Excludes member-employees of the Soldiers' Home.
[2] Excludes summer workers under the President's Youth Opportunity Campaign and various merchant seamen on vessels under Federal shipping contracts.

Geographical Distribution of Employment

Table F–2 presents data on the geographical distribution of Federal employment. Most Federal employees—over 81%—work in the various States. Less than 11% are located in the Washington, D.,C. metropolitan area (including nearby Maryland and Virginia). Another 8% are in foreign countries and in U.S. territories and possessions.

Personnel Compensation and Benefits

Estimates of the Federal payroll and related costs are shown in table F–3. Direct compensation includes regular pay, Sunday pay, and special pay for overtime, holiday, and standby time; differentials for nightwork and overseas duty, flight and hazardous duty, etc. Related personnel benefits include the Government's share of Federal retirement and old-age, survivors', and disability insurance costs; employees' life insurance, health insurance and benefits, and similar payments; they also include cost-of-living and quarters allowances, uniform allowances (when paid in cash), and, in the case of the military personnel, they also include allowances for subsistence, reenlistment bonuses, and certain other cash payments.

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Table F–2. **FEDERAL CIVILIAN EMPLOYMENT BY GEOGRAPHICAL LOCATION (as of June 1967)**

Location	Total [1]	Location	Total [1]
Washington, D.C., metropolitan area	[2] 308,712	Oregon	22,806
Alabama	62,066	Pennsylvania	143,588
Alaska	14,834	Rhode Island	14,924
Arizona	24,864	South Carolina	29,665
Arkansas	16,502	South Dakota	9,267
California	306,351	Tennessee	40,388
Colorado	41,380	Texas	144,191
Connecticut	18,315	Utah	41,412
Delaware	4,232	Vermont	3,454
Florida	65,051	Virginia	[3] 81,162
Georgia	75,701	Washington	55,764
Hawaii	26,859	West Virginia	12,663
Idaho	7,717	Wisconsin	24,299
Illinois	113,761	Wyoming	4,658
Indiana	39,813	Undistributed	[4] −7,714
Iowa	17,933		
Kansas	21,746	Total United States	2,675,458
Kentucky	35,784		
Louisiana	28,664	Outside United States:	
Maine	16,955	Territories and possessions	35,728
Maryland	[3] 59,684	Foreign countries	200,432
Massachusetts	66,445		
Michigan	53,623	Total outside United States	236,160
Minnesota	29,738	U.S. citizens	(58,510)
Mississippi	19,822	Foreign nationals	[5] (177,650)
Missouri	63,822		
Montana	9,682	Total employment	2,911,618
Nebraska	15,515	Legislative and judicial	−34,291
Nevada	7,814		
New Hampshire	4,596	Total employment executive branch	2,877,327
New Jersey	66,091	Other than full-time permanent	−305,276
New Mexico	25,399		
New York	185,521	Total full-time permanent employment, executive branch	2,572,051
North Carolina	36,617		
North Dakota	7,576		
Ohio	100,148		
Oklahoma	55,598		

[1] Distribution by State is partially estimated.
[2] Includes employees of the executive branch and of the legislative and judicial branches.
[3] Excludes employment within the Washington, D.C., metropolitan area, which includes the District of Columbia, and the adjacent counties and cities in Maryland and Virginia.
[4] Includes various merchant seamen on vessels under Federal shipping contracts who are distributed by State of residence and member-employees of the Soldiers' Home.
[5] Excludes 120,383 foreign nationals working for Department of Defense under contract agreements, or other arrangements with foreign governments which provide for the furnishing of personal services.

The obligations to be incurred for civilian personnel compensation and benefits in 1969 are estimated at $25 billion.

Some of the personnel are employed by trust funds (such as old-age and survivors insurance) and some are employed by public enterprise funds (such as the Post Office). The cost of these employees, included in Table F–3, amounts to $7 billion.

Government pay scales for "blue collar" workers have for many years been subject to administrative adjustment to correspond to local prevailing rates in private industry. As wages in private industry advanced, Federal compensation for such workers also increased.

Pay for most other Federal workers has been set by statute. In

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December 1967, the Congress enacted pay legislation which authorizes the President, without additional congressional approval, to set salary rates consistent with the standards set forth in the 1962 Salary Reform Act.

Table F–3. **ESTIMATED PERSONNEL COMPENSATION AND BENEFITS**
(In millions of dollars)

Description	1967	1968	1969[1]
Total civilian personnel costs:			
Direct compensation	20,600	22,300	23,150
Personnel benefits	1,700	1,850	1,900
Total	22,300	24,150	25,050
MEMORANDUM			
Total military personnel costs:[2]			
Direct compensation	11,750	13,050	13,500
Personnel benefits	3,500	3,900	4,000
Total	15,250	16,950	17,500

[1] Excludes 1969 budget allowance of $1,600 million for military and civilian pay increases, to be effective July 1, 1968, under present law.
[2] Excludes Reserve components.

This legislation is designed to achieve, in three steps, comparability with private industry salary levels by July 1969.

The first step was effective retroactively to October 1967 and provided an increase of 6% for postal employees and an average increase of 4.5% for all others. The second step, which is to be effective in July 1968, provides a 5% increase for postal employees, and an increase for all others equal to one-half of the difference then existing between Government salaries and comparable private salaries for the same type of occupation. The third and final step will achieve full comparability in July 1969. The compensation figures in table F–3 reflect the first step in the series.

For 3 successive years, 1965–67, there has been no significant Government-wide change in the average grade of Classification Act employees. Apart from legislative changes in pay scales, average compensation for 1967 showed only a slight increase from 1966. This was due mostly to merited within-grade salary advancements and necessary reclassifications of new positions in certain agencies.

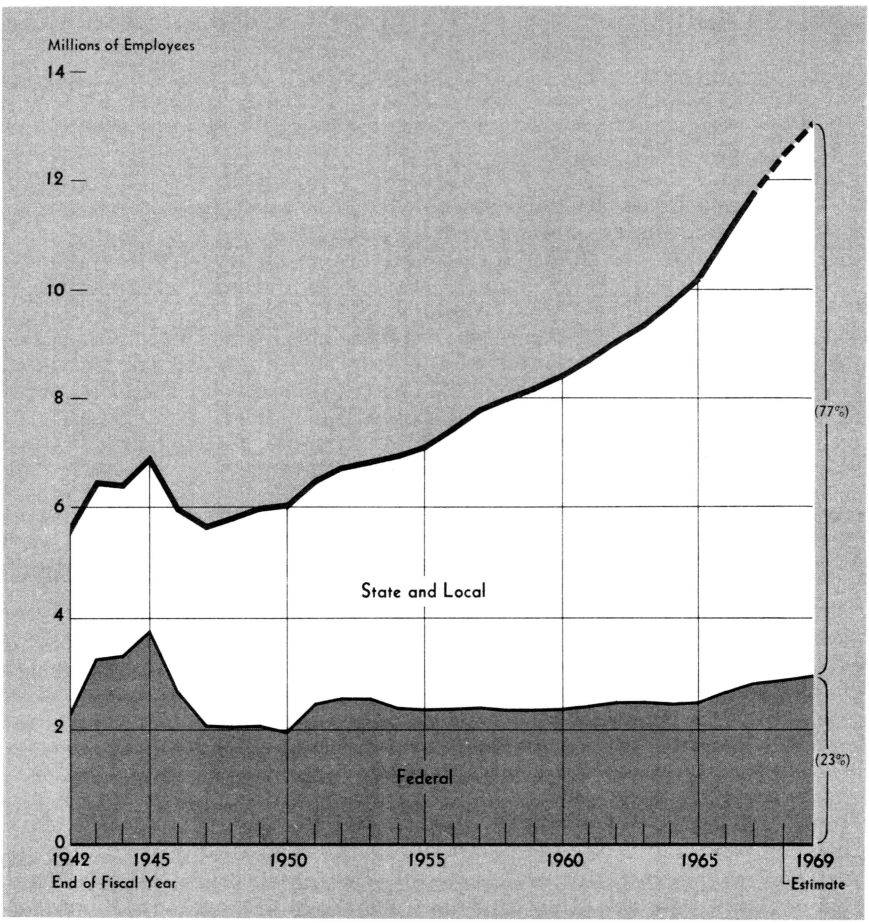
Trends in Numbers of Employees and Workload

The continued growth in population, in national income, and in economic activity, coupled with an increasing concern for the welfare of the poor and the elderly, has brought about a sharp rise in the volume of public services the Government is called upon to render. In 1969, for example, the participants in the food stamp program will rise 8%; establishments with Federal meat inspectors will increase by 78%; the number of pieces of mail delivered by the Post Office will be up 3.8% to 85 billion; the number of small business loans are expected to increase by 21%; complaint applications concerning monopolistic and unfair trade practices are projected to rise by 7%; air

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carrier rate and fare cases will rise by 16%; the number of radio and television stations regulated by the Federal Communications Commission will be up 5%; a 93% increase is expected in electric rate filings to the Federal Power Commission; the number of law enforcement investigations and cases completed by the Department of Justice is expected to rise by 5%; there will be a 20% increase in outlays by Federal manpower programs, mostly aimed at the disadvantaged in both urban and rural areas; the number of applications for motor carrier operating authority is expected to increase by 8%; a 7.5% increase is projected in unfair labor practice cases; and beneficiaries of the Social Security system will increase by 4%. The increase in staff needed to carry out the new programs and to accommodate the increasing demands for existing Government services has been estimated on the assumption that existing work methods can be improved with a resulting increase in productivity.

Government Civilian Employment



A historical comparison of total Federal civilian employment in the executive branch (including temporary and part-time employment) with employment by State and local governments and U.S. population for 1942–69 is shown in table F–4.

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Table F–4. GOVERNMENT EMPLOYMENT AND POPULATION, 1942–69

Year	Government employment				Population	
	Federal executive branch [1] (thousands)	State and local governments (thousands)	All governmental units (thousands)	Federal as percent of all governmental units	Total United States (thousands)	Federal employment per 1,000 population
1942	2,272	3,310	5,582	40.7	135,361	16.8
1943	3,274	3,184	6,458	50.7	137,250	23.9
1944	3,304	3,092	6,396	51.7	138,916	23.8
1945	3,787	3,104	6,891	55.0	140,468	27.0
1946	2,666	3,305	5,971	44.6	141,936	18.8
1947	2,082	3,568	5,650	36.8	144,698	14.4
1948	2,044	3,776	5,820	35.1	147,208	13.9
1949	2,075	3,906	5,981	34.7	149,767	13.9
1950	1,934	4,078	6,012	32.2	152,271	12.7
1951	2,456	4,031	6,487	37.9	154,878	15.9
1952	2,574	4,134	6,708	38.4	157,553	16.3
1953	2,532	4,282	6,814	37.2	160,184	15.8
1954	2,382	4,552	6,934	34.4	163,026	14.6
1955	2,371	4,728	7,099	33.4	165,931	14.3
1956	2,372	5,064	7,436	31.9	168,903	14.0
1957	2,391	5,380	7,771	30.8	171,984	13.9
1958	2,355	5,630	7,985	29.5	174,882	13.5
1959	2,355	5,806	8,161	28.9	177,830	13.2
1960	[2] 2,371	6,073	8,444	28.1	180,684	13.1
1961	2,407	6,295	8,702	27.7	183,756	13.1
1962	2,485	6,533	9,018	27.6	186,656	13.3
1963	[3] 2,490	6,834	9,324	26.7	189,417	13.1
1964	[3] 2,469	7,236	9,705	25.4	192,120	12.9
1965	2,496	7,700	10,196	24.5	194,592	12.8
1966	2,664	8,320	10,984	24.2	196,920	13.5
1967	2,877	8,898	11,775	24.4	199,118	14.4
1968 (estimated) [4]	2,932	----------	----------	23.8	----------	14.6
1969 (estimated) [4]	2,987	----------	----------	23.0	----------	14.7

[1] Covers total end-of-year employment in full-time permanent, temporary, part-time, and intermittent positions except for summer workers under the President's Youth Opportunity Campaign; member employees of the Soldiers' Home; and various merchant seamen on vessels under Federal shipping contracts:

	1967 actual	*1968 estimate*	*1969 estimate*
Youth Opportunity Campaign	82,923	83,000	83,000
Merchant seamen	7,464	6,500	6,400
Member-employees of the Soldiers' Home	250	250	260

[2] Includes piece-rate census workers employed for the decennial census.

[3] Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.

[4] An official projection of population and of State and local government employment for 1968 and 1969 is not available. The percentages and ratios shown for these years are consistent with a range of reasonable estimates based on recent trends in population and State and local employment.

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PART 7

HISTORICAL TABLES

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Table 15. **BUDGET RECEIPTS, OUTLAYS, FINANCING, AND DEBT, 1958–1969** (in millions of dollars)

Description	Actual										Estimate	
	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Receipts, expenditures, and net lending:												
Expenditure account:												
Receipts	79,617	79,048	92,481	94,393	99,656	106,578	112,702	116,855	130,901	149,391	155,830	178,108
Expenditures (excludes net lending)	81,177	89,693	90,385	96,717	104,660	111,465	118,122	116,718	130,740	153,238	169,856	182,797
Expenditure deficit (−)	−1,560	−10,645	2,096	−2,324	−5,004	−4,887	−5,420	137	161	−3,637	−14,026	−4,689
Loan account:												
Loan disbursements	6,520	7,859	8,310	7,869	9,621	9,646	10,237	10,911	14,628	17,787	20,869	20,372
Loan repayments	4,976	5,201	6,427	6,671	7,271	9,791	9,693	9,662	10,796	12,611	15,091	17,106
Net lending	1,544	2,659	1,882	1,198	2,351	−145	545	1,249	3,832	5,176	5,779	3,265
Total budget:												
Receipts	79,617	79,048	92,481	94,393	99,656	106,578	112,702	116,855	130,901	149,591	155,830	178,108
Expenditures and net lending	82,720	92,352	92,268	97,915	107,011	111,320	118,667	117,966	134,572	158,414	175,635	186,062
Budget deficit (−)	−3,103	−13,304	213	−3,522	−7,355	−4,742	−5,965	−1,111	−3,671	−8,823	−19,805	−7,954
Budget financing: [1]												
Borrowing from the public	6,607	8,331	1,777	1,143	9,453	5,971	2,978	3,953	6,031	3,551	20,840	8,000
Reduction in cash balances, etc	−3,504	4,973	−1,990	2,379	−2,098	−1,229	2,987	−2,842	−2,360	5,272	−1,035	−46
Total, budget financing	3,103	13,304	−213	3,522	7,355	4,742	5,965	1,111	3,671	8,823	19,805	7,954
Outstanding debt, end of year: [1]												
Gross amount outstanding	279,147	286,666	289,243	290,991	301,074	308,488	314,377	320,806	329,473	341,343	369,993	387,167
Held by the public	225,972	234,303	236,080	237,223	246,676	252,647	255,625	259,578	265,609	269,160	290,000	298,000

[1] Data represent results of preliminary adjustment to new budget concepts and may be revised later.

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Table 16. **BUDGET RECEIPTS BY SOURCE, 1958–1969** (in millions of dollars)

Description	Actual										Estimate	
	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Individual income taxes	34,724	36,719	40,715	41,338	45,571	47,588	48,697	48,792	55,446	61,526	67,700	80,900
Corporation income taxes	20,074	17,309	21,494	20,955	20,523	21,579	23,492	25,461	30,073	33,971	31,300	34,300
Employment taxes	8,624	8,821	11,248	12,679	12,835	14,746	16,959	17,358	20,662	27,823	29,730	34,154
Unemployment insurance	1,924	2,131	2,668	2,904	3,337	4,112	4,045	3,819	3,777	3,652	3,660	3,594
Premiums for insurance and retirement	682	769	768	866	873	944	1,006	1,079	1,126	1,853	2,049	2,275
Excise taxes	10,638	10,578	11,676	11,860	12,534	13,194	13,731	14,570	13,061	13,719	13,848	14,671
Estate and gift taxes	1,393	1,333	1,606	1,896	2,016	2,167	2,394	2,716	3,066	2,978	3,100	3,400
Customs	781	925	1,105	982	1,142	1,206	1,252	1,442	1,767	1,901	2,000	2,070
Other receipts	777	463	1,200	913	825	1,042	1,126	1,617	1,923	2,168	2,443	2,744
Total, budget receipts	79,617	79,048	92,481	94,393	99,656	106,578	112,702	116,855	130,901	149,591	155,830	178,108
MEMORANDUM												
(Excluded above; offset against expenditures)												
Interfund and intragovernmental transactions	4,119	5,330	5,309	6,508	5,654	7,099	6,655	6,761	7,592	6,588	7,415	8,241
Proprietary receipts from the public										4,948	4,430	4,617

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Table 17. **BUDGET OUTLAYS BY FUNCTION, 1958–1969** (in millions of dollars)

Description	Actual										Estimate	
	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Expenditures:												
050 National defense	44,461	46,667	45,848	47,532	51,179	52,275	53,682	49,586	56,771	70,095	76,491	79,792
150 International affairs and finance	2,912	2,790	3,310	3,242	4,034	4,279	4,434	4,196	4,343	4,110	4,330	4,478
250 Space research and technology	89	145	401	744	1,257	2,252	4,171	5,091	5,932	5,424	4,804	4,574
350 Agriculture and agricultural resources	2,541	4,718	2,893	2,877	3,491	4,398	4,545	4,032	2,764	3,156	4,412	4,474
400 Natural resources	1,203	1,233	1,084	1,626	1,736	1,607	2,042	2,140	2,167	2,113	2,416	2,483
500 Commerce and transportation	2,922	4,367	4,643	4,929	5,193	5,516	6,283	7,043	6,789	7,308	7,695	7,996
550 Housing and community development	−36	30	21	157	160	193	151	116	442	578	698	1,428
650 Health, labor, and welfare	15,763	18,019	19,105	22,368	23,963	25,677	27,201	28,143	33,194	39,512	46,396	51,945
700 Education	375	550	659	740	842	953	1,109	1,309	2,449	3,602	4,157	4,364
800 Veterans benefits and services	5,076	5,183	5,063	5,392	5,378	5,666	5,552	5,634	5,707	6,366	6,798	7,131
850 Interest	6,936	7,070	8,299	8,108	8,321	9,215	9,810	10,358	11,285	12,548	13,535	14,400
900 General government	1,010	1,159	1,332	1,508	1,653	1,799	2,072	2,231	2,316	2,452	2,618	2,827
Special allowances											100	1,950
Undistributed adjustments to amounts above	−2,076	−2,239	−2,272	−2,506	−2,547	−2,666	−2,931	−3,164	−3,421	−4,022	−4,591	−5,049
Total, expenditures	81,177	89,693	90,385	96,717	104,660	111,465	118,122	116,715	130,740	153,238	169,856	182,797
Net lending:												
050 National defense	1	−12	−7	−41	*	−64	−31	−3	−1	−3	−2	−4
150 International affairs and finance	433	418	−235	127	528	−95	−283	−21	100	540	716	675
350 Agriculture and agricultural resources	472	700	457	462	648	731	642	777	911	1,221	899	1,135
400 Natural resources	3	6	11	18	21	18	23	16	19	19	16	7
500 Commerce and transportation	56	71	27	74	193	145	139	275	193	138	158	125
550 Housing and community development	165	1,064	1,078	64	490	−1,012	−301	−147	1,984	1,708	3,257	1,355
650 Health, labor, and welfare				*	1	1	2	19	32	572	21	−538
700 Education	165	180	204	201	231	288	225	229	376	445	384	335
800 Veterans benefits and services	261	245	363	296	248	−146	129	88	214	532	370	211
900 General government	−12	−14	−15	−3	−8	−11	−1	16	5	2	−40	−37
Total, net lending	1,544	2,659	1,882	1,198	2,351	−145	545	1,249	3,832	5,176	5,779	3,265
Total, expenditures and net lending	**82,720**	**92,352**	**92,268**	**97,915**	**107,011**	**111,320**	**118,667**	**117,966**	**134,572**	**158,414**	**175,635**	**186,062**

*Less than $500 thousand.

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Table 18. FEDERAL TRANSACTIONS IN THE NATIONAL INCOME AND PRODUCT ACCOUNTS, 1958–1969

(Fiscal years. In billions of dollars)

Description	Actual										Estimate	
	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax	36.3	38.2	42.5	43.6	47.3	49.6	50.7	51.3	57.5	64.6	71.0	83.8
Corporate profits tax accruals	17.8	21.5	22.3	20.3	22.9	23.5	25.7	27.8	31.0	31.4	34.3	37.2
Indirect business tax and nontax accruals	11.6	11.9	13.2	13.3	14.2	15.0	15.6	16.9	15.8	15.9	17.1	18.1
Contributions for social insurance	12.2	13.8	16.7	18.1	19.9	22.1	23.5	24.5	28.6	35.7	38.7	43.4
Total receipts, national income basis	77.9	85.4	94.8	95.3	104.2	110.2	115.5	120.6	132.9	147.6	161.1	182.5
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	50.7	54.7	52.7	55.5	60.9	63.4	65.7	64.3	71.7	84.5	92.8	99.4
Defense	(44.8)	(46.4)	(45.0)	(46.7)	(50.5)	(50.4)	(50.9)	(48.8)	(54.5)	(67.6)	(74.4)	(78.8)
Nondefense	(5.9)	(8.3)	(7.8)	(8.9)	(10.4)	(13.0)	(14.7)	(15.5)	(17.3)	(16.9)	(18.4)	(20.6)
Transfer payments	19.5	21.6	22.4	25.6	27.2	28.5	29.5	30.4	34.1	39.8	44.9	49.9
Grants-in-aid to State and local governments	4.7	6.2	6.8	6.9	7.6	8.4	9.8	10.9	12.7	15.4	18.0	20.0
Net interest paid	5.7	5.9	7.0	6.8	6.8	7.5	8.1	8.5	9.0	10.1	10.7	11.2
Subsidies less current surplus of Government enterprises	2.5	2.4	2.3	3.2	3.8	3.6	3.8	4.1	4.5	5.3	4.6	4.5
Total expenditures, national income basis	83.1	90.9	91.3	98.0	106.4	111.4	116.9	118.3	131.9	155.1	171.1	185.0
Excess of receipts (+) or expenditures (−), national income basis	−5.1	−5.5	+3.5	−2.7	−2.1	−1.2	−1.4	+2.3	+.9	−7.5	−10.0	−2.5

Source.—Actual data for 1958–67 are based on the estimates prepared by the Department of Commerce. Data for 1968 and 1969 are based on estimates by the Bureau of the Budget in cooperation with the Department of Commerce.

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Table 19. **THE "ADMINISTRATIVE BUDGET" AND PUBLIC DEBT, 1789–1969 (in millions of dollars)**

Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year
	Receipts	Expenditures	Net	
1789–1849	1,160	1,090	+70	63
1850–1899	13,895	14,932	−1,037	1,437
1900	567	521	+46	1,263
1901	588	525	+63	1,222
1902	562	485	+77	1,178
1903	562	517	+45	1,159
1904	541	584	−43	1,136
1905	544	567	−23	1,132
1906	595	570	+25	1,143
1907	666	579	+87	1,147
1908	602	659	−57	1,178
1909	604	694	−89	1,148
1910	676	694	−18	1,147
1911	702	691	+11	1,154
1912	693	690	+3	1,194
1913	714	715	*	1,193
1914	725	725	*	1,188
1915	683	746	−63	1,191
1916	762	713	+48	1,225
1917	1,100	1,954	−853	2,976
1918	3,630	12,662	−9,032	12,455
1919	5,085	18,448	−13,363	25,485
1920	6,649	6,357	+291	24,299
1921	5,567	5,058	+509	23,977
1922	4,021	3,285	+736	22,963
1923	3,849	3,137	+713	22,350
1924	3,853	2,890	+963	21,251
1925	3,598	2,881	+717	20,516
1926	3,753	2,888	+865	19,643
1927	3,992	2,837	+1,155	18,512
1928	3,872	2,933	+939	17,604
1929	3,861	3,127	+734	16,931
1930	4,058	3,320	+738	16,185
1931	3,116	3,577	−462	16,801
1932	1,924	4,659	−2,735	19,487
1933	1,997	4,598	−2,602	22,539
1934	3,015	6,645	−3,630	27,734
1935	3,706	6,497	−2,791	32,824
1936	3,997	8,422	−4,425	38,497
1937	4,956	7,733	−2,777	41,089
1938	5,588	6,765	−1,177	42,018
1939	4,979	8,841	−3,862	45,890
1940	5,137	9,055	−3,918	48,497
1941	7,096	13,255	−6,195	55,332
1942	12,547	34,037	−21,490	76,991
1943	21,947	79,368	−57,420	140,796
1944	43,563	94,986	−51,423	202,626
1945	44,362	98,303	−53,941	259,115
1946	39,650	60,326	−20,676	269,898
1947	39,677	38,923	+754	258,376
1948	41,375	32,955	+8,419	252,366
1949	37,663	39,474	−1,811	252,798
1950	36,422	39,544	−3,122	257,377
1951	47,480	43,970	+3,510	255,251
1952	61,287	65,303	−4,017	259,151
1953	64,671	74,120	−9,449	266,123
1954	64,420	67,537	−3,117	271,341
1955	60,209	64,389	−4,180	274,418
1956	67,850	66,224	+1,626	272,825
1957	70,562	68,966	+1,596	270,634
1958	68,550	71,369	−2,819	276,444
1959	67,915	80,342	−12,427	284,817
1960	77,763	76,539	+1,224	286,471
1961	77,659	81,515	−3,856	289,211
1962	81,409	87,787	−6,378	298,645
1963	86,376	92,642	−6,266	306,466
1964	89,459	97,684	−8,226	312,526
1965	93,072	96,507	−3,435	317,864
1966	104,727	106,978	−2,251	320,369
1967	115,849	125,718	−9,869	326,733
1968 est.	118,575	137,182	−18,607	351,599
1969 est.	135,587	147,363	−11,776	363,540

*Less than $500 thousand.

Note.—This table is based upon the concept of the "administrative budget" used in prior budgets. The column headed "Net" was formerly identified as "Surplus" (+) or "Deficit" (−). The public debt column includes the public debt and the portion of agency debt, guaranteed by the Treasury, which is subject to the public debt limitation.

Certain interfund transactions are excluded from administrative budget receipts and expenditures starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from administrative budget receipts and expenditures starting in 1913; comparable data are not available for prior years.

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Table 20. **FEDERAL SECTOR OF THE NATIONAL INCOME AND PRODUCT ACCOUNTS, 1940–1968 (in billions of dollars)**

Fiscal year	Gross national product	Federal sector of the national income and product accounts					
		Receipts	Expenditures		Excess of receipts (+) or expenditures (−)	As a percent of GNP	
			Total	of which, purchases of goods and services		Total Federal expenditures	Federal purchases of goods and services
1940	95.0	7.6	9.1	5.3	−1.5	9.6	5.5
1941	109.4	12.1	13.4	9.6	−1.3	12.3	8.8
1942	139.2	19.6	33.6	29.9	−14.0	24.2	21.5
1943	177.5	28.9	76.8	72.3	−47.9	43.3	40.8
1944	201.9	43.1	91.3	85.6	−48.1	45.2	42.4
1945	216.8	43.0	98.2	89.7	−55.2	45.3	41.4
1946	201.6	38.4	55.5	40.1	−17.1	27.5	19.9
1947	219.8	42.7	29.5	13.0	+13.2	13.4	5.9
1948	243.5	43.6	30.9	13.2	+12.7	12.7	5.4
1949	260.0	40.0	39.6	19.3	+.4	15.2	7.4
1950	263.3	42.0	42.4	19.0	−.5	16.1	7.2
1951	310.5	60.8	44.6	25.1	+16.2	14.4	8.1
1952	337.2	65.1	66.0	46.6	−1.0	19.6	13.8
1953	358.9	69.3	75.8	56.1	−6.5	21.1	15.6
1954	362.1	65.8	74.2	53.2	−8.5	20.5	14.7
1955	378.6	67.2	67.3	43.9	−.1	17.8	11.6
1956	409.4	75.8	69.8	45.2	+6.0	17.0	11.0
1957	431.3	80.7	76.0	47.7	+4.7	17.6	11.1
1958	440.3	77.9	83.1	50.7	−5.1	18.9	11.5
1959	469.1	85.4	90.9	54.7	−5.5	19.4	11.7
1960	495.2	94.8	91.3	52.7	+3.5	18.4	10.6
1961	506.5	95.3	98.0	55.5	−2.7	19.3	11.0
1962	542.1	104.2	106.4	60.9	−2.1	19.6	11.2
1963	573.4	110.2	111.4	63.4	−1.2	19.4	11.1
1964	612.2	115.5	116.9	65.7	−1.4	19.1	10.7
1965	653.5	120.6	118.3	64.3	+2.3	18.1	9.8
1966	718.7	132.9	131.9	71.7	+.9	18.4	10.0
1967	763.1	147.6	155.1	84.5	−7.5	20.3	11.1
1968	817.0	161.1	171.1	92.8	−10.0	20.9	11.4

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Table 21. **FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1940–1968 (in billions of dollars)**

A. OLDER CONCEPTS OF FEDERAL FINANCES

Fiscal year	Gross national product	Administrative budget expenditures		Cash payments to the public		Public debt at end of year [1]	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1940	95.0	9.1	9.5	9.6	10.1	48.5	51.1
1941	109.4	13.3	12.1	14.0	12.8	55.3	50.6
1942	139.2	34.0	24.4	34.5	24.8	77.0	55.3
1943	177.5	79.4	44.7	78.9	44.5	140.8	79.3
1944	201.9	95.0	47.1	94.0	46.6	202.6	100.4
1945	216.8	98.3	45.3	95.2	43.9	259.1	119.5
1946	201.6	60.3	29.9	61.7	30.6	269.9	133.9
1947	219.8	38.9	17.7	36.9	16.8	258.4	117.5
1948	243.5	33.0	13.5	36.5	15.0	252.4	103.6
1949	260.0	39.5	15.2	40.6	15.6	252.8	97.2
1950	263.3	39.5	15.0	43.1	16.4	257.4	97.7
1951	310.5	44.0	14.2	45.8	14.7	255.3	82.2
1952	337.2	64.3	19.4	68.0	20.2	259.2	76.8
1953	358.9	74.1	20.7	76.8	21.4	266.1	74.1
1954	362.1	67.5	18.7	71.9	19.8	271.3	74.9
1955	378.6	64.4	17.0	70.5	18.6	274.4	72.5
1956	409.4	66.2	16.2	72.5	17.7	272.8	66.6
1957	431.3	69.0	16.0	80.0	18.5	270.6	62.7
1958	440.3	71.4	16.2	83.5	19.0	276.4	62.8
1959	469.1	80.3	17.1	94.8	20.2	284.8	60.7
1960	495.2	76.5	15.5	94.3	19.0	286.5	57.8
1961	506.5	81.5	16.1	99.5	19.7	289.2	57.1
1962	542.1	87.8	16.2	107.7	19.9	298.6	55.1
1963	573.4	92.6	16.2	113.8	19.8	306.5	53.4
1964	612.2	97.7	16.0	120.3	19.7	312.5	51.1
1965	653.5	96.5	14.8	122.4	18.8	317.9	48.8
1966	718.7	107.0	14.9	137.8	19.4	320.4	45.0
1967	763.1	125.7	16.5	155.1	20.3	326.7	42.8
1968 (estimate)	817.0	137.2	16.8	176.0	21.5	351.6	43.0

[1] Includes Government agency debt guaranteed by the U.S. Treasury, which is subject to the public debt limitation.

B. NEW CONCEPT OF FEDERAL FINANCES

	Budget expenditures and net lending				Federal debt at end of year			
	Total		of which, expenditures (excluding loans)		Total		Held by public	
	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	82.7	18.8	81.2	18.4	279.1	63.4	226.0	51.3
1959	92.4	19.7	89.7	19.1	286.7	61.1	234.3	49.9
1960	92.3	18.6	90.4	18.3	289.3	58.4	236.1	47.7
1961	97.9	19.3	96.7	19.1	291.0	57.5	237.2	46.8
1962	107.0	19.7	104.7	19.3	301.1	55.5	246.7	45.5
1963	111.3	19.4	111.5	19.4	308.5	53.8	252.6	44.1
1964	118.7	19.4	118.1	19.3	314.4	51.3	255.6	41.8
1965	118.0	18.1	116.7	17.9	320.8	49.1	259.6	39.7
1966	134.6	18.7	130.7	18.2	329.5	45.8	265.6	37.0
1967	158.4	20.8	153.2	20.1	341.3	44.7	269.2	35.3
1968 (estimate)	175.6	21.5	169.9	20.8	370.0	45.3	290.0	35.5

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