

**THE  
BUDGET  
OF THE  
UNITED STATES  
GOVERNMENT**

**FISCAL YEAR  
1980**

## **ADDENDA TO: THE BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 1980**

Page 515 of this volume is out of sequence and should follow page 517. The budget total for budget authority in 1979, shown on page 515 of this volume should be \$559,657,906,000 rather than \$559,557,906,000. The total for budget authority in 1979, including off-budget entities, that immediately follows should be \$574,975,157,000 rather than \$574,875,157,000.

## THE BUDGET DOCUMENTS

Data and analyses relating to the budget for 1980 are published in four documents:

*The Budget of the United States Government, 1980* contains the information that most users of the budget would normally need, including the Budget Message of the President. The *Budget* presents an overview of the President's budget proposals and includes explanations of spending programs in terms of national needs, agency missions, and basic programs, and an analysis of estimated receipts including a discussion of the President's tax program. This document also contains a description of the budget system and various summary tables on the budget as a whole. (Price \$4.25.)

*The Budget of the United States Government, 1980—Appendix* contains detailed information on the various appropriations and funds that comprise the budget. The *Appendix* contains more detailed information than any of the other budget documents. It includes for each agency: the proposed text of appropriation language, budget schedules for each account, explanations of the work to be performed and the funds needed, proposed general provisions applicable to the appropriations of entire agencies or groups of agencies and schedules of permanent positions. Supplementals, and rescission proposals for the current year, and new legislative proposals, are presented separately. Information is also provided on certain activities whose outlays are not part of the budget totals. (Price \$12.00.)

*Special Analyses, Budget of the United States Government, 1980* contains 12 special analyses that are designed to highlight specified program areas or provide other significant presentations of Federal budget data. This document includes analytical information about: alternative views of the budget, i.e., current services and national income accounts; economic and financial analyses of the budget covering Government finances and operations as a whole, and Government-wide program and financial information for Federal civil rights, environment, and research and development programs. (Price \$3.25.)

*The United States Budget in Brief, 1980* provides a more concise, less technical overview of the 1980 budget than the above volumes. Summary and historical tables on the Federal budget and debt are also provided, together with graphic displays. (Price \$2.00.)

Each of these documents is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (Paper covers only.)

### GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted.
2. Detail in the tables, text, and charts of this volume may not add to the totals because of rounding.

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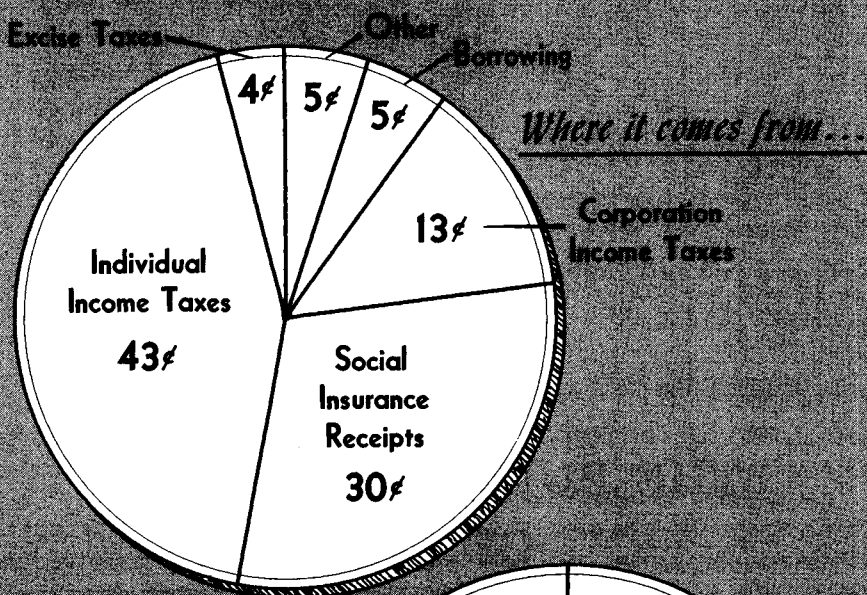
**PART 1**

**THE BUDGET MESSAGE  
OF THE  
PRESIDENT**

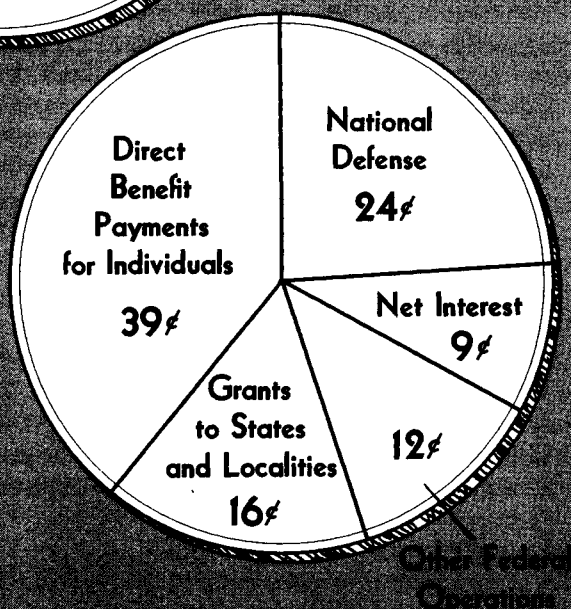
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# THE BUDGET DOLLAR

Fiscal Year 1980 Estimate



*Where it goes...*



## BUDGET MESSAGE OF THE PRESIDENT

*To the Congress of the United States:*

This budget for fiscal year 1980 is lean and austere. It recommends a spending level well below that suggested by the recent momentum of Federal spending. It will disappoint those who seek expanded Federal efforts across the board. It meets my commitment to a deficit of \$30 billion or less.

This policy of restraint is not a casual one. It is an imperative if we are to overcome the threat of accelerating inflation.

If that threat is realized, it would severely disrupt our economy and the well-being of our society. Americans with low and fixed incomes would suffer the most. Restraint would eventually become an inescapable necessity. But the longer we wait, the more severe and costly the inevitable restraint will be. By contrast, this budget supports a balanced fiscal policy. It is sufficiently restrained to ease inflationary pressures, but it will permit continued economic growth.

The Federal Government cannot overcome inflation by itself. Success will require cooperation from business, from labor, from consumers, from State and local governments—in short, from everyone. I have called for that cooperation as part of my anti-inflation program. However, only through its leadership and its example can the Federal Government secure this cooperation. This budget provides that leadership. It restrains Government's demand on the economy. At the same time, it makes the Federal dollar work harder and better.

The key to effective Federal leadership against inflation, unemployment, and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

- eliminating programs that are unworkable;
- improving programs to make them more effective;
- focusing assistance on the disadvantaged and the poor; and
- reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse, or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, an oppor-

tunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

#### THE BUDGET TOTALS

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget receipts .....	402	456	503	577	653
Budget outlays .....	451	493	532	578	615
Surplus or deficit (—) .....	—49	—37	—29	—1	38
Budget authority .....	502	560	616	651	696

My budget provides for total outlays in 1980 of \$532 billion, an increase of \$38 billion, or 7.7%, over 1979, and receipts of \$503 billion. For 1981 and 1982, it provides for total outlays of \$578 billion and \$615 billion, respectively. Budget outlays will decrease as a share of the Nation's gross national product from 22.1% in 1978 to 21.2% in 1980 and 20.3% in 1982. This reduction in the share of our national product spent by the Federal Government is a fundamental goal of my policy, equally as important as reducing the deficit.

The expenditures I recommend are specifically focused on overcoming our Nation's crucial problems. Through rigorous zero-base analyses, priorities have been established to help us get the best Government possible for the resources we can afford. Careful attention to efficiency and productivity will enable Federal managers to achieve our most important priorities with less money and fewer people.

The spending restraint in this budget means that in some areas the Government will simply not be able to do as much as it has in the past. Inevitably, real sacrifices must be made if we are to overcome inflation. In formulating this budget, I have made every effort to spread that burden fairly and objectively. Restraint has not been applied arbitrarily.

However, there are areas where we cannot make major reductions. I have sought to reconcile the need for extraordinary restrictions on Government spending with the need to maintain a strong defense; to implement a national energy policy; to assist people in need; and to continue important public services and investments.

First, as President, it is my central responsibility to ensure that our defense forces are strong enough to deter aggression. This budget does that.

In May of 1977 I met with our NATO allies and urged that we work together to strengthen our common defense. They are meeting the goal that we agreed upon. We must and will do our share.

In total, the 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security. At the same time, however, it restrains defense costs by introducing important economies in purchasing, supply management, and personnel costs and numbers.

Second, the 1980 budget recognizes the vital importance of energy to the Nation. Because of our dependence on foreign oil, we continue to be in danger of having supplies disrupted as they were 5 years ago. It is essential that we continue to move forward with an effective national energy program that will decrease our demand for foreign oil and protect against disruption of foreign oil supplies.

The 1980 budget provides for the continued buildup of the strategic petroleum reserve. It continues to assist in the development of technologies to tap our domestic energy resources more effectively. I have given special emphasis to developing advanced solar power technologies. The budget proposals give increased attention to more efficient use of uranium, to nuclear proliferation and environmental problems, and to effective measures to deal with nuclear waste.

Third, even when budget restraint is essential, we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my budget include adequate funds for programs that help those Americans most truly in need. To make these funds as effective as possible, the budget includes recommendations for adjustments in direct payment programs, better targeting of existing programs, and improved management so that funds are not wasted but go to the people for whom they were intended.

My administration is developing a national health plan. Consistent with the development of that plan, the budget emphasizes programs to address critical health needs. As early steps toward this plan, my proposals extend health services to 2 million more low-income children and pregnant women who cannot afford health care that they need, and bring new health care resources to people who live in medically-underserved areas. The budget includes new and expanded programs to reduce activities that cause ill health, such as drug and alcohol abuse, as well as to protect individuals and communities from pollution and other toxic sub-

stances; increased funding for mental health research; and expanded health-related services such as nutrition programs for low-income mothers and children.

I am again proposing legislation to contain the exorbitant nationwide rise in hospital costs. The 320% rise in these costs in the past 10 years has been a major inflationary force and an unacceptable drain on family incomes. The Congress *must* act on this problem.

Curbs on hospital costs will benefit State and local budgets—and those of private citizens—as well as the Federal budget. They will strike directly at inflation in a sector where price increases have been chronically high.

The budget recommends a number of changes in the social security system to streamline it and eliminate unnecessary benefit payments. They will reduce the future costs of this largest of all Federal programs—and, ultimately, hold down the taxes imposed on workers and employers. I will consider future social security tax reductions in conjunction with these savings.

In the past 2 years, total employment in the U.S. has increased by 7.4 million jobs. This is an average rate of 4.1% per year, one of the most rapid expansions in our history. The proportion of our civilian population employed is higher, at almost 60%, than it has ever been before. But despite these gains, unemployment, particularly among the disadvantaged and minorities, remains too high.

Continued high structural unemployment in an inflationary economy requires a redirection of our efforts. Programs targeted to employ the truly disadvantaged are continued at their current high levels as established by this administration. More general employment programs, not directed specifically to those most in need, must be reduced to reflect improvements in the economy and our need to establish priorities. Our youth employment and CETA programs reflect my continued strong commitment to fight unemployment of the needy. The employment tax credit enacted last year is encouraging the private sector to provide increased employment opportunities for the disadvantaged, primarily youth. This incentive will be reinforced by a private sector employment initiative, for which I am requesting a \$400 million supplemental appropriation for 1979.

This budget also provides strong support for economic development programs, and again proposes a National Development Bank to help fund these efforts. The budget provides for a 36% increase in assistance to minority business enterprises.

Finally, I believe that the Federal Government must lead the way in investing in the Nation's future. This budget, therefore, continues my policy of providing real growth in Federal support of basic research. This support amounts to a relatively small part of the total budget—\$4.6 billion in 1980—but it is vital to the future

of our Nation. The knowledge created through basic research holds the potential for breakthroughs to the solution of problems we face or may face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

\* \* \* \* \*

Meeting the essential needs of the Nation, while restraining growth in overall spending, makes efficient management not just desirable, but essential.

In 1977 I proposed—and the Congress approved—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities.

In 1978 I proposed—and the Congress approved—reorganizations of the Federal civil service system, emergency preparedness and disaster relief programs, civil rights enforcement, and the pension plan insurance system in order to make them more responsive and effective.

In 1979 I will resubmit my proposal to establish a Department of Education and propose further reorganization and consolidation in economic development assistance, natural resources management, and surface transportation.

For the second year, my budget reflects detailed, Government-wide, zero-base budgeting. Agency programs were explicitly ranked by priority, and programs were ranked across agencies, in a new interagency, zero-base budgeting process.

For the first time, the budget reflects the 3-year budget planning system I have instituted to gain better control of the longer-range effects and direction of Government policies.

In this budget I am proposing a new system to control the growth of Federal credit activities, particularly federally-guaranteed credit.

Other important steps will be taken to improve the way the Government operates and the way it affects the private sector. To increase the efficiency of the private sector, the administration will eliminate unnecessary regulation where possible, and will minimize the redtape involved in necessary environmental and safety regulation. Further efforts will be made to reduce excessive paper work. State and local governments, private institutions, and citizens will benefit from simplified conditions for receiving Federal assistance. In particular, a number of programs have been consolidated to simplify the grant system, and more will be proposed in the future. The Government's own management will be improved through more effective cash management, application of the Civil



Service Reform Act, and use of new offices of Inspectors General to identify waste and search out fraud and corruption.

\* \* \* \* \*

Preparing this budget reminds me once more of the overwhelming demands upon the Federal budget and of the limits on our resources.

I believe that we must firmly limit what the Government taxes and spends. We must balance public and private needs. We must set priorities more carefully. We must change some old priorities and establish new ones. We must defer some of our demands if we are to meet adequately today's most critical needs.

These principles have guided my actions in shaping this budget and they will continue to do so in the future:

- the budget must be kept within the bounds of what is appropriate in today's economic circumstances;
- the Government has no resources of its own, its only resources are those it collects from the taxpayer;
- Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them; and,
- we have an obligation to manage with excellence and to maintain proper priorities within the \$532 billion proposed in this budget.

I know that the Congress shares these beliefs. You, as well as the executive branch, are sensitive to the American people's concerns about the scope of Government, the burdens of taxes, the needs of our citizens, and the efficiency of public management. Indeed, the Congress in the last few years has taken important steps—in particular, through the establishment of the congressional budget process—to improve its own means of establishing priorities. I have worked closely with the Congress, and will continue in this spirit of cooperation.

I look forward to working with the Congress and its leadership on this budget.

The decisions I have made are difficult ones. They involve, not figures on a balance sheet, but the lives and future of the American people. I have chosen restraint in Government spending because inflation must be controlled. I have tried to be equitable in ordering priorities. Yet I have continued to support those programs that represent our most pressing needs. To do so I have terminated, reduced, or deferred other programs.

It is difficult to maintain a sense of strong national purpose when we do not face a clear and immediate crisis. But it is equally

important. These are times when responsible leadership means anticipating those day-to-day actions that enable us to avoid crises and to build toward the future. This has been the fundamental purpose behind the decisions considered here, and that is the intent of this budget.

JIMMY CARTER.

JANUARY 22, 1979.

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**PART 2**

**BUDGET SUMMARY**

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## BUDGET SUMMARY

This part of the budget summarizes the President's major budget proposals and discusses significant changes in the way the Government conducts its business.

### OVERVIEW OF THE BUDGET

This is an austere budget. The serious inflation facing the Nation today requires restraint on the growth of Federal spending.

This budget provides that restraint. It proposes a significant deceleration in the growth of Federal spending. Budget outlays increase by 9.4% in 1979, 7.7% in 1980, 8.7% in 1981 and 6.4% in 1982—compared to a 12.1% average annual rate of increase from 1973 through 1978.

This deceleration involves a general reduction in program growth throughout the Government. Some initiatives high on the administration's list of priorities have been deferred. Aggressive efforts have been made to achieve program efficiencies. Reductions or terminations of lower priority programs have been proposed. Routine increases are not requested.

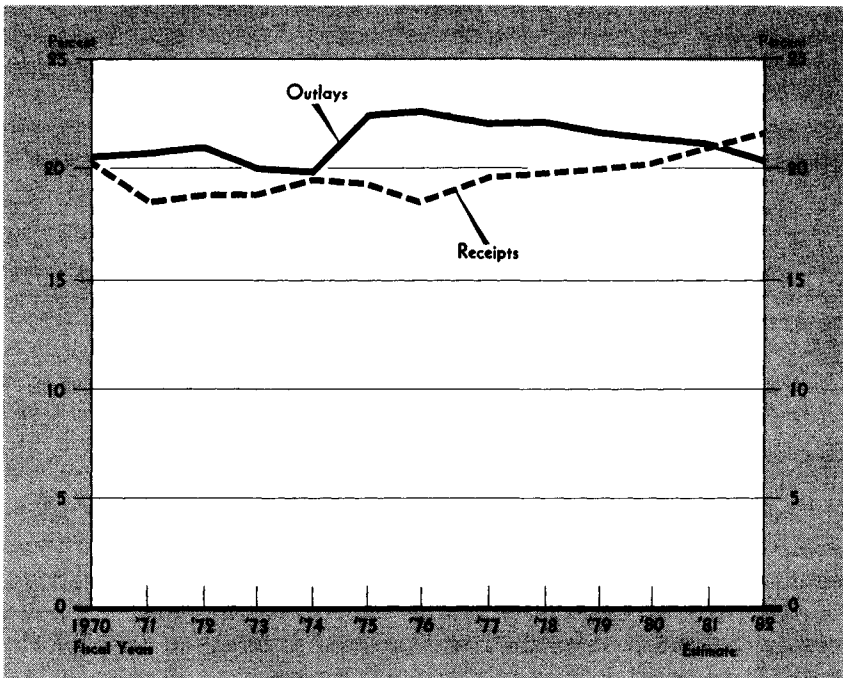
The application of restraint has not been mechanical. Rather, the zero-base budget process has been used to establish priorities so that the best Government services possible will be obtained with the strictly limited fiscal resources that can safely be made available in today's inflationary environment.

The budget total increases by \$38 billion between 1979 and 1980. Benefit payments under retirement, disability, and health care programs will rise because of cost-of-living adjustments and because of the normal annual increases in eligible beneficiaries. Purchases of materiel for essential defense modernization—primarily to strengthen NATO-related capabilities—are proposed to increase somewhat in real terms. Interest on the public debt will increase because debt outstanding will rise. The remainder of the budget, however, is reduced in real terms. Federal employment levels will be reduced during 1979, and restraint on the salaries of Federal employees is proposed, in line with the national wage-price standards. Overall, this budget, *adjusted for inflation*, provides for about the same level of real Federal activity in 1980 as in 1978 and 1979.

Throughout the 1978-1982 period, proposed outlays grow at a rate that is substantially less than the rate of growth of gross national product (GNP), so that outlays would decline as a *percentage* of GNP from 22.1% in 1978 to 21.2% in 1980 and 20.3% in

1982. Receipts would rise from 19.7% of GNP in 1978 to 20.1% in 1980; and, in the absence of future tax cuts, would reach 21.6% in 1982.

### Budget Outlays and Receipts as a Percent of GNP



This budget meets the President's commitment to hold the deficit to \$30 billion or less in 1980 and to move in the direction of a balanced budget. The declining deficit symbolizes the administration's determination to hold down the growth of spending. Holding down spending growth (reflected in the reduction in outlays as a percentage of GNP, noted above) is, in the administration's view, equal in importance to a declining deficit. Because receipts are strongly affected by economic circumstances, the administration believes that the restrained outlay levels planned in the 1980 budget are objectives as important in themselves as the estimated deficit.

## EFFECTS OF BUDGET PROPOSALS

[In billions of dollars]

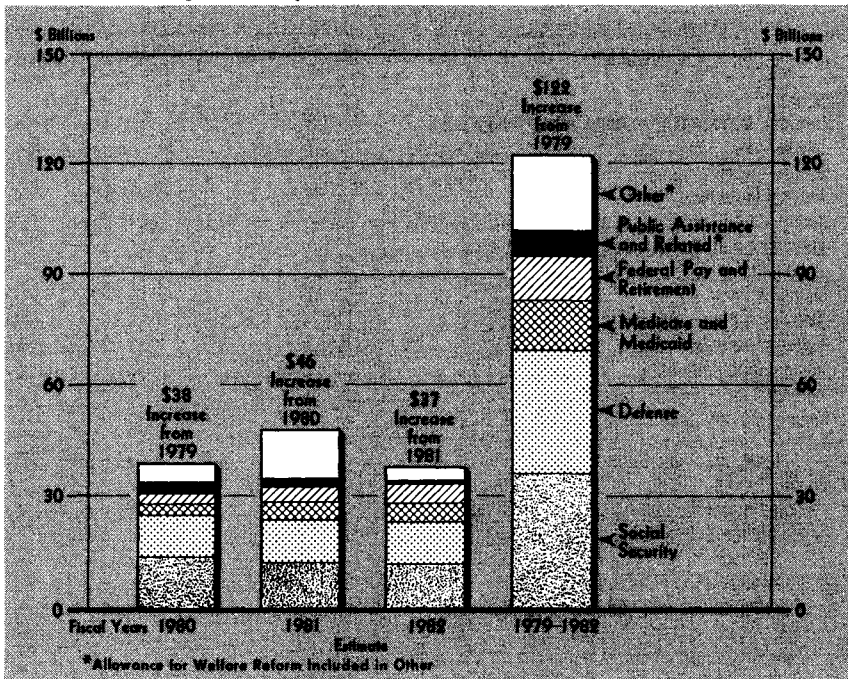
	1978 actual	Estimates				Projections	
		1979	1980	1981	1982	1983	1984
<b>Receipts:</b>							
Current services.....	402.0	456.0	504.5	571.3	646.6	715.3	777.8
Proposed reductions.....			-2.3		-*	-.1	-.1
Proposed increases.....			.3	5.5	6.1	3.0	2.5
<b>Budget receipts.....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>	<b>718.3</b>	<b>780.2</b>
<b>Outlays:</b>							
Current services.....	450.8	491.3	536.1	577.8	610.6	640.2	667.1
Proposed increases.....		1.9	7.0	14.8	22.2	27.0	32.3
Proposed reductions.....		.1	-11.6	-14.7	-17.9	-21.6	-25.6
<b>Budget outlays.....</b>	<b>450.8</b>	<b>493.4</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>	<b>645.6</b>	<b>673.7</b>
<b>Surplus or deficit (-):</b>							
Current services basis.....	-48.8	-35.4	-31.6	-6.5	36.0	75.1	110.7
<b>Budget surplus or deficit (- ).....</b>	<b>-48.8</b>	<b>-37.4</b>	<b>-29.0</b>	<b>-1.2</b>	<b>37.8</b>	<b>72.7</b>	<b>106.5</b>

\*\$50 million or less.

The major policy changes in the budget can be highlighted by comparing the administration's budget recommendations with current services estimates. Current services estimates are projections of the costs of existing programs under existing law, including outlay changes that result from increased numbers of beneficiaries entitled to receive payments and (where required by law) higher benefit levels due to increases in the cost-of-living.

The current services estimates do not, however, adjust all programs for the effects of anticipated inflation. Adjustment of all programs except those limited in dollar amount by statute would add nearly \$8 billion to the 1980 current services outlay total and about \$22 billion to the 1984 total. Thus, the \$4.6 billion by which the 1980 budget outlay total falls short of the more narrowly-defined current services level understates the full degree of restraint in the 1980 budget. Similarly, the fact that the budget projections are somewhat higher than the more narrowly-defined current services projections over the 1981 to 1984 period could be misleading. Current services estimates and projections with full price adjustments added provide an alternative base against which to assess the degree of restraint incorporated in the projected budget figures.

## Increases in Budget Outlays from 1979



Current services estimates provide a basis for distinguishing between built-in changes in program levels and the effects of policy changes recommended in the budget. Policy changes include both proposed legislation and discretionary increases or decreases in program levels. Special Analysis A, which accompanies this budget, provides a more detailed comparison between the 1980 budget estimates and the current services estimates.

The budget recommendations would result in 1980 outlays of \$531.6 billion—\$4.6 billion less than the current services level. On a current services basis, total outlays would increase from \$536.1 billion in 1980 to \$667.1 billion in 1984. By 1984 the program changes recommended in this budget would result in projected total outlays of \$673.7 billion, \$6.7 billion above the projected current services level for that year. The following table identifies major program increases and reductions, relative to current services levels, in the 1980 program.

## MAJOR OUTLAY INCREASES AND DECREASES RELATIVE TO CURRENT SERVICES

(In billions of dollars)

Program	1979	1980	1981	1982
<b>Increases:</b>				
Defense, excluding pay, including atomic energy .....	0.8	2.2	4.1	6.4
International .....	.1	.3	1.0	1.4
Energy, excluding supply .....	.1	.1	.4	.4
National Development Bank .....	*	.2	.8	1.0
Transportation, excluding rail .....	*	.1	.3	.4
Elementary and secondary education .....	*	.3	.5	.5
Social services .....		.4	.5	.5
Health services .....	.1	.2	.3	.4
Medicare and medicaid increases .....		.4	.6	.8
Veterans compensation .....		.5	.9	1.3
Welfare reform allowance .....			1.5	5.5
Allowance for other contingencies .....		.5	3.0	3.0
Other .....	.8	1.8	1.0	.7
<b>Total, major increases .....</b>	<b>1.9</b>	<b>7.0</b>	<b>14.8</b>	<b>22.2</b>
<b>Decreases:</b>				
Proposed decreases requiring substantive legislation:				
Hospital cost containment:				
Medicare .....	-.4	-1.5	-2.8	-4.3
Medicaid .....	-.1	-.2	-.4	-.6
Other health financing cost-savings .....		-.4	-.5	-.5
Veterans medical care .....		-.3	-.3	-.3
School lunch and related .....		-.4	-.4	-.4
Social security and railroad retirement .....	*	-.7	-1.8	-3.1
Public assistance .....	*	-.2	-.2	-.3
Other .....		-.1	-.2	-.2
<b>Subtotal, requiring substantive legislation .....</b>	<b>-.4</b>	<b>-3.8</b>	<b>-6.6</b>	<b>-9.7</b>
Decreases not requiring substantive legislation:				
Energy supply .....	-.*	-.3	-.5	-.5
Agricultural price supports .....	.3	-.7		
National forests .....	.1	-.3	-.3	-.2
Rail transportation .....	.3	-.5	.2	-.3
Impact aid .....		-.2	-.3	-.3
Higher education .....		-.4	-.3	-.1
Public service employment .....		-.6	-1.5	-.4
Pay restraint, Defense .....		-1.8	-2.8	-3.7
Pay restraint, Civilian agencies .....		-1.2	-1.8	-2.4
Other .....	-.*	-1.6	-.7	-.5
<b>Subtotal, not requiring substantive legislation ..</b>	<b>.5</b>	<b>-7.7</b>	<b>-8.1</b>	<b>-8.2</b>
<b>Total, major decreases .....</b>	<b>.1</b>	<b>-11.6</b>	<b>-12.8</b>	<b>-17.2</b>

\*\$50 million or less.

Major reduction proposals are discussed in a separate section, below.

Receipts under the tax proposals in this budget are expected to be \$502.6 billion in 1980, a decrease of \$2.0 billion from the current services level. This reflects the tax proposals in the budget. In the absence of any future changes in the tax law beyond those specifically proposed in this budget, receipts would grow to \$780.2 billion



in 1984, \$2.4 billion above the current services level of \$777.8 billion. However, because tax receipts tend to grow more rapidly than the economy as a whole, raising tax burdens and restraining growth, the administration will carefully consider further reductions between now and 1984. Further reductions—when economically prudent—would permit everyone to share the benefits of expenditure restraint in the form of a reduction of tax burdens below the levels that would result from continuation of current law.

The 1980 budget proposals are intended to place us on a long run path toward reduced inflation, relatively full employment, and a balanced budget. The fiscal policy underlying this budget represents a balanced approach to current economic conditions. Monetary and fiscal policy together should create an environment in which inflationary pressures will ease. While it is sufficiently restrained to help ease inflationary pressures, this policy is not so restrictive that it will prevent continued growth in the economy. The relatively low rate of real growth during 1979 is expected to result in a small rise in the unemployment rate to about 6.2% by the end of the calendar year. The unemployment rate is expected to remain at about that level throughout 1980. The rate of inflation, which was over 9% during 1978, is expected to decline to about 6% by the end of 1980. The budget deficit dropped from \$66 billion in 1976 to \$49 billion in 1978, and the budget proposes a further decline to \$29 billion in 1980.

The budget margins projected beyond 1981 on both a Presidential budget basis and the current services basis do not imply that surpluses of such magnitudes will in fact occur. The feasibility of achieving future surpluses depends on economic conditions too far in the future to forecast, on the need to expand or contract programs, and on the need for further tax cuts. These projected margins do indicate that uncommitted resources are likely to be available for discretionary budgetary decisions—tax reductions, new or expanded programs, or debt reduction—in the years ahead.

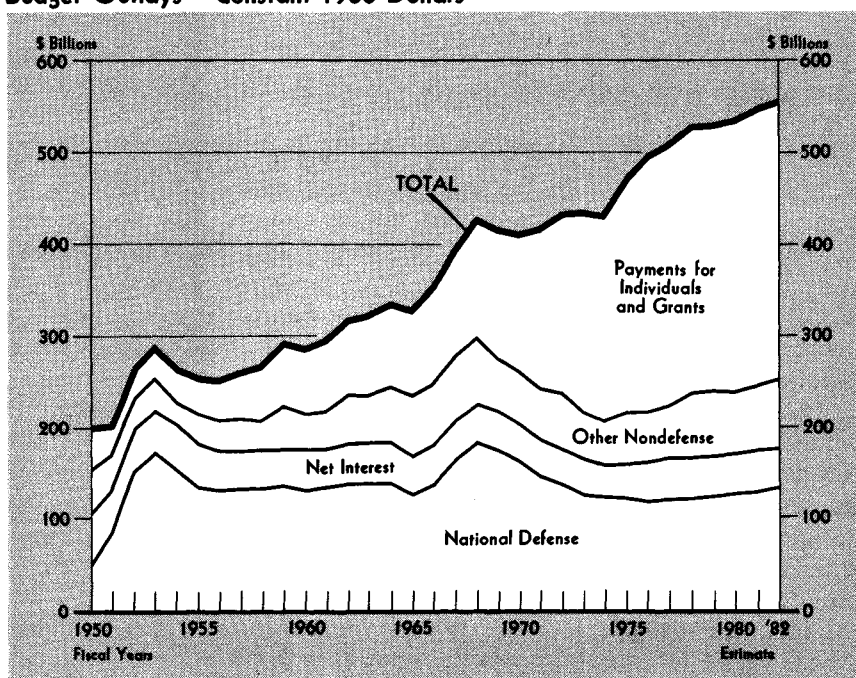
### MAJOR BUDGET PROPOSALS

*Tax proposals.*—The budget estimates reflect the real wage insurance proposal announced in October as an integral part of the President's anti-inflation program. This proposal is designed to encourage compliance with the wage standard in that program. Under the proposal, employees whose compensation increases are within the anti-inflation guidelines will be eligible for a refundable tax credit if inflation exceeds 7% for the program year. The cost of the real wage insurance proposal is estimated to be \$2.5 billion in 1980.

The multi-year budget planning estimates reflect administrative actions and proposals to increase the efficiency with which the

Federal Government handles the large flows of money to and from the Treasury. These cash management initiatives will require that tax payments be made closer to the time that liabilities occur. Under current law, some taxpayers, particularly large corporations, are able to defer payments of taxes well beyond the period when liabilities accrue or when they collect withheld taxes. Such deferrals amount to interest-free loans from the Federal Government. These initiatives will increase receipts by \$5.0 billion in 1981 and by \$5.3 billion in 1982. (See Part 4 for a more detailed description of these and other tax proposals).

### Budget Outlays—Constant 1980 Dollars



*Defense and international.*—The budget proposes significant increases in defense spending. Outlays would be \$125.8 billion in 1980, compared to \$114.5 billion in 1979. Both strategic and conventional forces would be strengthened—particularly our ground forces in Western Europe. Overall, under the budget proposals, defense spending would increase by about 3% in real terms in 1980.

The administration is negotiating a strategic arms limitation treaty with the Soviet Union. The budget includes provisions for intelligence capabilities necessary to assure compliance with the treaty.

The budget proposes increases in foreign aid with emphasis on long-term development of poor countries, and reducing widespread poverty. A significant increase in funds for the Export-Import Bank is proposed to help strengthen our foreign trade situation. Total outlays for international programs would increase from \$7.3 billion in 1979 to \$8.2 billion in 1980.

*Energy.*—Outlays for energy programs in 1980 are estimated at \$7.9 billion, somewhat less than in 1979. This decrease is largely because of delays in building up the Strategic Petroleum Reserve. Increases are proposed for research and development to tap domestic energy resources more effectively. Particular emphasis is given to long-range research and development efforts in promising areas that private industry is unlikely to explore on its own, especially in solar energy.

The 1980 budget also provides for carrying out the recently-enacted National Energy Act. The Act prohibits construction of oil- and gas-fired boilers where coal can be used more economically, and allows the price of natural gas to rise to encourage domestic production. In addition, the Act encourages the conservation of energy used in homes and industry.

The administration's nuclear energy policy calls for deferring indefinitely commercial reprocessing of the spent fuel from nuclear power plants and cancellation of the liquid metal fast breeder reactor demonstration project at Clinch River. As part of this policy, the 1980 budget provides for continued research and development on efforts to improve the efficiency of current nuclear power plants and to examine new alternative reactor concepts. Substantial increases are provided for nuclear waste management programs.

*Income security.*—The budget proposals for income security programs, would simplify program administration, reduce fraud and abuse, and target benefits more specifically on the needy. Social security reforms are proposed to eliminate certain windfall and special benefits that are no longer appropriate or can be provided more effectively under other existing programs. A 36% increase in funding for the Women, Infants and Children food program is proposed, to help assure the sound development of growing children. Legislation will be proposed to direct school meal subsidies more specifically toward children from low-income families and to eliminate fraud and abuse, and to improve management in the food stamp and public assistance programs. Legislation will also be proposed to put the Railroad Retirement system on a sound financial footing and to provide a 7.8% cost-of-living increase in compensation benefits paid to veterans for service-incurred disabilities.

*Health.*—The administration is developing a National Health Plan. The 1980 budget proposes health initiatives that will be consistent with that plan. They emphasize the provision of better access to medical care and mental health services for those most in need, prevention of disease, biomedical and mental health research, control of health care cost inflation, and reduction of fraud and abuse in Federal health programs. Increases in 1980 outlays of \$451 million over 1979 would support improved delivery of services, including expanded medicaid eligibility to an additional 2 million low income children and pregnant women, and improved mental health systems. Federal savings from proposals to control health care costs are estimated to be \$3.1 billion in 1980, including \$1.7 billion from hospital cost containment legislation. Outlays would increase by \$44 million in 1980 for preventive health initiatives for fluoridation, health education, and programs to reduce smoking, alcohol abuse, and mental illness. The budget proposals also emphasize control of toxic substances and other environmental health hazards.

*Community and economic development.*—The budget proposes creation of a National Development Bank to provide grants, loan guarantees, interest rate subsidies and other financial assistance to businesses willing to locate or remain in economically depressed areas. Increased funding is requested for community development block grants, neighborhood self-help development grants, the livable-cities program and the housing rehabilitation activities of the recently established Neighborhood Reinvestment Corporation. Substantial increases are proposed in assistance to minority businesses. Creation of an inland energy impact program is proposed, to provide funds to alleviate adverse effects stemming from the development of noncoastal energy resources.

A Federal Emergency Management Agency has been established to bring together the major Federal programs for emergency preparedness, flood insurance, disaster relief, civil defense, and hazard mitigation.

*Education and employment.*—The budget requests a supplemental appropriation of \$258 million for 1979 and \$400 million in budget authority for 1980 for compensatory elementary and secondary education services for counties with especially high concentration of low-income children. These funds will be used to overcome the learning impediments associated with poverty. Increased funding is also requested to improve the teaching of basic skills and for bilingual education.

A 1979 supplemental appropriation of \$400 million is requested for the Private Sector Initiative authorized in legislation enacted

last year. Under this program, local industry will assist local sponsors with training and placement of workers. This will increase training opportunities for the disadvantaged. It will also stimulate private sector job development and increase the number and quality of private sector job placements under employment and training programs. Outlays are expected to be \$50 million in 1979 and \$150 million in 1980.

*Major Program Reductions.*—The budget restraint necessitated by the current severe inflation has made it essential to identify the least effective Federal activities for reduction; otherwise, arbitrary reductions in all programs would be necessary, and important services seriously curtailed. Zero-base budgeting is well suited to this task. Had it not been in place this year, achieving the degree of restraint required in this budget could have been much more disruptive to Federal operations. With the zero-base budgeting process, it has been possible to compare programs and make better judgments as to where the largest dollar savings could be achieved with the least sacrifice of program performance and service to the public.

The most urgent economy measure proposed in the budget is hospital cost containment for medicare and medicaid. Enactment of this proposal would serve three objectives. It would reduce Federal outlays significantly, hold down the costs to State and local governments of providing health care services, and slow the growing direct burden imposed on consumers by the industry in which price increases have been highest over the last decade. The limitation on inpatient revenue increases would force hospital managers to curb excessive spending for unnecessary equipment, unnecessary facilities expansion, and wasteful operating practices.

Enactment of hospital cost containment legislation would yield national savings of \$24.3 billion over the 1980 to 1982 period, including \$9.8 billion in Federal outlay savings. Other proposals in the health care area will result in Federal savings of \$1.4 billion in 1980, and \$1.7 billion in 1982.

The budget proposes a number of changes to the social security system to eliminate unnecessary and windfall benefits. Together, they will save \$0.6 billion in 1980 and \$1.6 billion in 1981.

The Government today spends about \$85 billion a year to purchase goods and services. Actions are proposed in this budget to hold these costs to a minimum. They include:

- increased competitive bidding for Government contracts;
- tighter controls on contractor overhead when competition is not feasible;
- better techniques for determining when purchases are to be made, and for the distribution of supplies and the delivery of services; and
- improved business practices in management and control of inventories.

Altogether, these actions will save over \$1.0 billion in 1980, with larger savings in later years.

The budget proposes that Federal payments to school districts that are affected by the presence of Federal facilities in the district be limited, reducing 1980 outlays by \$200 million. Payments would continue to be made for children whose parents both live and work on federally owned land.

The funding level of the public service employment program was more than doubled in the spring of 1977. In view of the substantial increase in total employment since then, the budget proposes that funds for the portion of this program specifically designed to counter cyclical increases in unemployment be reduced in 1980. The program is not targeted on those with lowest incomes, and the period of unemployment required before a person becomes eligible for a subsidized job is relatively short. Although public service jobs for those with lower incomes and longer periods of unemployment would remain at the current level of 267,000 in 1980, the level for the countercyclical program would be reduced from 358,000 jobs at the end of 1979 to 200,000 at the end of 1980. Outlays in 1980 would be \$592 million below the cost of maintaining 358,000 jobs.

The summer youth employment program employed a million youths between the ages of 14 and 21 during 1978. The budget proposes deferring until 1980 part of the 1979 funding now being provided by continuing resolution, thus holding the 1979 program to one million jobs. For 1980, regulations will make those under age 15 no longer eligible for the program. It is proposed that the total number of jobs be reduced to 750,000. Outlays would be reduced by an estimated \$111 million in 1979 and \$302 million in 1980 by these actions.

The budget proposals include several reforms and program reductions in the Department of Housing and Urban Development (HUD) subsidized housing and Federal Housing Administration (FHA) programs. The number of additional low income families to receive rental housing assistance from HUD in 1980 will be reduced about 10% from the 1979 level. This reflects the continued improvement in housing conditions among eligible households and the substantial backlog of housing assistance already committed but not yet completed. Current FHA policies on the disposition of

HUD-owned properties would also be changed, under the budget proposals, to encourage the private sector to undertake necessary property improvements. This would reduce the costs of repairing these properties, currently borne by the Federal Government.

Legislation will be proposed to permit the Veterans Administration to collect from medical insurers or other non-Federal sources reimbursements to which veterans are entitled for medical care given them in VA medical facilities. Savings from this and other proposals are estimated at \$315 million in 1980 outlays.

The budget recommends that Government exploration of the National Petroleum Reserve in Alaska be discontinued at the end of 1979. Adequate information should be available by then to determine what legislation should be recommended to provide for the future uses of the Reserve. Also, no additional funding is recommended for further development of the Barrow Gas Field pending completion of a study on alternative fuels.

### FISCAL POLICY

The fiscal policy this administration adopted shortly after taking office has played an important role in supporting economic recovery from the deep recession of 1974-1975. Tax reductions in calendar year 1977 and again this year, together with increased spending for public works, countercyclical revenue sharing, and public service jobs, have helped employment, production and incomes recover.

Employment has risen rapidly during the past 2 years, from 88.4 million in December 1976 to 95.9 million in December 1978—one of the most rapid increases in employment the economy has experienced in peacetime. The unemployment rate declined from 7.9% in December 1976 to 5.9% in December 1978—despite the enormous number of new entrants to the labor force as the “baby boom” generation has reached working age, and as the labor force participation of women has continued to rise.

These employment gains were shared by all groups in our society. Employment of blacks and other minorities grew by 11.8% during this period; that of women by 11.7%; and that of minority teenagers by an estimated 14.2%. Nevertheless, unemployment for many of these groups remains unacceptably high. Reduction of this unemployment will require that we concentrate on reducing structural unemployment—the unemployment of those who have difficulty finding work even in a strong economy. The proposals in this budget direct our employment and training program efforts toward that end.

Inflation has worsened recently. The Consumer Price Index rose 6¾% during 1977, and by an estimated 9¼% during 1978. Further acceleration of inflation would disrupt our economy and the econo-

mies of other nations. At home, it would impose particular hardship on those with limited incomes. It could reverse the gains in employment and in real income that have been won.

The 1980 budget therefore recommends a more restrained fiscal policy by limiting the growth of outlays and reducing the deficit. This restraint will help ease inflationary pressures while still permitting continued, moderate growth.

This fiscal policy represents a responsible and necessary first step on a long run path toward sustainable high employment and price level stability. It thereby moves us toward the goals established in the Full Employment and Balanced Growth Act of 1978.

### BUDGET AUTHORITY

All budget outlays depend on the legal authority to spend money provided by the Congress. Such "budget authority"—usually in the form of appropriations—results in outlays, some of which occur during the fiscal year for which the budget authority is granted and the rest of which occur in subsequent years. For 1980, the President is requesting new budget authority of \$615.5 billion, \$5.3 billion above the current services level of \$610.2 billion.

In 1979, outlays are estimated at 88.2% of budget authority for that year; in 1980 the ratio is expected to be 86.4%. Both percentages are close to the actual ratios of the previous three years. The ratio falls in 1980 primarily because of a \$15 billion request for borrowing authority for TVA powerplant construction. This authority, last replenished in 1976, is needed once every few years. It results in outlays over a period of years that are largely offset by proceeds from the sale of power.

#### BUDGET AUTHORITY

[In billions of dollars]

	1978 actual	Estimates			
		1979	1980	1981	1982
Available through current action by the Congress.....	326.8	366.6	386.7	397.1	420.4
Available without current action by the Congress.....	234.3	261.5	302.3	332.8	359.4
Deductions for offsetting receipts.....	-59.6	-68.4	-73.5	-79.0	-84.1
<b>Total, budget authority .....</b>	<b>501.5</b>	<b>559.7</b>	<b>615.5</b>	<b>651.0</b>	<b>695.7</b>
<b>MEMORANDUM</b>					
Budget authority, current services basis.....	501.5	553.7	610.2	637.4	674.0



## FEDERAL CIVILIAN EMPLOYMENT AND PAY

In keeping with the President's objective of holding Federal civilian employment to the minimum necessary for the efficient and effective operation of the Government, full-time permanent employment in the executive branch (excluding the Postal Service) is held to 1,895,900 for the end of 1980. This is 35,700 below the level estimated for the end of 1979 in last year's budget. The reduction in total employment is in keeping with the statutory employment limitation contained in the Civil Service Reform Act of 1978. Changes in the Federal personnel system resulting from that Act are discussed in the section on management improvements, below.

In accordance with the national wage-price standards included in the administration's anti-inflation program, the budget assumes a Federal pay increase of 5.5% for 1980. This increase, together with increases in fringe benefits that are considered in the national wage standard, would be in conformance with that standard. While the assumed pay increase is less than would be necessary to maintain overall comparability with non-Federal pay scales under existing procedures, it is vital that the Government set an appropriate example by remaining within the guidelines that others have been asked to follow.

The administration will also propose comprehensive legislation to reform and improve Federal pay-setting systems and procedures.

## FEDERAL DEBT AND LENDING

During 1980, Federal debt held by the public is expected to increase from \$651 billion to \$690 billion, due largely to the anticipated budget deficit. In addition, however, the activities of the off-budget Federal entities (discussed in Part 6 of this document) add significantly to the Government's borrowing requirements. Other factors, such as changes in cash balances held by the Treasury, also affect the debt.

During 1980 outstanding direct loans of Federal agencies included in the budget are expected to increase by \$2.8 billion. Total Federal lending, however, will be \$14.6 billion, since off-budget Federal entities are expected to increase their loans outstanding by \$11.8 billion. In addition, loans guaranteed or insured by the Federal Government are expected to increase by \$25.5 billion. Unlike direct loans, guaranteed and insured loans do not result in outlays except in cases of default. They do, however, affect credit markets, and, thus, the economy as a whole. Loan guarantees are discussed more fully in Part 6 of the budget and in Special Analysis F of the accompanying volume of Special Analyses.

An administration proposal to improve the review and control of Federal credit activities is discussed in the following section.

## FEDERAL DEBT AND CREDIT

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate
Debt outstanding, end of fiscal year:			
Gross Federal debt.....	780.4	839.2	899.0
Debt held by the public.....	610.9	650.9	689.9
Federal and federally assisted loans outstanding, end of fiscal year: <sup>1</sup>			
Direct loans—on-budget.....	76.5	81.5	84.3
Direct loans—off-budget.....	43.9	55.9	67.7
Guaranteed and insured loans <sup>2</sup> .....	193.1	213.9	239.4
Government-sponsored enterprise loans <sup>3</sup> .....	126.8	142.3	160.7

<sup>1</sup> See Table F-9 in Special Analysis F, "Federal Credit Programs," published in the Special Analyses volume of this budget.<sup>2</sup> Excludes loans held by Government accounts and Government-sponsored enterprises.<sup>3</sup> Net of loans between Government-sponsored enterprises, and between such enterprises and Federal agencies.

## BETTER MANAGEMENT OF THE FEDERAL GOVERNMENT

The effectiveness of the Federal Government in meeting the needs of the American people depends not only on the level and type of services the Government provides, but also on how well it provides them. The administration program includes several changes in the way the Government is managed. Among them are improved controls over Federal credit programs, reorganization of the executive branch, regulatory reform, multi-year budget planning, and zero-base budgeting.

*Control of Federal credit activities.*—Federal lending and Federal guarantees of loans are a large and growing means of meeting the objectives of Federal programs. Direct loans and loan guarantees by the Federal agencies and Government-sponsored enterprises are estimated to be \$61 billion in 1980, and total Federal loans and guaranteed loans outstanding are estimated to be \$552 billion at the end of 1980—compared to \$381 billion outstanding at the end of 1977. Of the \$320 billion of credit advanced in U.S. credit markets in 1977, 11.5% was advanced under Federal auspices. Plans for direct and guaranteed lending under individual Federal credit programs are given some review during the annual budget process. There is, however, no established mechanism for regularly and closely reviewing total Federal credit activity. Consequently, there is currently no systematic way to consider the resource allocation implied by those plans or whether the share of credit transactions being made or guaranteed by the Federal Government is reasonable. In order for the Government to foster efficiency in the allocation of economic resources, in financial markets, and in the economy as a whole, it must exercise better and more systematic control over both guaranteed loans and direct loans—and over the ways in which credit activities are financed.

To achieve these ends, the administration proposes to establish a system of control over Federal credit programs. The control system will be based on annual limitations on gross loan activity for both direct lending and loan guarantee programs. These limitations would be established separately from but concurrently with budget authority in the course of the regular budget and appropriation process. Limitations would be proposed in the President's budget for each individual credit program, and for their aggregate total. Aggregate ceilings would be set in congressional budget resolutions. The legally binding limitations for each individual budget account would be set in regular annual appropriation acts. The administration will work with the Congress to develop appropriate legislation to put the credit control program into effect.

Data on credit programs will be monitored and published on a more frequent and timely basis than at present. They will be given more prominent display in a "credit program" section of the budget. Efforts will be made to improve the analysis of the economic and financial effects of the overall credit program.

The credit control system will integrate Federal credit programs more completely into the budget process. The budget is the chief instrument for allocating fiscal resources between public and private sectors and among different functions or needs; it also sets fiscal policy. Bringing credit programs more fully into the budget review process will thus help coordinate credit policy with fiscal policy, and help synchronize the allocative aspects of Federal credit activity with budget allocations.

*Zero-base budgeting.*—The 1980 budget is the second that has used zero-base budgeting. The administration adopted this approach in order to:

- Focus the budget process on a comprehensive analysis of objectives, needs, and activities in order to make more effective use of the taxpayer's dollar.
- Improve coordination of planning, budgeting, and evaluation.
- Induce managers to evaluate in detail the cost-effectiveness of their operations.
- Expand management participation in planning and budgeting at all levels of the Federal Government.

The results of the first two years' efforts have been highly satisfactory. More managers have become directly involved in preparing initial budget requests. There is now a better understanding throughout the Federal bureaucracy of the relationship between policy initiatives, program planning, resource allocation, and effective program execution.

Zero-base budgeting requires managers to articulate objectives. In many instances it has helped to clarify agencies' functions and

roles, and has increased management's opportunities to eliminate unnecessary activities and operate its programs more successfully.

Zero-base budgeting also requires managers to identify and examine alternative methods of accomplishing their objectives. This has frequently led to reconsideration of the established ways of doing things. As a result, a number of agencies have recommended changes in the way they carry out programs.

Even more important, zero-base budgeting has induced managers to analyze systematically the effects of various funding levels on the agency's ability to carry out its mission. It has required them to rank activities and resources in priority, from those that contribute the most toward achieving the agency mission to those that contribute least. These rankings indicate how program objectives can best be achieved at any given level of funding. This year zero-base budgeting has made it easier to compare programs and identify those areas where the greatest monetary savings could be realized with the least sacrifice of program performance and service to the public.

Results of zero-base budgeting are being continually assessed so that the budget process may build on past experience. Agencies are making more extensive use of in-depth zero-base budget reviews and becoming more sophisticated in their preparation and review of zero-base budgeting materials. The Government's decisionmaking processes are becoming more orderly and rational, and the use of public resources more efficient.

The zero-base budget system has permitted significant innovations in central review of the budget. In the review of the 1980 budget, several interagency exercises permitted a more integrated, systematic examination of programs that have similar or related objectives. Zero-base packages for such programs from a number of agencies were combined, reviewed and ranked in priority order. Decisions were then made on the basis of those rankings.

Similarly, zero-base packages ranked by each agency at the margin of its budget total were re-ranked on a Government-wide basis. This provided a more systematic basis for balanced, even-handed decisions.

*Reorganization of the executive branch.*—The administration is committed to making the Federal Government more efficient and responsive through reorganization of the executive branch. The principal accomplishment of the past two years has been the comprehensive reform of the civil service system. This reform is designed to provide incentives for Federal employees to do their jobs better, to improve administration of the Federal labor-relations program, and to safeguard merit systems from political and other abuse. In addition, some organizational problems that had been widely noted have been corrected—in equal employment, emergency preparedness and disaster assistance, and the Employee Retirement Income Security Act programs. The size of the Executive Office of the President has been reduced and numerous advisory committees that had outlived their usefulness have been eliminated.

The creation of a Department of Education will again be proposed in 1979, in order to improve the management, efficiency, and accountability of education programs.

*Regulatory reform.*—Deregulation of the airline industry last year marked a successful beginning to efforts to eliminate economic regulation wherever free markets can function more efficiently. Proposals to substitute competition for regulation of surface transportation will be considered.

In addition to economic deregulation, the administration has taken major steps to make needed regulations as cost-effective as possible. Under Executive Order 12044, issued last March, agencies must publish semiannual agendas of upcoming regulations, and all regulations must be written in plain language. Administrative requirements must be standardized and a published regulatory analysis must accompany major regulations, setting out compliance costs, alternatives considered, and reasons for selecting a particular approach. Agencies must eliminate unnecessary or outdated regulations. A new Regulatory Council has been established to coordinate this effort.

The administration reduced excessive paperwork burdens this year by cutting total hours spent filling out forms by over 12%. Plans are underway to expand these cuts next year. The process by which agencies write new regulations and reevaluate the need for existing ones will also be streamlined.

*Audit and investigation.*—Offices of Inspectors General have been established by law in 12 major departments and agencies, bringing the total number of statutory Inspectors General to 14. Essential features of the legislation creating these offices have been

extended by administrative action to the rest of the executive branch. This is expected to reduce substantially the amount of fraud, waste, and inefficiency in Government, and assure that programs achieve their intended purposes.

In addition, steps are being taken to streamline the way departments and agencies audit Federal aid programs. Working with the General Accounting Office, and the National Intergovernmental Audit Forum, the administration has developed a standard audit guide that can be used by auditors from all agencies, as well as by those from State and local governments, and independent public accountants. This will help straighten out overlapping responsibilities and permit a single audit of an aid recipient.

The departments and agencies are tightening up their audit resolution systems to assure that recommendations are acted upon, overcharges prevented, and unspent grant funds recovered. This is expected to return millions of dollars to the Treasury.

*General management.*—Other improvements in agency management have produced significant savings for the taxpayer:

- Cash management: Applying businesslike methods to the Government's cash flow has already saved over \$400 million a year. During the next 2 years further improvements will be made that will save additional hundreds of millions of dollars annually. These improvements involve collecting and depositing receipts as soon as possible; paying bills on time—but not early or late; and obtaining interest on temporarily idle balances.
- Streamlining eligibility requirements for human services: A major interdepartmental review of eligibility requirements is being initiated to eliminate unnecessary complexity and duplication in eligibility-determination procedures that add to waste, fraud, and high error rates.
- Simplification of the grant application process: Planning requirements and other conditions for receiving Federal aid are being consolidated, and administrative requirements standardized, to reduce State and local governments' costs of applying for and obtaining Federal financial assistance. Cost accounting principles under which universities and nonprofit organizations conduct federally assisted programs have also been strengthened and standardized.
- Funds control: Systems controlling the use of Government funds in the major departments and agencies have been updated, and agencies are now reviewing and improving their accounting systems.

*Multi-year budget planning.*—Since 1970 the Federal budget has shown the longer-range implications of the administration's budget-year policies by presenting five-year projections of Federal outlays and receipts. However, explicit plans were rarely made for the years beyond the budget year. As a result, the budget was difficult to control and changes in the allocation of resources to meet emerging priorities were difficult to make. In the near term, the amount of discretion available to the administration and Congress is extremely limited.

To help remedy this problem, agencies were directed this year to prepare budget requests within the context of a planning period that extends two years beyond the budget year. This innovation should have several important effects:

- It expands the Government's planning horizon to two years beyond the budget year and thereby integrates long-range planning into the executive budget cycle.
- It helps to insure that the long-term consequences of programmatic changes and proposals are identified and taken into consideration throughout the decisionmaking process.
- It provides a more useful and meaningful structure for review and analysis of spending and tax policy choices.
- It enables Federal program managers to plan for the future on the basis of more realistic appraisals of future resources than they had in the past.
- It gives Congress and the public a more complete statement of the administration's budgetary and legislative program.

All significant program and tax policy proposals prepared for budgetary consideration now include an analysis of their fiscal implications for 2 years beyond the budget year. Thus, this Spring the administration will begin policy review of budget plans extending through 1983.

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**PART 3**

**ECONOMIC ASSUMPTIONS AND  
THE LONG-RANGE BUDGET  
OUTLOOK**

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## **ECONOMIC ASSUMPTIONS AND THE LONG-RANGE BUDGET OUTLOOK**

This part of the budget discusses the long-range budget outlook and the economic assumptions underlying that outlook. The first section presents economic assumptions for calendar years 1978 through 1984, explains the nature of these assumptions, and discusses policies to reduce unemployment and inflation. The second section examines the budget's multi-year planning base for fiscal years 1980 to 1982, and the projections for 1983 and 1984.

### **ECONOMIC ASSUMPTIONS**

The economy and the budget are interrelated. Economic conditions significantly affect the budget, and the budget, in turn, influences economic conditions.

Both budget outlays and the tax structure have substantial effects on national output, employment, and inflation. Budget receipts vary with individual and corporate incomes, which respond both to real economic growth and to inflation. Variations in receipts, as well as some benefit payments, such as unemployment compensation, serve as "automatic stabilizers" for the economy by restraining inflation and cushioning economic downturns. Other activities of Government outside the budget totals, such as loan guarantees and regulatory requirements, also affect the economy, although their effect is less direct and less readily measurable.

At the same time, outlays for many Federal programs are directly linked to developments in the economy. For example, most retirement and other social insurance benefit payments are now tied by law to cost-of-living indexes. Medicare and medicaid outlays are affected directly by the price of medical services. Interest on the debt is linked to market interest rates and the size of the budget surplus or deficit, both of which in turn are influenced by economic conditions. Outlays for certain benefits such as unemployment compensation and food stamps vary with the unemployment rate and are thereby linked to the state of the economy.

Because of the complex interrelationships between the budget and the economy, budget estimates depend to a very significant extent upon assumptions about the economy. The administration's economic assumptions are presented to assist in understanding the budget estimates and projections, and the administration's fiscal strategy. These economic assumptions are presented on a calendar year basis, as is customary, whereas the budget estimates are on a fiscal year basis. The following tables present the underlying economic assumptions that have been used for developing the budget estimates.

## SHORT-RANGE ECONOMIC FORECAST

(Calendar years; dollar amounts in billions)

Item	Actual 1977	Forecast		
		1978	1979	1980
<b>Major economic indicators:</b>				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars.....	11.9	12.7	9.8	9.8
Constant (1972) dollars.....	5.5	4.0	2.2	3.2
GNP deflator (percent change, fourth quarter over fourth quarter).....	6.1	8.4	7.4	6.4
Consumer Price Index (percent change, December over December) <sup>1</sup> .....	6.8	9.2	7.4	6.3
Unemployment rate (percent, fourth quarter).....	6.6	5.8	6.2	6.2
<b>Annual economic assumptions:</b>				
Gross national product:				
Current dollars:				
Amount.....	1,887	2,106	2,343	2,565
Percent change, year over year.....	11.0	11.6	11.3	9.5
Constant (1972) dollars:				
Amount.....	1,333	1,384	1,430	1,466
Percent change, year over year.....	4.9	3.9	3.3	2.5
Incomes:				
Personal income.....	1,529	1,707	1,894	2,078
Wages and salaries.....	984	1,101	1,217	1,335
Corporate profits.....	174	202	227	237
Price level:				
GNP deflator:				
Level (1972 = 100), annual average.....	141.6	152.1	163.9	175.0
Percent change, year over year.....	5.9	7.4	7.7	6.8
Consumer Price Index: <sup>1</sup>				
Level (1967 = 100), annual average.....	181.5	195.4	211.4	225.5
Percent change, year over year.....	6.5	7.6	8.2	6.7
Unemployment rates:				
Total, annual average.....	7.0	6.0	6.0	6.2
Insured, annual average <sup>2</sup> .....	3.9	3.3	3.1	3.2
Federal pay raise, October (percent) <sup>3</sup> .....	7.0	5.5	5.5	5.25
Interest rate, 91-day Treasury bills (percent) <sup>4</sup> .....	5.3	7.2	8.8	7.6

<sup>1</sup> CPI for urban wage earners and clerical workers. There are now two versions of the CPI published. The index shown here is that currently used, as required by law, in calculating automatic cost-of-living increases for indexed Federal programs.

<sup>2</sup> This measures unemployment under State regular unemployment insurance as a percentage of covered employment under that program. It does not include recipients of extended benefits under that program.

<sup>3</sup> Pay raises become effective in October of each year—the first month of the new fiscal year. Thus the October 1979 pay raise will set new pay scales that will be in effect during fiscal year 1980.

<sup>4</sup> Average rate on new issues within period. In the past, interest rates for the forecast period have been assumed to remain at the levels prevailing at the time the estimates were made. Because it would be unrealistic to assume continuation of the current unusually high interest rates, these estimates assume, by convention, that interest rates decline with the rate of inflation.

During 1977 and 1978, employment rose at a 4.1% average annual rate, a rate virtually unprecedented for peacetime. The unemployment rate fell from 7.8% in December 1976 to 5.9% in December 1978—despite the unusually rapid growth of the labor force. At the same time, however, inflation, as measured by the increase in the Consumer Price Index (CPI), December over December, rose from 6¾% during 1977 to 9¼% during 1978.

## LONG-RANGE ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

Item	Assumptions			
	1981	1982	1983	1984
<b>Major economic indicators:</b>				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars.....	10.0	8.9	7.4	5.8
Constant (1972) dollars.....	4.6	4.6	4.2	3.0
GNP deflator (percent change, fourth quarter over fourth quarter).....	5.2	4.1	3.0	2.7
Consumer Price Index (percent change, December over December) <sup>1</sup> .....	5.1	4.0	2.9	2.7
Unemployment rate (percent, fourth quarter).....	5.4	4.6	4.0	4.0
<b>Annual economic assumptions:</b>				
Gross national product:				
Current dollars:				
Amount.....	2,825	3,090	3,336	3,546
Percent change, year over year.....	10.1	9.4	7.9	6.3
Constant (1972) dollars:				
Amount.....	1,528	1,599	1,669	1,727
Percent change, year over year.....	4.2	4.7	4.4	3.4
Incomes:				
Personal income.....	2,288	2,503	2,702	2,872
Wages and salaries.....	1,469	1,607	1,734	1,844
Corporate profits.....	264	293	317	337
Price level:				
GNP deflator:				
Level (1972 = 100), annual average.....	184.9	193.2	199.8	205.3
Percent change, year over year.....	5.7	4.5	3.4	2.8
Consumer Price Index: <sup>1</sup>				
Level (1967 = 100), annual average.....	238.4	249.1	257.6	264.7
Percent change, year over year.....	5.7	4.5	3.4	2.7
Unemployment rates:				
Total, annual average.....	5.7	4.9	4.2	4.0
Insured, annual average <sup>2</sup> .....	3.2	2.6	2.2	2.1
Federal pay raise, October (percent) <sup>3</sup> .....	5.0	4.75	4.5	4.25
Interest rate, 91-day Treasury bills (percent) <sup>4</sup> .....	6.6	5.4	4.4	3.7

<sup>1</sup> CPI for urban wage earners and clerical workers. There are now two versions of the CPI published. The index shown here is that currently used, as required by law, in calculating automatic cost-of-living increases for indexed Federal programs.

<sup>2</sup> This indicator measures unemployment under State regular unemployment insurance as a percentage of covered employment under that program. It does not include recipients of extended benefits under that program.

<sup>3</sup> Pay raises become effective in October of each year—the first month of the new fiscal year. Thus the October 1979 pay raise will set new pay scales that will be in effect during fiscal year 1980.

<sup>4</sup> Average rate on new issues within period. In the past, interest rates for the forecast period have been assumed to remain at the levels prevailing at the time the estimates were made. Because it would be unrealistic to assume continuation of the current unusually high interest rates, these estimates assume, by convention, that interest rates decline with the rate of inflation.

The short-range economic assumptions for calendar years 1978 (for which only three quarters of actual data were available when the forecast was made), 1979, and 1980 are forecasts of probable economic conditions consistent with the administration's budget proposals. Growth of real gross national product (GNP) is projected to average 2.2% during the four quarters of calendar year 1979 and 3.2% during 1980. The relatively low real growth in 1979 will probably result in a small rise in unemployment during 1979 to

about 6.2% by year end. During 1980, the rate of unemployment is expected to remain at about that level. As a consequence of the administration's anti-inflation program, including a restrained budget policy, inflation is projected to decline in 1979 and 1980.

The rate of inflation, which was over 9% during 1978, is expected to fall to around 7% at the end of calendar year 1979. However, because price increases in the first half of 1979 are likely to be higher than this, the increase over the entire 12 months of the year will be higher than the year-end rate. In 1980 the rate of inflation is projected to average about 6½% over the 12 months of the year and to be near 6% at year end.

These economic assumptions for 1979 and 1980 are consistent with the longer term objectives of simultaneously reducing unemployment and inflation. Inflation increases uncertainty, raises interest rates and discourages investment. By undermining the value of the dollar, it becomes self-sustaining. The administration's anti-inflation policy recognizes that sustained economic growth and further reductions in unemployment are unlikely to be achieved while inflation remains high.

Economic forecasts for the years 1979 and 1980 are subject to substantial margins of error. For periods further in the future, forecasts are subject to even greater uncertainty. Hence, in contrast to the short-range economic forecast, *the longer range assumptions for the period 1981 to 1984 are not forecasts of probable economic conditions*. Instead, they are projections that *assume* progress in moving toward the goals of a more fully employed economy and greater price level stability. These projections, and in particular the assumptions of 4% unemployment and 3% inflation by the end of calendar year 1983, are consistent with the goals established in the Full Employment and Balanced Growth Act of 1978 (the Humphrey-Hawkins Act). These are very ambitious goals and will require successful long-run policies to reduce both unemployment and inflation. The feasibility of achieving these targets and the types of policies that might be required during the 1981-1984 period to achieve them are discussed in this year's *Economic Report of the President*. The discussion below summarizes the major policies directed at unemployment and inflation in the budget proposals.

***Policies to reduce unemployment.***—A primary requirement for attacking unemployment is continued economic growth, which will require appropriate fiscal policies. While 1980 fiscal policy focuses on the reduction of inflation, it is designed to maintain growth sufficient to preserve recent employment gains. As explained in the President's *Economic Report*, fiscal policy adjustments will probably be required in later years to maintain economic growth and

further reduce unemployment. The appropriate magnitude and timing of such adjustments will depend on future economic developments and cannot be determined now. However, the administration will propose further fiscal actions—in particular further tax reductions—during the 1981–84 period if such actions are required to sustain the progress of the economy toward the goals of the Humphrey-Hawkins Act.

As the Humphrey-Hawkins Act notes, “aggregate monetary and fiscal policies have been unable to achieve” the economic goals established in the Act “and therefore must be supplemented by other measures designed to serve these ends.” The pattern of unemployment shows very high rates for youth and for minorities, who are disproportionately represented among the economically disadvantaged. The administration is therefore pursuing several strategies to reduce the sources of structural unemployment without adding to inflationary pressures. The budget proposes maintaining the high level of public service jobs in the program for the structurally unemployed. This program was revised last year to enhance the net employment gains from the program and to direct job opportunities to the disadvantaged and the long-term unemployed. Less emphasis is being placed upon the cyclical public service employment program, which is not so specifically targeted on the disadvantaged. In response to an administration proposal, the 1978 CETA legislation authorizes a special program to help move participants, and especially younger workers, into unsubsidized private sector jobs. A 1979 supplemental appropriation of \$400 million is requested for this program. In addition, the Revenue Act of 1978 included an administration proposal to create a targeted employment tax credit that will increase private sector employment opportunities for specified groups of disadvantaged individuals, primarily youth. The employment tax credit for hiring employees placed in jobs under the WIN program and for hiring other AFDC (public assistance) recipients was revised to make it similar to the targeted employment tax credit. Finally, the administration will propose a new welfare reform initiative which, if enacted promptly, would be fully effective in 1982. The plan would reform cash assistance programs, further develop the use of CETA to combat structural unemployment, and direct more of the jobs to principal earners in families eligible for cash assistance. In later years, as the effectiveness of these services is determined, additional resources will be requested if necessary.

These employment and training policies are discussed in more detail in Part 5, and their relationship to the goals of the Full Employment and Balanced Growth Act is analyzed in the *Economic Report of the President*.

**Policies to reduce inflation.**—The Full Employment and Balanced Growth Act specifies that “The President shall initiate specific policies to reduce the rate of inflation, including recommendations to the Congress where necessary, and include recommendations within the *Economic Report* and the President’s budget to the extent practicable.”

The budget proposals help combat inflation in two ways: first, through overall budget restraint; and second, through measures that contribute to lowering rates of price increase in specific sectors of the economy.

Budget restraint plays a crucial role in the administration’s anti-inflationary plan. Fiscal and monetary policies seek to avoid adding an element of excess demand to existing inflationary pressures. They seek to create an economic environment in which inflationary pressures will unwind. Some slowing of economic growth is therefore necessary. Slowing economic growth while avoiding a recession requires careful coordination and balance between fiscal and monetary policies.

Monetary and fiscal restraint alone will not be sufficient to unwind inflation. Moderation in private sector wage demands and pricing behavior is also essential. Therefore, the administration has established an anti-inflation program with explicit standards for moderating wage and price increases. The standards include: (1) a 7% per year standard for wage and fringe-benefit increases; (2) a price deceleration standard for individual firms consistent with the limitation on wage increases; (3) a program of real wage insurance to encourage compliance with the standards; and (4) expanded monitoring and enforcement.

Numerous Federal programs and policies contribute, directly or indirectly, to holding down rates of price increase in specific sectors of the economy. Many programs regulate prices directly or promote competition. Energy policies, including the National Energy Act of 1978, have shielded the economy from large and abrupt price increases that would have severe inflationary impact. Avoiding undue fluctuations of agricultural commodity prices has long been a major objective of Federal policy. Regulation of “natural monopolies” such as electric utilities; anti-trust law enforcement; and programs to foster small business and greater competition all contribute to holding down price increases. An effort is now being made to increase competition for Government contracts, in order to reduce prices paid on Government purchases of goods and services.

The administration is currently developing policies to reduce economic regulation in areas—particularly transportation—where they serve to stifle competition and maintain unnecessarily high prices. The Airline Deregulation Act was enacted last year. The administration is considering modifications to trucking industry

regulations, and proposals for deregulation of rail and intercity bus transportation are under development. Another significant policy directed against inflation is the administration's proposal for hospital cost containment. This will reduce price increases in a sector that has displayed excessive price behavior for over a decade.

Federal subsidies, tax expenditures, guarantees, insurance, disaster assistance and loans all may help hold down private sector costs and prices. Housing programs afford examples of each of these types of assistance. Federal warning and safety programs (weather service, coast guard and air traffic control, for example) also help hold down private sector costs by reducing economic losses.

Restraints on Federal pay and employment will help reduce upward pressure on private sector wage rates. Social security reforms will hold down the costs of this program, and, ultimately, the taxes it must levy—thus holding down labor costs. Policies to promote exports and stabilize the value of the dollar may help avoid increases in the costs of imports.

An important set of Federal policies seeks to promote capital formation and increased productivity, which are explicit goals of the Humphrey-Hawkins Act. Increased productivity is essential to reducing inflation in the long run. Federal programs and tax policies that promote productivity growth include investment tax credits and Federal support for research and development. In addition, Federal employment, training, and education programs, equal opportunity programs, and programs (such as housing) that contribute indirectly to labor mobility all help increase productivity, alleviate structural unemployment, and make it possible to achieve employment goals with less inflationary pressure.

Some proposals that have anti-inflation aspects are noted or discussed in more detail in other parts of the budget, particularly Part 5, and in the *Economic Report of the President*.

### THE LONG-RANGE BUDGET OUTLOOK

The effects of current decisions extend beyond the budget year. They establish program trends that have important influences on the size and composition of budgets for years into the future. Just as the composition and level of the 1980 budget have been largely determined by past decisions, the decisions and proposals it embodies will shape subsequent budgets. Thus, major proposals in the 1980 budget would significantly reduce the level of outlays in future years relative to current services levels and thereby improve the prospects for budgetary balance.

Since 1970, budgets have presented 5-year projections; that is, projections extending 4 years beyond the budget year. This year, a multi-year budget planning system has been established. As a

result, outlay estimates for the first 2 years beyond the budget year (1981 and 1982) now receive explicit policy review, and represent tentative planning bases for executive branch agencies. Projections for 1983 and 1984 are simple extrapolations for 2 years beyond the planning base.

The estimates and projections through 1984 are summarized in this section. Part 5 of the budget displays and discusses in more detail the budget authority and outlay estimates for each budget function (or national need) for the 3-year planning period, 1980-1982.

**Basic assumptions.**—The receipts projections presented in this section are consistent with the foregoing economic assumptions, and with continuation of current tax laws as modified by the proposals in this budget. The budget authority and outlay estimates indicate the degree to which resources would be committed by the continuation during 1981-84 of existing and currently proposed programs at the program levels recommended for 1979 and 1980, and planned for 1981 and 1982. These estimates are not precise forecasts of future budget authority or outlays. Nor are they intended as detailed, final recommendations as to future budget levels. They are, however, consistent with the objective of restraining growth in Federal spending, reducing Federal outlays as a percentage of GNP to the lowest level consistent with national needs and priorities, and moving toward a balanced budget as rapidly as economic conditions permit. The multi-year budget base figures for 1981 and 1982 represent tentative administration plans for the long-term scheduling of major new initiatives, and program reductions or terminations.

These planning base estimates, and the projections to 1984, allow for future cost-of-living adjustments to most benefit programs, for anticipated changes in numbers of eligible beneficiaries, for Federal pay raises, and for other built-in cost changes (such as interest) consistent with the economic assumptions outlined above. They allow for real growth in certain areas, such as defense, research and development, and energy. The estimates generally assume that other programs remain level in current dollars except where there is an explicit budget recommendation, or planning recommendation, to increase or decrease program levels over time.

The timing, size, and composition of future major tax law changes will depend on future economic developments—in particular, progress in reducing inflation. Because such future developments are particularly uncertain at this time, no projections of future tax changes have been made.



***The budget outlook.***—The following table summarizes the budget outlook from 1979 to 1984 based on current law and proposals in this budget. Receipts are projected to increase by an average of 11.6% per year from 1980 to 1984, rising from \$502.6 billion to \$780.2 billion. Over the same period, outlays are projected to rise by an average of 6.1% a year, from \$531.6 billion to \$673.7 billion. Thus, under these assumptions, the budget is projected to move into approximate balance in 1981 and into substantial surplus in 1982, with larger surpluses (or budget margins) in subsequent years.

It should be emphasized that these budget margins projected after 1981 do not imply that budget surpluses of such magnitude will in fact occur in those years. These projected surpluses simply indicate that resources will be available to accommodate future discretionary fiscal and budgetary policy decisions—tax reductions, new or expanded programs, and debt reduction. The administration is committed to achieving a balanced budget as soon as economic conditions permit. When that will be possible depends upon economic developments, particularly progress against inflation; on the extent to which further tax cuts are needed to maintain economic growth; and on the need for future program increases or decreases—none of which can be anticipated with any certainty now.

## THE BUDGET OUTLOOK, 1978-84

(In billions of dollars)

	1978 actual	Estimate				Projection	
		1979	1980	1981	1982	1983	1984
Outlays on current services basis .....	450.8	491.3	536.1	577.8	610.6	640.2	667.1
Effects of proposed legislation .....		.1	-1.9	-2.7	-4.7	-6.9	-9.3
Effects of discretionary changes .....		1.9	-2.7	2.8	8.9	12.3	16.0
<b>Total outlays .....</b>	<b>450.8</b>	<b>493.4</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>	<b>645.6</b>	<b>673.7</b>
Receipts on current services basis .....	402.0	456.0	504.5	571.3	646.6	715.3	777.8
Effects of receipts proposals .....			-2.0	5.5	6.1	3.0	2.4
<b>Total receipts .....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>	<b>718.3</b>	<b>780.2</b>
<b>Budget surplus or deficit</b>							
(-) .....	-48.8	-37.4	-29.0	-1.2	37.8	72.7	106.5

The estimates of receipts shown in this section are extrapolations (based on the assumed economic trends) of the receipts that would result under existing tax law and the tax proposals in this budget. Projected increases in receipts from 1980 to 1984 are attributable largely to growth in incomes and increases in social security taxes scheduled under current law. The table below shows projected receipts by source and the effect on receipts of administration tax proposals.

## BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

	1978	1979	1980	1981	1982	1983	1984
Individual income taxes.....	181.0	203.6	227.3	269.1	311.2	352.2	392.1
Corporation income taxes.....	60.0	70.3	71.0	76.7	86.0	92.6	98.6
Social insurance taxes and contributions ..	123.4	141.8	161.5	185.2	208.0	223.4	237.1
Excise taxes.....	18.4	18.4	18.5	19.4	19.5	20.0	20.6
Other.....	19.3	21.9	24.3	26.3	28.0	30.0	31.8
<b>Total.....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>	<b>718.3</b>	<b>780.2</b>
<b>Memorandum: Effect of receipts proposals <sup>1</sup></b>							
Individual income taxes.....			-2.3	1.6	1.3	.4	.3
Corporation income taxes.....			*	2.0	3.5	1.8	1.2
Social insurance taxes.....			.2	1.2	.9	.5	.5
Excise taxes <sup>1</sup> .....			*	.3	.2	.2	.3
Other.....			.1	.3	.1	.1	.1
<b>Total.....</b>			<b>-2.0</b>	<b>5.5</b>	<b>6.1</b>	<b>3.0</b>	<b>2.4</b>

\* \$50 million or less.

<sup>1</sup> These effects are shown in comparison to current services estimates. They do not include the effect of extending airport and airway taxes (which are currently scheduled to expire June 30, 1980), at their present rates.

Individual income taxes are projected to rise from \$227 billion in 1980 to \$392 billion in 1984. Corporation income taxes rise by 39% over this same period, from \$71 billion to \$99 billion.

Tax proposals included in this budget reduce individual income taxes by \$2.3 billion in 1980, largely as a result of the administration's real wage insurance. Between 1981 and 1984, individual and corporation income taxes are increased significantly as a result of accelerations in tax collections due to the administration's cash management initiatives. For a more detailed discussion of these and other tax proposals, see Part 4 of this budget.

Social insurance taxes and contributions, which increased from only 2.5% of GNP in 1958 to 6.0% two decades later, are projected to increase to 6.8% of GNP by 1984. The social security tax rate, which increased from 12.1% to 12.26% on January 1, 1979, is scheduled under current law to increase to 13.3% on January 1, 1981 and to 13.4% a year later. The taxable earnings base is scheduled to increase annually, rising from its current level of \$22,900 to a projected \$36,900 by 1984.

## SOCIAL SECURITY TAX RATE AND TAXABLE EARNINGS BASE

(Calendar years)

	1978	1979	1980	1981	1982	1983	1984
Tax rate (percent) .....	12.1	12.26	12.26	13.3	13.4	13.4	13.4
Taxable earnings base <sup>1</sup> .....	17,700	22,900	25,900	29,700	32,100	34,500	36,900

<sup>1</sup> The taxable earnings base figures for 1982-84 are estimates based on an automatic adjustment mechanism. The figures for earlier years are scheduled under current law.

Estate and gift taxes, customs, excise taxes, and miscellaneous receipts are projected at \$52.4 billion in 1984, an increase of \$9.6 billion from 1980.

PERCENTAGE COMPOSITION OF BUDGET OUTLAYS

Description	Actual			Estimate			Projection	
	1968	1972	1976	1980	1981	1982	1983	1984
<b>National defense:</b>								
Direct Federal payments for individuals .....	1.2	1.7	2.0	2.2	2.2	2.2	2.2	2.3
Other .....	42.9	31.3	22.0	21.5	21.5	21.9	22.4	22.8
Subtotal, national defense.....	44.0	33.0	23.9	23.7	23.7	24.1	24.6	25.1
<b>Nondefense:</b>								
Direct Federal payments for individuals .....	22.2	31.0	39.6	39.5	39.4	39.7	40.4	40.7
Payments for individuals through States and localities .....	3.5	5.8	5.2	5.3	5.3	5.3	5.4	5.6
All other grants to States and localities .....	6.8	9.0	10.6	10.3	10.0	9.6	9.1	8.7
Net interest .....	6.2	6.7	7.1	8.7	8.1	7.3	6.5	5.8
Other .....	17.2	14.6	13.6	12.6	13.6	13.9	14.0	14.1
Subtotal, nondefense.....	56.0	69.0	60.4	76.3	76.3	75.9	75.4	74.9
<b>Total budget outlays .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Outlays as a percentage of GNP ..</b>	<b>21.5</b>	<b>20.9</b>	<b>22.6</b>	<b>21.2</b>	<b>21.0</b>	<b>20.3</b>	<b>19.7</b>	<b>19.3</b>

The estimates and projections of budget authority and outlays shown in this section are extrapolations (based on assumed economic trends) of program costs reflecting current administration policy—including the 1980 budget proposals and multi-year budget plans for 1981 and 1982. They are estimates of future resources and of the degree to which those resources are already committed by current policy. Total budget outlays are projected to increase at an average annual rate of 6.1%, from \$531.6 billion in 1980 to \$673.7 billion in 1984. As a percentage of GNP, outlays fall from 22.6% in 1976 to 21.2% in 1980 and 19.3% in 1984.

The major change in the composition of budget outlays over the last 10 years has been the rapid growth in payments for individuals and the corresponding relative decline in resources devoted to other programs. Until fairly recently, spending for national defense (in constant dollars) was declining. This trend was reversed in 1977 and defense spending (measured in constant dollars) is projected to continue increasing through 1984. This would keep our defense effort at a fairly constant 5% of gross national product in the late 1970's and early 1980's, compared to about 10% in the late 1950's.

Budget outlays are projected to increase by \$141.7 billion between 1980 and 1984. National defense and human resources programs account for 84% of the increase. Most of the increase (in current prices) results from demographic changes, inflation, and

interest costs rather than expansion of the scope of Federal activity.

Projections of budget authority and outlays are shown by function and by agency on pages 48 to 50. While total outlays are projected to increase by 26.7% from 1980 to 1984, outlays for health, income security, and national defense are projected to increase faster than the total. Outlays for these functions rise by 42.2%, 28.7%, and 34.2%, respectively. By way of comparison, GNP is projected to rise by 39.5% from calendar year 1980 to 1984. Trends in the functional composition of the budget are discussed further in the introduction to Part 5.

*The high-employment budget* is an analytical concept based on the budget estimates that would result were the economy continuously operating at a high level of employment. The unemployment rate at high employment is estimated to be 5.1% currently and to decline to 4.8% by the end of 1984. These rates are comparable to a rate of about 4.0% in 1955, adjusted for changes in the composition of the labor force.

High-employment outlays exclude that portion of regular unemployment insurance benefits that occur because the economy is not continuously operating at high employment. They thus eliminate the fluctuations in actual outlays for this program due to year-to-year changes in the unemployment rate. High-employment receipts are similarly computed on the basis of the estimated yield of the existing (or proposed) Federal tax system if the economy were continuously at high employment. The difference between the adjusted receipts and outlay estimates is the high-employment budget margin. Changes in this margin from one year to the next are a rough measure of the impact of discretionary fiscal policy (i.e., excluding the effects of automatic stabilizers) on the economy.

#### HIGH-EMPLOYMENT RECEIPTS AND OUTLAYS

(In billions of dollars)

	Estimates					Projections	
	1978	1979	1980	1981	1982	1983	1984
High-employment outlays .....	448	492	529	576	615	647	676
High-employment receipts .....	417	469	521	592	657	710	765
High-employment budget margin...	-31	-23	-8	16	42	63	89

High-employment outlays are estimated at \$529 billion in 1980, rising to \$676 billion in 1984. High-employment receipts are projected to increase from \$521 billion in 1980 to \$765 billion in 1984. The high-employment margin increases from \$-8 billion in 1980 to \$89 billion in 1984.

**Controllability.**—Outlays in any one year are considered to be relatively uncontrollable by administrative action when the program level is determined by existing statute or by contract or other obligations. Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, outlays for which are generally mandated by law; and payments from prior-year contracts and obligations, outlays for which are required because of previous actions, such as entering into contracts. As recently as 1967, open-ended programs and fixed costs accounted for only 36% of total outlays. By 1973 they were more than 50% of the budget and in 1980 they are estimated to be 59.5%. They are projected to be 59.1% of budget outlays by 1984. The substantial growth since 1967 has been due primarily to the rapid increase in benefit payments for individuals.

#### CONTROLLABILITY OF BUDGET OUTLAYS

(In billions of dollars)

	1980	1981	1982	1983	1984
Relatively uncontrollable Open-ended programs and fixed costs:					
Social security and railroad retirement.....	120.4	133.3	145.8	157.3	166.5
Medicare and medicaid .....	46.2	52.4	59.2	66.6	74.6
Other payments for individuals .....	84.0	88.4	91.5	95.1	97.1
Net interest.....	46.2	46.7	45.0	41.9	39.1
General revenue sharing .....	6.9	6.9	6.9	6.9	6.9
Other open-ended programs and fixed costs	12.6	13.0	13.1	12.5	13.6
Total, open-ended programs and fixed costs, current law .....	316.2	340.6	361.5	380.3	397.9
Proposed changes in open-ended programs and fixed costs .....	-1.8	-3.8	-6.0	-8.3	-10.6
Outlays from prior year contracts and obligations <sup>1</sup> .....	87.9	246.8	265.2	279.5	292.4
Relatively controllable outlays.....	134.8				
Undistributed employer share, employee retirement .....	-5.5	-5.7	-5.8	-5.9	-5.9
Total budget outlays .....	531.6	578.0	614.9	645.6	673.7

<sup>1</sup> Outlays from prior year contracts and obligations, which are relatively uncontrollable, cannot be projected beyond the budget year. Historical data for this category, and estimates for 1979 and 1980 are shown separately in Table 14, Part 9.

Outlays from prior-year obligations amount to an additional 15% to 20% of the budget and are considered relatively uncontrollable in the short run. This category is not projected beyond the budget year because those amounts, for future years, are generally controllable now—before the contracts and other obligations under which they will occur have been entered into. However, it can be expected that the total relatively uncontrollable portion of the budget will continue to comprise about 75% of the total budget.

The fact that such a large proportion of the budget is relatively uncontrollable has obvious policy implications. Without legislative changes to restrain the growth in uncontrollable programs, the burden of efforts to control total budget outlays must fall disproportionately on a small and shrinking portion of the budget. The administration has proposed legislation to change some of the relatively uncontrollable programs. The effects of these proposals are discussed in detail in Part 5 of the budget. In addition, the President has instituted a multi-year planning system to provide greater control of the Federal budget. With a longer planning horizon, a greater portion of the budget can be considered "relatively controllable."

## BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1980	1981	1982	1983	1984
National defense.....	138.2	148.6	158.6	169.6	180.4
Military personnel.....	(28.9)	(29.1)	(29.2)	(29.2)	(29.3)
Retired pay.....	(11.5)	(12.5)	(13.5)	(14.5)	(15.4)
Operation and maintenance.....	(40.2)	(41.5)	(43.6)	(45.0)	(46.8)
Procurement.....	(35.4)	(38.7)	(41.5)	(45.7)	(49.1)
Other.....	(22.3)	(26.8)	(30.8)	(35.1)	(39.9)
International affairs.....	13.7	13.8	15.9	16.6	17.8
General science, space, and technology.....	5.7	5.6	5.3	5.0	4.7
Energy.....	19.5	5.1	6.4	6.2	6.0
Natural resources and environment.....	12.9	13.7	13.6	13.5	13.3
Agriculture.....	4.9	5.5	5.2	5.4	5.9
Commerce and housing credit.....	8.3	6.7	6.8	6.9	7.0
Transportation.....	19.1	21.5	20.5	20.6	20.7
Community and regional development.....	11.3	10.9	10.5	10.6	10.5
Education, training, employment, and social services.....	30.9	31.2	31.6	30.5	30.0
Education.....	(14.3)	(14.4)	(14.6)	(14.7)	(14.7)
Training and employment.....	(10.6)	(10.8)	(11.0)	(9.8)	(9.2)
Social services and other.....	(5.9)	(6.0)	(6.1)	(6.1)	(6.1)
Health.....	57.6	68.1	77.1	84.7	92.2
Medicare.....	(35.8)	(45.0)	(52.7)	(58.6)	(64.2)
Medicaid.....	(12.7)	(13.8)	(15.1)	(16.6)	(18.4)
Other.....	(9.1)	(9.2)	(9.4)	(9.5)	(9.6)
Income security.....	214.5	233.6	252.4	266.7	278.4
Social security.....	(115.8)	(132.2)	(150.3)	(164.6)	(177.0)
Federal employee retirement.....	(23.0)	(24.3)	(25.4)	(26.4)	(27.2)
Unemployment compensation.....	(15.7)	(15.6)	(14.1)	(11.9)	(10.8)
Public assistance and related.....	(53.9)	(55.5)	(56.2)	(57.2)	(56.4)
Other.....	(6.1)	(6.2)	(6.5)	(6.7)	(6.9)
Veterans benefits and services.....	21.0	21.4	21.7	22.1	22.4
Administration of justice.....	4.3	4.3	4.4	4.4	4.5
General government.....	4.5	4.7	4.5	4.5	4.5
General purpose fiscal assistance.....	8.8	8.7	8.7	8.7	8.7
Interest.....	57.0	59.1	59.5	58.9	58.8
Allowances:					
Civilian agency pay raises.....	.9	2.3	3.5	4.7	5.9
Contingencies for welfare reform.....	.....	1.5	5.5	6.0	6.0
Other contingencies.....	1.5	5.8	7.3	8.5	9.5
Undistributed offsetting receipts:					
Employer share, employee retirement.....	-5.5	-5.7	-5.8	-5.9	-5.9
Interest received by trust funds.....	-10.9	-12.4	-14.5	-17.0	-19.7
Rents and royalties on the Outer Continental Shelf.....	-2.6	-3.0	-3.0	-3.0	-3.0
<b>Total budget authority.....</b>	<b>615.5</b>	<b>651.0</b>	<b>695.7</b>	<b>728.1</b>	<b>758.7</b>
<b>MEMORANDUM</b>					
Budget authority, off-budget Federal entities....	15.3	14.2	14.2	14.2	14.2
Budget authority, including off-budget.....	629.6	665.2	709.9	742.2	772.8



## BUDGET OUTLAYS BY FUNCTION

(In billions of dollars)

	Estimates			Projections	
	1980	1981	1982	1983	1984
National defense.....	125.8	137.0	148.2	158.8	168.9
Military personnel .....	(28.4)	(28.6)	(28.7)	(28.8)	(28.8)
Retired pay .....	(11.4)	(12.5)	(13.5)	(14.5)	(15.3)
Operation and maintenance.....	(38.7)	(40.1)	(42.1)	(43.5)	(45.1)
Procurement.....	(25.7)	(30.0)	(34.4)	(38.7)	(41.7)
Other .....	(21.5)	(25.8)	(29.4)	(33.3)	(38.0)
International affairs.....	8.2	8.9	9.5	10.5	12.3
General science, space, and technology.....	5.5	5.5	5.3	5.0	4.7
Energy.....	7.9	7.8	6.8	7.9	8.1
Natural resources and environment .....	11.5	12.6	13.3	13.6	14.1
Agriculture.....	4.3	5.6	5.9	5.8	6.7
Commerce and housing credit .....	3.4	3.4	3.0	2.7	2.5
Transportation .....	17.6	19.5	20.0	20.4	20.5
Community and regional development .....	7.3	8.4	8.8	9.0	9.2
Education, training, employment, and social services.....	30.2	31.0	31.5	30.5	30.0
Education .....	(13.3)	(14.1)	(14.5)	(14.6)	(14.7)
Training and employment.....	(11.0)	(11.0)	(11.0)	(9.8)	(9.2)
Social services and other.....	(5.9)	(6.0)	(6.1)	(6.1)	(6.1)
Health.....	53.4	58.8	64.2	69.8	75.9
Medicare.....	(32.1)	(35.7)	(39.5)	(43.6)	(47.9)
Medicaid .....	(12.5)	(13.8)	(15.1)	(16.6)	(18.4)
Other .....	(8.8)	(9.3)	(9.5)	(9.6)	(9.6)
Income security.....	179.1	194.1	207.5	220.7	230.4
Social security .....	(115.2)	(126.8)	(137.9)	(148.4)	(157.0)
Federal employee retirement .....	(14.1)	(15.7)	(17.3)	(18.7)	(19.0)
Unemployment compensation .....	(12.4)	(11.9)	(10.8)	(9.9)	(9.4)
Public assistance and related.....	(31.4)	(33.5)	(35.3)	(37.4)	(37.7)
Other .....	(6.0)	(6.2)	(6.2)	(6.3)	(6.4)
Veterans benefits and services.....	20.5	21.2	21.7	22.1	22.3
Administration of justice.....	4.4	4.4	4.4	4.4	4.4
General government.....	4.4	4.5	4.7	4.5	4.5
General purpose fiscal assistance.....	8.8	8.7	8.7	8.7	8.7
Interest.....	57.0	59.1	59.5	58.9	58.8
Allowances:					
Civilian agency pay raises.....	.9	2.2	3.4	4.5	5.8
Contingencies for welfare reform .....	.....	1.5	5.5	6.0	6.0
Other contingencies .....	.5	4.8	6.3	7.5	8.5
Undistributed offsetting receipts:					
Employer share, employee retirement.....	-5.5	-5.7	-5.8	-5.9	-5.9
Interest received by trust funds.....	-10.9	-12.4	-14.5	-17.0	-19.7
Rents and royalties on the Outer Continental Shelf .....	-2.6	-3.0	-3.0	-3.0	-3.0
<b>Total budget outlays .....</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>	<b>645.6</b>	<b>673.7</b>
<b>MEMORANDUM</b>					
Outlays, off-budget Federal entities.....	12.0	11.5	11.1	10.6	10.6
Outlays, including off-budget Federal entities...	543.5	589.5	616.0	656.2	684.3

## BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In billions of dollars)

Department or other unit	Estimates			Projections	
	1980	1981	1982	1983	1984
<b>BUDGET AUTHORITY</b>					
Legislative and Judicial branches.....	1.9	2.0	2.0	2.0	2.1
Executive Office of the President.....	.1	.1	.1	.1	.1
Funds appropriated to the President.....	10.3	9.1	10.8	11.0	11.7
Agriculture.....	20.5	23.0	23.3	24.0	24.9
Commerce.....	3.2	2.8	2.8	2.8	2.7
Defense—Military.....	135.0	145.2	155.2	166.3	177.2
Defense—Civil.....	3.1	3.3	3.2	2.9	2.8
Energy.....	7.4	8.3	9.6	9.2	9.0
Health, Education, and Welfare.....	205.2	232.7	260.4	283.2	302.2
Housing and Urban Development.....	33.3	33.7	33.7	33.8	33.9
Interior.....	4.4	4.8	4.9	5.0	5.0
Justice.....	2.4	2.4	2.4	2.4	2.4
Labor.....	27.5	27.3	26.1	22.7	21.0
State.....	1.7	1.9	2.0	2.1	2.3
Transportation.....	17.8	20.1	19.1	19.2	19.3
Treasury.....	70.1	71.8	72.2	71.6	71.4
Environmental Protection Agency.....	5.1	5.3	5.3	5.3	5.3
National Aeronautics and Space Administration.....	4.7	4.6	4.3	4.0	3.7
Veterans Administration.....	21.0	21.4	21.7	22.1	22.4
Office of Personnel Management.....	23.2	24.6	25.8	26.9	27.8
Other agencies.....	34.0	18.0	17.9	18.2	18.6
Allowances.....	2.4	9.6	16.3	19.2	21.4
Undistributed offsetting receipts.....	—19.0	—21.1	—23.3	—25.9	—28.6
<b>Total budget authority.....</b>	<b>615.5</b>	<b>651.0</b>	<b>695.7</b>	<b>728.1</b>	<b>758.7</b>
<b>OUTLAYS</b>					
Legislative and Judicial branches.....	1.9	1.8	2.1	2.0	2.0
Executive Office of the President.....	.1	.1	.1	.1	.1
Funds appropriated to the President.....	5.1	5.0	5.2	5.6	6.5
Agriculture.....	18.4	21.6	22.4	22.6	23.9
Commerce.....	3.3	2.8	2.7	2.7	2.6
Defense—Military.....	122.7	133.7	144.9	155.5	165.7
Defense—Civil.....	2.7	2.9	2.9	2.8	2.7
Energy.....	8.9	9.4	8.7	9.0	9.1
Health, Education, and Welfare.....	199.4	217.8	235.0	252.3	266.0
Housing and Urban Development.....	10.6	11.7	12.8	13.7	14.9
Interior.....	3.8	4.3	4.6	4.8	4.9
Justice.....	2.5	2.5	2.5	2.4	2.4
Labor.....	24.5	23.9	22.8	20.7	19.6
State.....	1.7	1.7	1.9	2.0	2.1
Transportation.....	15.8	17.9	18.6	19.1	19.2
Treasury.....	69.9	71.6	72.0	71.4	71.3
Environmental Protection Agency.....	4.8	5.1	5.5	5.8	6.3
National Aeronautics and Space Administration.....	4.6	4.6	4.4	4.2	3.9
Veterans Administration.....	20.5	21.2	21.7	22.1	22.2
Office of Personnel Management.....	14.4	16.1	17.7	19.2	20.5
Other agencies.....	13.7	14.8	14.6	15.6	16.0
Allowances.....	1.4	8.5	15.2	18.0	20.3
Undistributed offsetting receipts.....	—19.0	—21.1	—23.3	—25.9	—28.6
<b>Total budget outlays.....</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>	<b>645.6</b>	<b>673.7</b>

## POPULATION CHANGE AND LONG RANGE EFFECTS ON THE BUDGET

In past years, the budget has included a presentation of five-year budget projections to encourage understanding of the future implications of the President's budget policies. This effort has been augmented by the much more detailed presentation of the three-year planning estimates that are included for the first time in Part 5 of this budget.

Five-year budget projections are subject to considerable error, as discussed above. Yet in some respects a five-year planning span is too short. In such areas as research and development, energy, retirement policy and education, we need to look further into the future in order to build strong foundations for a changing society.

With this in mind, the following discussion considers the probable changes in the age profile of American society and some possible results of those changes, particularly on the budget. The analysis will be continued and sharpened in future years. The potential budgetary impacts that are noted are not administration policy but, rather, an effort to suggest what may be the concerns of administrations a decade from now. This kind of analysis has never previously been included in the budget, and is admittedly speculative in nature.

Demographic changes have substantial effects on the budget, some of which can be anticipated. For example, we can estimate fairly accurately the number of people reaching retirement age a few years hence. Other effects may be harder to predict, not least because demography is only one factor affecting change.

During the Depression of the 1930's relatively few children were born in the United States—fewer than 2½ million in most years. After the Second World War this country experienced a “baby boom,” which peaked in 1957 when 4.3 million children were born. Now, although there are many more women of prime child-bearing age (the women born during the boom), their fertility is only *half* that of their mothers, and in recent years only about 3 million children have been born annually. Consequently, the baby boom generation constitutes a huge “age lump” in our population—a demographic tidal wave.<sup>1</sup>

This tidal wave has many important consequences for American society—and for the budget, which includes many programs that serve specific age groups. Over the course of the life-cycle, from youth to old age, people make different demands upon, and contributions to, society, the economy, and government. Children need support, education, and adult supervision. Young adults seek hous-

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<sup>1</sup> In 1970, half our population was age 27 or younger; assuming no further decline in fertility rates by the year 2040 half the population will be age 46 or older.

ing of their own and jobs—and it is from this age group that the armed services recruit. Middle-aged workers are at their peak earning, saving, and tax-paying years. The elderly need pension support and more health care than younger people generally require.

*Fertility.*—The severity of the future social and institutional changes resulting from fluctuations in fertility depends in part on future fertility—which is difficult to forecast. U.S. fertility rates have been declining since 1800, with the one exception of the post-World War II baby boom. Currently, the U.S. fertility rate is significantly below the “replacement rate” needed to maintain a constant population in the long run. “Zero population growth” requires that an average of about 2,100 children be born to each 1,000 women of child-bearing age. In 1976, the rate was 1,760 per 1,000 women. Recent birth rates, if continued indefinitely, would imply an eventual decline of the U.S. population by about 17% per generation, in the absence of net immigration. Current net immigration rates only fill half of this “birth gap”; and the gap threatens to widen.

*Education.*—Between 1950 and 1970 the number of elementary and high school age children (ages 5–17) increased 70%. The estimated school age population for 1979 is almost 11% lower than in 1970. A further 10% decline could well occur over the next decade. Despite the decline in the school age population from 1970 to 1979, Federal spending for elementary and secondary education, adjusted for inflation, increased by 25%. This amounts to approximately a 35% increase in constant dollars per pupil. In the face of the decline in the school age population, the long run Federal effort in education would appear to merit reexamination. However, the targeted approach of Federal aid to education in this budget, with emphasis on those with special problems or in particular need of assistance, makes it clear that number of students is not the only relevant consideration.

Moreover, it is likely that the decline in the school age population will be at least temporarily reversed. This is because, despite their low fertility rates, the members of the baby boom generation are so numerous that their children will comprise a mild demographic “echo” of the original boom. That echo will pass through the schools in the 1990's.

Trends in the college population are more difficult to predict because attendance is not compulsory. In the last ten years the number of college enrollments has increased more than 50%. There are some expectations that college enrollments, unlike those of elementary and secondary schools, will not decline or will not decline as much, because colleges will tend to expand their continu-

ing education programs for older persons and to attract foreign students. Whatever the outcome, demographic shifts will need to be considered in the analysis of Federal budget support to higher education.

*The labor force.*—The most rapid rate of growth in the labor force since World War II is occurring now, in the 1970's, as the baby boom is reaching working age.<sup>2</sup>

In the last 13 years the number of new entrants to the labor force has increased steadily. The largest age group in 1978 was 21-year-olds; the size of each annual cohort behind the present-day 21-year-olds will be smaller for at least the next 20 years.

Large influxes of young (and inexperienced) new workers into the labor force may increase the unemployment rate if there are not enough new jobs in the economy that meet the aspirations of young people in search of jobs. Productivity may be lower due to the inexperience of the new workers. Thus, the entry of the baby boom into the work force may help to account for the high unemployment and low productivity growth of the past decade. Conversely, once the bulk of the baby boom generation is employed the average age and experience of the work force as a whole will begin to rise. This may tend to increase productivity and decrease the unemployment rate. However, nondemographic forces could offset these influences.

As labor force growth slows in future years, and as the number of teenagers in the labor force begins to decline, labor markets may tighten and it is possible that labor shortages will develop. If so, the Federal investment in training, employment, and labor services will need to be reexamined. Possibly, there will need to be less emphasis on youth programs and public sector jobs, and more emphasis on retraining and retention of older workers, increasing the mobility of workers and providing services (child care, transportation) to people who otherwise would have difficulty working.

*The all-volunteer armed forces.*—The future decline in the number of new entrants to the labor force will be felt by the armed forces as well as by the civilian labor market. In 1977, males recruited into the armed forces represented approximately 20% of that year's cohort of 18-year-olds. Since the draft ended in 1973, the armed services have had to compete directly with civilian job opportunities for recruits. Except for the Reserves, they have been relatively successful to date. If the armed forces are to maintain their present force levels, however, then either the percentage of

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<sup>2</sup> Not all growth in the labor force is due to population growth. Part can be ascribed to the increasing participation of women in the labor force. In 1948, 33% of all women age 16 years and over were employed; by 1978 the proportion was up to 49%. This increase in the participation of women in the labor force is both a cause and an effect of the decline in fertility.

each year's cohort of 18-year-old males recruited will have to increase substantially over time as the potential pool shrinks, or women will have to make up a substantially higher percentage of recruits. Alternatively, retention rates will have to be increased substantially. The budget could be affected if adjustments in military pay and benefits relative to private sector compensation become necessary.

*Age and crime.*—The national crime rate is generally affected by both the unemployment rate and the number of people in the high-crime age group. Two-thirds of arrests in 1975 were of people between the ages of 13 and 29. The absolute size of this high-crime age group will reach a peak in 1980 and then decline for the rest of the century. It is by no means clear that the Nation can literally grow out of its high crime problem. Moreover, recent trends suggest leveling or declining crime rates despite demographic trends. However, demography may still be a factor in considering anti-crime programs.

*Population and housing.*—The U.S. population contains approximately 80 million households, each occupying one housing unit. In recent years approximately a million old housing units have been demolished annually, and a little less than 2 million new ones constructed. This construction effort has absorbed about 5% of the Nation's gross national product, on average. Thus, a substantial segment of our economy is devoted to replacing old houses and making relatively modest additions to the size of the existing stock in order to keep up with population growth.

The demand for housing units is partly determined by the number of new households that are being formed. The children born during the baby boom are now buying or renting their first homes and are, therefore, currently contributing to the strong demand for new housing, which may in turn partly influence the rapid growth in housing prices. By the 1980's however, the number of people at what is *now* the normal age of forming households will be less than it is today. This needs to be carefully considered, along with other factors, such as how much income will be available for housing, in long term planning of housing programs.

If the low fertility rates persist, and are not offset by immigration, one possibility is that the shrinkage in the population may eventually nearly keep pace with the demolition of worn-out housing units. This would ease the demand on a sector of the economy that now accounts for 5% of GNP. Alternatively, higher incomes and changes in preferences could result in larger, more expensive housing units, thus substituting increased quality for decreased quantity.

*Saving, credit, and investment.*—Young adults have, on average, low earnings and little savings, yet they need money to set up housekeeping. They borrow. They acquire mortgages and automobile loans and buy furniture on time.

Middle-age workers, with higher average earnings, already have a basic set of possessions. They save a substantial percentage of their large earnings, paying off the debts they incurred earlier, such as their mortgages, and may build up reserves to be used during retirement.

Retirees tend to reduce their savings on average, that is, live off their previous savings.

If current patterns continue into the future, the baby boom generation will exert an increased demand for consumer and housing credit for many years to come. Once the boom generation reaches what are now high-earnings, high-saving age levels, borrowing could reverse to net savings for this large group. There is much that affects credit savings and investment besides the age profile of the population. Nonetheless, this changing profile is likely to be one significant—and perhaps generally overlooked—element.

*Retirement and medical programs for the aged.*—The elderly population in the United States has grown dramatically in the past century, not only in absolute terms but as a percentage of the total population. An increasingly elderly population, rising life expectancy, the distinct trend toward declining average retirement ages, and the trend toward declining labor force participation by older people could combine to create a retirement and medical system funding problem in the 21st century.

Total Federal, State, and local taxes in recent years have amounted to about 33% of GNP—11% for social insurance programs, including medicare, and 22% for other purposes. If requirements for other purposes remain at 22% of GNP and if the ratio of the average retirement benefit to the average wage were to remain at current levels, the total tax burden 50 years hence would have to be close to 50%. There are alternatives to such high future tax rates, such as lower benefits and later retirement ages. But these are not easy choices. In addition, there would be major transition problems if the terms of retirement programs are to be modified significantly. This is because there are implicit or explicit understandings between government and private sector employers and their workers concerning their retirement benefits. Ultimately, the issue will be how much of the resources produced in 2035 by the labor force employed at that time will be transferred to the retired generation.

*Federalism.*—The trends that have been described above are likely to affect Federal, State, and local sectors of government differently, and will in turn affect their relationships with each other. Education is the largest single component of most State and local budgets. Retirement and disability programs are the largest component of the Federal budget.

After 1980 the school age population will become a decreasing proportion of the total population. The retired population will be the only age group in our society that will still be increasing absolutely and proportionally after 2000.

With a decreasing number of students to be educated, State and local governments might assume new responsibilities, run surpluses or cut taxes. The Federal Government, however, is likely to have fewer long-term options as the number of aged in our population grows. Retirement and medical benefits for the elderly are already 37% of the Federal budget. If retirement and related benefits continue to grow faster than the economy, we must face a choice among such alternatives as reducing other Federal programs in relative size, increasing the size of the Federal sector, reducing retirement benefits or raising the retirement age.



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**PART 4**

**BUDGET RECEIPTS**

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## BUDGET RECEIPTS

This section of the budget describes the major sources of budget receipts for 1978 to 1982 and discusses the legislative proposals and administrative actions affecting them. Detailed estimates of budget receipts by source are shown in table 10 of Part 9. The economic assumptions underlying the estimates are presented in Part 3 together with estimates of receipts for 1983-84 and estimates of receipts at high employment. Part 6 analyzes the difference between actual receipts for 1978 and the budget estimates for 1978 made 2 years ago.

### SUMMARY

Total budget receipts in 1980 are estimated to be \$502.6 billion, an increase of \$46.6 billion from the \$456.0 billion in 1979. Receipts in 1981 and 1982 are estimated to be \$576.8 billion and \$652.6 billion, respectively. These estimates reflect the effects of:

- the real wage insurance proposed by the President as a part of the anti-inflation program;
- administrative actions and proposed legislative changes to collect taxes closer to the time when liabilities occur;
- other receipts proposals currently being made; and
- increases in social security taxes scheduled under current law.

The estimates of receipts for 1981 and 1982 do not include provision for tax reductions. The desirability of tax reductions in these years will depend on the future state of the economy, especially progress in reducing inflation, and on the need to reduce tax burdens. The administration will consider future tax changes, including social security tax reductions in conjunction with the savings resulting from benefit reforms and other cost saving proposals.

***Composition of budget receipts.***—The Federal tax system relies predominantly on income and payroll taxes. In 1980:

- Income taxes paid by individuals and corporations are estimated at \$227.3 billion and \$71.0 billion, respectively. Combined, these sources account for 59% of estimated total budget receipts.
- Social insurance taxes and contributions—composed largely of payroll taxes levied on wages and salaries, most of which are paid equally by employers and employees—will yield an estimated \$161.5 billion, 32% of the total.
- Excise taxes imposed on selected products, services, and activities are expected to provide \$18.5 billion, 4% of the total.
- Estate and gift taxes, customs duties, and miscellaneous receipts are estimated at \$24.3 billion, the remaining 5% of the total.

Under the tax policy assumptions described earlier, the income tax share of receipts is projected to rise to 61% by 1982, 1.5 percentage points more than projected for 1980. Social insurance taxes as a share of total receipts are projected to decline by 0.3 percentage point while the projected share of all other receipts declines by 1.2 percentage points.

## BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

Source	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Individual income taxes .....	181.0	203.6	227.3	269.1	311.2
Corporation income taxes .....	60.0	70.3	71.0	76.7	86.0
Social insurance taxes and contributions .....	123.4	141.8	161.5	185.2	208.0
Excise taxes .....	18.4	18.4	18.5	19.4	19.5
Estate and gift taxes .....	5.3	5.7	6.0	6.2	6.7
Customs duties .....	6.6	7.5	8.4	9.5	10.2
Miscellaneous receipts .....	7.4	8.7	9.9	10.6	11.1
<b>Total, budget receipts .....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>

## ENACTED LEGISLATION

Three major acts were passed last year that have significant effects on receipts in 1979 and beyond: the Revenue Act of 1978, the Energy Tax Act of 1978, and the Foreign Earned Income Act of 1978. The summary table below shows the effect of these acts on calendar year liabilities and fiscal year receipts. The subsequent discussion describes the major provisions of each act.

SUMMARY TABLE—EFFECT OF MAJOR TAX LEGISLATION ENACTED IN 1978 <sup>1</sup>

(In billions of dollars)

	1979	1980	1981	1982
<b>Calendar year liabilities:</b>				
Revenue Act of 1978 <sup>2,3</sup> .....	-20.6	-24.3	-28.7	-32.0
Energy Tax Act.....	-.8	-.9	-1.1	-1.2
Foreign Earned Income Act.....	-.2	-.3	-.3	-.3
<b>Total.....</b>	<b>-21.6</b>	<b>-25.4</b>	<b>-30.1</b>	<b>-33.5</b>
<b>Fiscal year receipts:</b>				
Revenue Act of 1978 <sup>2,3</sup> .....	-11.5	-22.8	-26.7	-30.6
Energy Tax Act.....	-1.0	-.8	-1.0	-1.1
Foreign Earned Income Act.....	-.6	-.3	-.3	-.3
<b>Total.....</b>	<b>-13.2</b>	<b>-23.9</b>	<b>-27.9</b>	<b>-32.0</b>

## ADDENDUM

Effect of extending temporary provisions of the Tax Reduction and Simplification Act of 1977 (other than the jobs credit): <sup>3</sup>

Calendar year liabilities.....	-12.7	-13.4	-18.8	-20.9
Fiscal year receipts.....	-7.5	-13.1	-15.9	-19.8

<sup>1</sup> These estimates are based on the direct effect only of legislative changes at a given level of income. They therefore exclude indirect effects caused by changes in individual and corporation incomes. However, these indirect effects are taken into account when estimating the incomes upon which the receipts estimates and the estimates of the effects of legislation are based. In this way, the indirect effects are included in the receipts estimates by major source and in total.

<sup>2</sup> The effect of this Act on calendar year tax liabilities and fiscal year receipts is calculated in comparison to the liabilities and receipts that would have resulted if all the temporary provisions of the Tax Reduction and Simplification Act of 1977 had been extended except the jobs credit.

<sup>3</sup> Excludes earned income credit payments in excess of individuals' tax liabilities, which are recorded in the budget as outlays.

## THE REVENUE ACT OF 1978

The Revenue Act of 1978 (Public Law 95-600) was enacted November 6, 1978. This Act reduced taxes for individuals and corporations, generally effective January 1, 1979, and included several of the administration's tax reform proposals. In the absence of this Act, receipts would have been increased substantially in 1979 because several temporary provisions of the Tax Reduction and Simplification Act of 1977 were scheduled to expire at the end of calendar year 1978. The effects of the Revenue Act on calendar year tax liabilities and fiscal year receipts are presented in comparison to the liabilities and receipts that would have resulted if most of these temporary provisions had been extended.<sup>1</sup> This is the "current services" base from which the size of the tax reductions is generally measured.

**Individual income taxes.**—The Revenue Act reduces tax liabilities for individuals by \$14.5 billion in calendar year 1979. The largest reduction results from a widening of tax brackets and a reduction in the tax rates applicable to several of these brackets. These

<sup>1</sup> The only exception is the jobs credit. Unlike the other temporary provisions, which were expected to be extended or replaced by other provisions, the jobs credit was enacted as a 2-year economic stimulus measure.

reductions will reduce calendar year 1979 tax liabilities by \$10.4 billion.

The personal exemption was increased from \$750 to \$1,000 and the general tax credit was allowed to expire. Substitution of the exemption increase for the general tax credit reduces liabilities in calendar year 1979 by \$1.3 billion. The zero bracket amount (formerly called the standard deduction) was increased from \$3200 to \$3400 for taxpayers filing a joint return and from \$2200 to \$2300 for single taxpayers. These changes reduce tax liabilities by \$1.4 billion in calendar year 1979.

The earned income tax credit, which had been scheduled to expire December 31, 1978, was increased and made permanent. In 1978 the credit was 10% of the first \$4,000 of earned income and was phased out at the rate of \$1 for each \$10 of income above that level. For 1979 and later years the credit will be 10% of the first \$5,000 and will phase out at the rate of \$1.25 for each \$10 of earned income above \$6,000. This expansion of the earned income credit will reduce tax liabilities in calendar year 1979 by \$0.3 billion; it will also add \$0.7 billion to outlays (to be paid in fiscal year 1980) for individuals whose earned income credit exceeds tax liability.

Capital gains taxes were reduced significantly by the Revenue Act. Under previous law, 50% of net long-term gains from the sale of capital assets were excluded from taxable income. Alternatively, taxpayers could elect to be taxed at a 25% rate on the first \$50,000 of gains if that tax was lower than would otherwise apply. Under the new legislation, which is generally applicable to gains and losses realized after October 31, 1978, the percentage of capital gains excluded from taxable income is raised to 60%. However, for tax years beginning after December 31, 1978, the 25% alternative tax has been eliminated and the excluded 60% of net long-term capital gains will no longer be included as a preference item in computing the minimum tax, although it is subject to a new alternative minimum tax in some instances. The Act also provides, for taxpayers age 55 and older, a once-in-a-lifetime exclusion on gains up to \$100,000 from the sale of a principal residence. This replaces a provision under previous law that allowed a taxpayer age 65 or older a one-time exclusion of gain attributable to the first \$35,000 of sales price of a principal residence. These and other changes in capital gains taxation and the minimum tax reduce liabilities by \$2.7 billion in calendar year 1979. It is estimated that about \$0.9 billion of this revenue loss will be offset by taxes on additional capital gains realizations as a result of the 1978 Act.

These and other smaller tax reductions were partially offset by higher receipts from reform measures. The two most significant reforms were repeal of the non-business deduction for State and local gasoline taxes and taxation of unemployment compensation

benefits paid to taxpayers with adjusted gross incomes (including unemployment compensation) above certain income levels (\$20,000 for single taxpayers and \$25,000 for married couples filing joint returns). These two measures increase tax liabilities in calendar year 1979 by \$1.1 billion and \$0.3 billion, respectively.

**Corporation income taxes.**—The Revenue Act of 1978 made several significant changes to corporation income taxes, the largest of which was a reduction in tax rates. As shown in the following table, rates were reduced much more for small corporations than for large ones. The average tax rate on the first \$100,000 of income was reduced by nearly 8 percentage points. For income above \$100,000, the rate was reduced by 2 percentage points, from 48% to 46%. These reductions in tax rates will reduce corporation income tax liabilities by \$5.0 billion in calendar year 1979. In addition to these rate reductions, the alternative tax rate on capital gains received by corporations was reduced from 30% to 28%.

#### CHANGE IN CORPORATION INCOME TAX RATES

(Percent)

Taxable income	1978 tax law	1979 tax law
First \$25,000 .....	20	17
Second \$25,000 .....	22	20
Third \$25,000 .....	48	30
Fourth \$25,000 .....	48	40
Above \$100,000 .....	48	46

The investment tax credit, which had been scheduled to decrease from 10% to 7% on January 1, 1981, was made permanent at the 10% rate. The percentage of tax liability that can be offset by the investment credit was also increased. Under prior law, the limit was generally 100% of the first \$25,000 of tax liability and 50% of tax liability above \$25,000. Under the new law, the percentage applicable to tax liability in excess of \$25,000 was increased to 60% in calendar year 1979 and will increase by an additional 10 percentage points each year until it reaches its permanent level of 90% in 1982. The investment credit was also extended to cover rehabilitation expenditures on nonresidential buildings in use over 20 years and was liberalized for investments in pollution control facilities amortized over a 5-year life. These changes in the investment credit reduce corporation income tax liabilities by \$0.4 billion in calendar year 1979.<sup>2</sup>

The 1978 legislation also included a targeted jobs tax credit to replace the jobs credit that was in effect in calendar years 1977 and

<sup>2</sup> These changes also reduce individual income taxes on unincorporated businesses and sub-chapter S corporations.

1978. Employers who hire individuals from certain target groups, primarily disadvantaged youth, are eligible for the targeted jobs credit. This credit is generally equal to 50% of the first \$6,000 of first-year wages of such an employee and 25% of the first \$6,000 of second-year wages. The Revenue Act also revised the work incentive (WIN) tax credit, which is available to employers of recipients of aid to families with dependent children (AFDC), to pattern it more closely after the new targeted jobs credit. These provisions together reduce corporation income tax liabilities by \$0.3 billion in calendar year 1979.<sup>3</sup>

### THE ENERGY TAX ACT OF 1978

This Act (Public Law 95-618) is an important part of the energy program enacted in 1978, which will reduce this country's energy problems. The major components of the 1978 energy tax legislation are:

- A tax on the sale of automobiles whose fuel economy fails to meet certain standards. The tax will apply to 1980 and later model cars and will increase annually from 1980 to 1986.
- Tax credits for purchases of insulation and other energy-conserving items for the principal residence of a taxpayer. This credit against income tax liability, which applies retroactively to qualifying expenditures after April 20, 1977, and before January 1, 1986, is 15% of qualifying expenditures up to a maximum credit of \$300.
- Credits for renewable energy source equipment (e.g., solar and wind energy equipment) on the principal residence of a taxpayer.
- For businesses, an extra 10% investment credit, in addition to the regular 10% investment credit, for certain energy conservation or conversion investments, such as shale oil equipment and solar or wind energy investments.

Together, these and other provisions in the 1978 energy legislation reduce tax liabilities by \$0.8 billion in calendar year 1979.

### THE FOREIGN EARNED INCOME ACT OF 1978

Prior to 1978, a U.S. citizen was generally able to exclude up to \$20,000 per year of foreign earnings if the taxpayer was a bona fide resident of a foreign country. After 3 years of foreign residence a taxpayer could exclude up to \$25,000 per year of foreign earnings. The Foreign Earned Income Act of 1978 (Public Law 95-615) replaced the exclusion provision with one based on the excess cost of

<sup>3</sup>These changes also reduce individual income taxes on unincorporated businesses and sub-chapter S corporations.

living abroad. Under this new law, the taxpayer may claim a cost-of-living deduction to reflect the amount by which overseas living costs other than housing and education exceed living costs for the most expensive metropolitan area in the continental United States (except Alaska) as determined by the IRS. Other deductions are permitted for the excess costs associated with housing, dependents' elementary and secondary education, and annual home leave for the taxpayer and dependents, and for employment in certain hardship areas. This Act reduces tax liabilities by an estimated \$0.2 billion in 1979.



EFFECT OF MAJOR 1978 TAX LEGISLATION <sup>1</sup>

(In billions of dollars)

	Calendar year liabilities			Fiscal year receipts		
	1979	1980	1981	1979	1980	1981
<b>Revenue Act of 1978:<sup>2</sup></b>						
Individual income taxes:						
Rate reductions .....	-10.4	-12.5	-15.0	-6.5	-11.7	-14.1
Exemption increase and expiration of general tax credit.....	-1.3	-1.4	-1.5	-.9	-1.4	-1.5
Increase in zero bracket amount.....	-1.4	-1.5	-1.5	-1.0	-1.4	-1.5
Expansion of earned income credit <sup>3</sup> .....	-.3	-.3	-.3	-.1	-.5	-.3
Capital gains and minimum tax revisions <sup>4</sup> .....	-1.8	-2.1	-2.5	-.3	-1.8	-2.1
Repeal of gasoline tax deduction.....	1.1	1.4	1.6	.2	1.2	1.4
Taxation of unemployment benefits.....	.3	.3	.3	.....	.3	.3
Other .....	-.6	-.9	-1.0	-.3	-.7	-1.0
Subtotal—Individuals.....	-14.5	-17.0	-19.9	-8.8	-16.1	-18.8
Corporation income taxes:						
Rate reductions .....	-5.0	-5.5	-6.0	-2.3	-5.3	-5.7
Capital gains rate cut.....	-.1	-.1	-.1	-.1	-.1	-.1
Expansion of investment credit.....	-.4	-.8	-1.8	-.2	-.6	-1.3
Jobs credit provisions.....	-.3	-.6	-.7	-.2	-.4	-.6
Other .....	-.1	-.1	-.1	*	-.1	-.1
Subtotal—Corporations.....	-6.0	-7.1	-8.7	-2.7	-6.6	-7.8
Other.....	-.1	-.1	-.1	-*	-.1	-.1
<b>Total—Revenue Act .....</b>	<b>-20.6</b>	<b>-24.3</b>	<b>-28.7</b>	<b>-11.5</b>	<b>-22.8</b>	<b>-26.7</b>
<b>The Energy Tax Act of 1978:</b>						
Individual income taxes:						
Residential energy credits.....	-.4	-.5	-.5	-.7	-.4	-.5
Other .....	-.1	-.1	-.1	-.1	-.1	-.1
Corporation income taxes.....	-.3	-.4	-.5	-.2	-.3	-.4
Other.....	-*	-*	*	-*	-*	*
<b>Total—Energy Tax Act.....</b>	<b>-.8</b>	<b>-.9</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-.8</b>	<b>-1.0</b>
<b>The Foreign Earned Income Act of 1978:</b>						
Individual income taxes.....	-.2	-.3	-.3	-.6	-.3	-.3
<b>Total—Major legislation ..</b>	<b>-21.6</b>	<b>-25.4</b>	<b>-30.1</b>	<b>-13.2</b>	<b>-23.9</b>	<b>-27.9</b>

<sup>\*</sup> \$50 million or less.

<sup>1</sup> These estimates are based on the direct effect only of legislative changes at a given level of income. They therefore exclude indirect effects caused by changes in individual and corporation incomes. However, these indirect effects are taken into account when estimating the incomes upon which the receipts estimates and the estimates of the effects of legislation are based. In this way, the indirect effects are included in the receipts estimates by major source and in total.

<sup>2</sup> The effect of this act on calendar year tax liabilities and fiscal year receipts is calculated in comparison with the liabilities and receipts that would have resulted if all the temporary provisions of the Tax Reduction and Simplification Act of 1977 were extended except the jobs credit. The estimates exclude the effect of the Revenue Act on earned income credit payments in excess of individuals' tax liabilities, which are recorded in the budget as outlays.

<sup>3</sup> Excludes the effect on payments in excess of individuals' tax liabilities. These payments are recorded as outlays in the budget.

<sup>4</sup> Includes the increases in liabilities and receipts estimated to result from additional capital gains realizations as a result of this act.

## RECEIPTS PROPOSALS

***Real wage insurance.***—An integral part of the President's comprehensive anti-inflation program is the real wage insurance proposal announced on October 24, 1978. The purpose of real wage insurance is to increase compliance with the wage standard in the President's anti-inflation program and thereby reduce inflation. Under this proposal, groups of employees whose compensation increases for the program year are within the anti-inflation guidelines will generally be eligible for a tax credit if inflation exceeds 7%. The program year is defined to be the period from October 1, 1978 to September 30, 1979.

The rate of the credit will be equal to the difference between the percentage increase in the consumer price index (CPI) over the applicable period (October-November 1978 to October-November 1979) and 7 percent, with a maximum credit of 3 percentage points. The credit will apply to qualified wages up to a limit of \$20,000 from any one employer. Since the credit is intended to replace wages and salaries, it will be included in the taxable income of the employee.

The cost of real wage insurance, which is based on a projected increase in the CPI of 7.5% over the applicable period, is estimated to be \$2.5 billion in 1980. Of this amount, \$2.3 billion appear as a reduction in individual income tax receipts; the remaining \$0.2 billion are payments over and above individuals' tax liabilities and therefore are recorded in the budget as outlays.

***Cash management.***—The receipts estimates reflect several initiatives to require taxpayers to make income tax payments closer to the time when tax liabilities occur and to require employers to deposit taxes withheld from employees on a more timely basis. These initiatives, which are described in more detail below, will increase receipts by \$2.2 billion in 1980, \$5.0 billion in 1981, and \$5.3 billion in 1982. These estimates reflect a phase-in of the cash management initiatives over 3 years to minimize the burden on taxpayers in making the transition to the new collection procedures.

***State and local deposits of social security taxes.***—The administration has already published regulations to accelerate State and local deposits of social security taxes. Currently, these deposits are made quarterly, payable within 45 days after the end of the quarter. Under the revised system, which will place State and local governments on a basis more like that of private employers, deposits for the first 2 months of a quarter will be due 15 days after the end of each month. The deposit for the final month of the quarter will be due 45 days after the end of the quarter. This change, which was

announced in November 1978, will become effective in July 1980 and will increase receipts by \$2.2 billion in 1980.

*Employer deposits of withheld taxes.*—Under current law, the times at which withheld income and payroll taxes must be paid depend on the amount of such taxes accumulated by the employer. The larger the amount of accumulated withheld taxes, the sooner they must be paid. The proposed changes will accelerate the deposits by large employers. At the same time, the changes will give relief to an estimated 470,000 very small employers (quarterly withheld taxes of less than \$1,000) who will pay the entire liability with quarterly tax reports. Employers with quarterly withheld taxes of \$1,000 to \$13,000 will be required to make only one deposit per month. These changes, which will be phased in during calendar years 1981 and 1982, increase receipts by \$2.4 billion in 1981 and \$1.5 billion in 1982.

*Individuals' payments of estimated taxes.*—Under current law, individuals whose tax liabilities exceed withheld taxes by \$100 or more are required to make estimated tax payments 4 times a year. Because these quarterly payments are only estimated, a substantial deviation is permitted before penalties (in the form of interest) are applied for underpayment. Generally, there is no penalty so long as estimated tax payments plus withheld taxes exceed 80 percent of tax liabilities shown on the tax return.

Taxpayers whose liabilities are paid as estimated taxes pay their taxes substantially later than those whose liabilities are satisfied through withholding. In addition, such taxpayers only need to pay 80 percent of their liabilities in the year in which they occur. To reduce the advantages of paying taxes through estimated payments and at the same time avoid unduly burdening the taxpayer for paying small amounts of estimated tax, the following changes are proposed:

- Increase the minimum percentage of liabilities to be met by withheld and estimated payments from 80 percent to 85 percent.
- Increase from \$100 to \$300 the amount by which liabilities must exceed withheld payments before estimated payments are required. This change would reduce the number of taxpayers who are required to make payments of estimated tax.

These changes, which will be phased in during calendar years 1981 and 1982, will increase receipts by \$0.1 billion in 1981 and \$0.4 billion in 1982.

*Corporation income tax payments.*—Corporations are generally required to pay 80 percent of their corporate income tax liability through estimated tax payments. For calendar year corporations,

the estimated tax payments are due on the fifteenth of April, June, September and December. The remainder of the tax liability is due in two equal installments after the close of the year, payable on March 15 and June 15.

The required level of estimated tax payments has several exceptions. A major one is that corporations can make estimated payments on the basis of the previous year's tax liability. Thus, a corporation with a loss in the preceding year need not make any estimated tax payments.

The receipts estimates for 1981 and beyond reflect several proposed changes to require tax payments closer to the time the liabilities occur. These proposals include:

- Raising the required level of estimated tax payments from 80 percent to 85 percent.
- Requiring full payment of the remaining liability in a single payment due on March 15.
- Modifying the provision described above that allows corporations to make estimated payments on the basis of the prior year's tax liability. Large corporations will be required to make estimated payments that are at least 60 percent of the current year liability, regardless of the prior year liability.

These changes will be phased in during calendar years 1981 and 1982 and will add \$1.8 billion to estimated receipts in 1981 and \$3.2 billion in 1982.

In addition, to better meet the cash needs of the Treasury, which are heaviest at the beginning of each month, it is proposed that estimated corporate tax payments be made on the first of the month rather than the 15th. This will be achieved by accelerating two of the estimated payments by one-half month and by delaying the other two by one-half month.

*Other cash management initiatives.*—The administration is also proposing to accelerate the collections of customs duties and tobacco excise taxes in 1981 and 1982. In the case of customs duties, importers and brokers currently have 10 days to submit such duties after they have been collected. This lag will be reduced to 3 days by 1982. Tobacco excise taxes from large manufacturers will also be accelerated. Currently, these taxes are due within 15 days after each semi-monthly collection period. The revised regulations will require payment within 3 days after each weekly collection period. These proposals will increase receipts by \$0.4 billion in 1981, but will have no significant effect on receipts in 1982 and subsequent years.

*Other receipts proposals.*—The administration is proposing a number of other proposals to improve resource allocation and the

overall efficiency and equity of the tax structure. Each of these proposals is described briefly below.

*Modification of carryover of basis provisions.*—The administration is proposing changes in the tax treatment of accrued capital gains on property passing from decedents to estates or heirs. The income on a sale of property generally is measured by the difference between cost (basis) and selling price. However, prior to 1977, the basis of property passing from a decedent was the value at the time of death. Thus, any increase in value during the decedent's lifetime was never taxed. The Tax Reform Act of 1976 revised this treatment for decedents dying after December 31, 1976. Under this provision the heir would have a "carryover basis"; that is, income on a sale by the heir would be measured by the difference between selling price and cost to the decedent. Small estates were exempted.

The 1976 provision is complex primarily for two reasons—transitional rules which would forgive tax on gains accrued prior to December 31, 1976, and adjustments to basis to compensate for the fact that death taxes are imposed on the value of the estate without taking account of the potential income tax on the sale of appreciated property held by the estate.

The Revenue Act of 1978 postponed the effective date of the carryover basis provisions so that they apply only to property passing from decedents dying after December 31, 1979. The Administration is proposing to continue to require carryover of basis for decedents dying after December 31, 1979 but would facilitate its administration by exempting many more smaller estates from its effect and by simplifying the transitional rules and the adjustment for death taxes. This proposal will reduce receipts by \$35 million in 1982 and by increasingly larger amounts in subsequent years.

*Restrictions on tax-exempt housing bonds.*—State governments provide mortgage assistance for low income families through State housing authorities. Because the interest income on State and local securities is exempt from Federal taxation, these securities are financed at interest rates that are well below market rates for mortgages. Recently, borrowing through the intermediation of State and local governments has been used in some instances to provide mortgage assistance for higher income families—heretofore obtained without use of tax exemption. The administration will therefore propose legislation to limit the use of tax-exempt funds for mortgage financing to low and moderate income families or to other narrowly targeted public policy objectives.

*Tax distinction between employees and independent contractors.*—A worker gets favorable withholding and employment tax treat-

ment from being classified as an "independent contractor" rather than as an "employee." Current law offers no clear method to distinguish between these two classifications. As a result, this distinction has become a frequent source of controversy between taxpayers and the Internal Revenue Service. The administration therefore will propose legislation, to become effective for taxable years beginning after December 31, 1979, to clarify this distinction. The receipts estimates do not include the effects of this proposal.

*Taxation of fringe benefits.*—The tax law requires fringe benefits to be included in income subject to tax unless specifically exempted. In practice, however, many fringe benefits that are not specifically exempted have nevertheless been excluded from the tax base. The two primary types of such fringe benefits are:

- provision to employees, without charge or at a reduced cost, of products or services that the employer normally sells to the public; and
- benefits related to an employee's job, such as provision of an automobile for commuting.

With a view toward later adoption of additional legislative standards, the Congress acted in 1978 to preclude the Treasury from issuing final regulations prior to 1980 that would govern the income tax treatment of fringe benefits. The administration is therefore making proposals to become effective for taxable years beginning after December 31, 1979 to aid the Congress in the development of such standards. The receipts estimates do not include the effects of such proposals.

*Railroad retirement taxes.*—The budget estimates reflect proposed legislation to increase railroad retirement payroll taxes to alleviate funding problems of the Railroad Retirement trust fund. The largest part of the increase in receipts results from the elimination of the taxable earnings maximum (currently \$1,700 per month) on the employer portion of the tax. Thus, the employer portion of the tax will apply to all wages and salaries covered by this retirement system. This legislation is proposed to become effective January 1, 1980 and would increase receipts by \$0.2 billion in 1980.

*Airport and airway trust fund taxes.*—These taxes are generally scheduled to expire on June 30, 1980. This budget proposes legislation to extend the current freight waybill and passenger ticket taxes, and certain other taxes, at their present rates. The legislation would also change the current 7 cents per gallon tax on aviation fuel to an *ad valorem* tax of 10% of the price of aviation fuel. A new 6% tax on new aircraft and avionics is also being proposed to become effective October 1, 1980.

**Oil pollution liability and compensation.**—The administration is again proposing legislation to establish a fund of up to \$200 million to assure adequate and timely cleanup of oil spills in the Nation's waterways. A fee of up to 3 cents per barrel of oil is proposed on oil received at any U.S. refinery or terminal. The proposal is estimated to increase receipts by \$0.1 billion in 1980.

**Employer social security tax on tips.**—Under current law, employers pay social security taxes on only part of the cash tips received by their employees, whereas employees pay such taxes on all cash tips. Legislation is being proposed, to become effective January 1, 1981, to require employer social security tax payments on all tips income now subject to employee social security taxes. This legislation increases estimated receipts by \$30 million in 1981 and \$43 million in 1982.

#### EFFECT OF ADMINISTRATIVE ACTIONS AND PROPOSED LEGISLATION<sup>1</sup>

(In billions of dollars)

	1980	1981	1982
<b>Individual income taxes:</b>			
Real wage insurance <sup>2</sup> .....	-2.3		
Cash management initiatives.....		1.5	1.3
Other.....	*	*	*
Subtotal, individuals.....	-2.3	1.6	1.3
<b>Corporation income taxes:</b>			
Cash management initiatives.....		1.8	3.2
Other.....	*	.2	.4
Subtotal, corporations.....	*	2.0	3.5
<b>Social insurance taxes and contributions:</b>			
Acceleration of State and local deposits of social security taxes (announced Nov., 1978).....	2.2	.3	.2
Other cash management initiatives.....		.9	.6
Railroad retirement tax increase.....	.2	.2	.3
Other.....		*	*
Subtotal, social insurance.....	2.4	1.5	1.1
<b>Other:</b>			
Cash management initiatives.....		.4	*
Airport and airway trust fund taxes <sup>3</sup> .....	*	.2	.2
Oil pollution liability and compensation.....	.1	.1	*
<b>Total</b> .....	<b>.2</b>	<b>5.8</b>	<b>6.2</b>

\* 50 million or less.

<sup>1</sup> These estimates are based on the direct effect only of legislative changes at a given level of income. They therefore exclude indirect effects caused by changes in individual and corporation incomes. However, these indirect effects are taken into account when estimating the incomes upon which the receipts estimates and the estimates of the effects of legislation are based. In this way, the indirect effects are included in the receipts estimates by major source and in total.

<sup>2</sup> This proposal also increases estimated outlays by \$0.2 billion in 1980.

<sup>3</sup> These estimates are for increases in airport and airway tax receipts over and above those that would result from extending the current tax rates beyond their June 30, 1980 expiration date. The extension of current tax rates would add \$0.1 billion to receipts in 1980, \$0.8 billion in 1981, and \$0.9 billion in 1982.

## CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to rise by \$54.0 billion in 1979 and \$46.6 billion in 1980. The year-to-year changes can be divided between those due to growth in the tax base and those due to revisions in the tax structure. Under the tax rates and structure in effect on January 1, 1977, receipts would have risen by \$56.9 billion in 1979 and \$46.1 billion in 1980. Thus, the combined effect of enacted and proposed tax law changes, which is shown in the accompanying table, decreases the growth in receipts by \$2.9 billion in 1979 and increases the growth by \$0.5 billion in 1980.

	1979	1980	1981	1982
Growth in receipts (in billions of dollars):				
Under existing and proposed legislation.....	54.0	46.6	74.2	75.9
Under tax rates and structure in effect January 1, 1977 .	56.9	46.1	55.9	64.6
Difference.....	-2.9	.5	18.3	11.3



## CHANGES IN BUDGET RECEIPTS

[In billions of dollars]

	1978	1979	1980	1981	1982
<b>Receipts under tax rates and structure in effect January 1, 1977.....</b>	<b>408.3</b>	<b>465.2</b>	<b>511.3</b>	<b>567.2</b>	<b>631.7</b>
<b>Enacted legislative changes:<sup>1</sup></b>					
Income taxes:					
Tax Reduction and Simplification Act of 1977.....	-10.0	-7.3	-5.8	-5.9	-6.0
Revenue Act of 1978.....		-11.5	-22.8	-26.7	-30.6
Energy Tax Act of 1978.....		-1.0	-.8	-1.0	-1.1
Foreign Earned Income Act of 1978.....		-.6	-.3	-.3	-.3
Social insurance taxes and contributions:					
Social security taxable earnings base increases: <sup>2</sup>					
\$16,500 to \$17,700 effective Jan. 1, 1978.....	.8	2.6	3.1	3.7	4.3
\$17,700 to \$22,900 effective Jan. 1, 1979.....		3.0	9.5	11.5	13.9
\$22,900 to \$25,900 effective Jan. 1, 1980.....			1.3	4.3	5.3
\$25,900 to \$29,700 effective Jan. 1, 1981.....				1.4	4.8
\$29,700 to \$32,100 effective Jan. 1, 1982.....					.8
Social security tax rate increases: <sup>2</sup>					
11.7% to 12.1% effective Jan. 1, 1978.....	2.5	3.8	4.2	4.7	5.1
12.1% to 12.26% effective Jan. 1, 1979.....		1.1	1.6	1.8	2.0
12.26% to 13.3% effective Jan. 1, 1981.....				8.8	13.9
13.3% to 13.4% effective Jan. 1, 1982.....					.9
Social security employer tax on tips effective January 1, 1978.....	*	.1	.1	.1	.1
Increase in SMI (medicare) premiums.....	.2	.4	.6	.8	1.1
Surface Mining Control and Reclamations Act.....	.1	.2	.2	.2	.2
Black Lung Benefits Revenue Act of 1977.....	.1	.2	.2	.3	.3
Other.....		*	*	*	.1
<b>Total, receipts under existing legislation.....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.3</b>	<b>570.9</b>	<b>646.4</b>
<b>Administrative actions and proposed changes:<sup>1</sup></b>					
Real wage insurance.....			-2.3		
Cash management:					
Acceleration of State and local deposits of social security taxes.....			2.2	.3	.2
Other.....				4.7	5.1
Other.....			.3	.8	1.0
<b>Total, receipts under existing and proposed legislation.....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>

\* \$50 million or less.

<sup>1</sup> These estimates are based on the direct effect only of legislative changes at a given level of income. They therefore exclude indirect effects, caused by changes in individual and corporation incomes. However, these indirect effects are taken into account when estimating the incomes upon which the receipts estimates and the estimates of the effects of legislation are based. In this way, the indirect effects are included in the receipts estimates by major source and in total.

<sup>2</sup> Technical note: When the tax rate and the taxable earnings base increase at the same time, dividing up the total effect on receipts is arbitrary to some small extent because of an interaction effect. The increase in receipts due to this interaction effect is attributed to the rate and base changes in proportion to the increases in receipts that would occur if the rate and base were each changed separately.

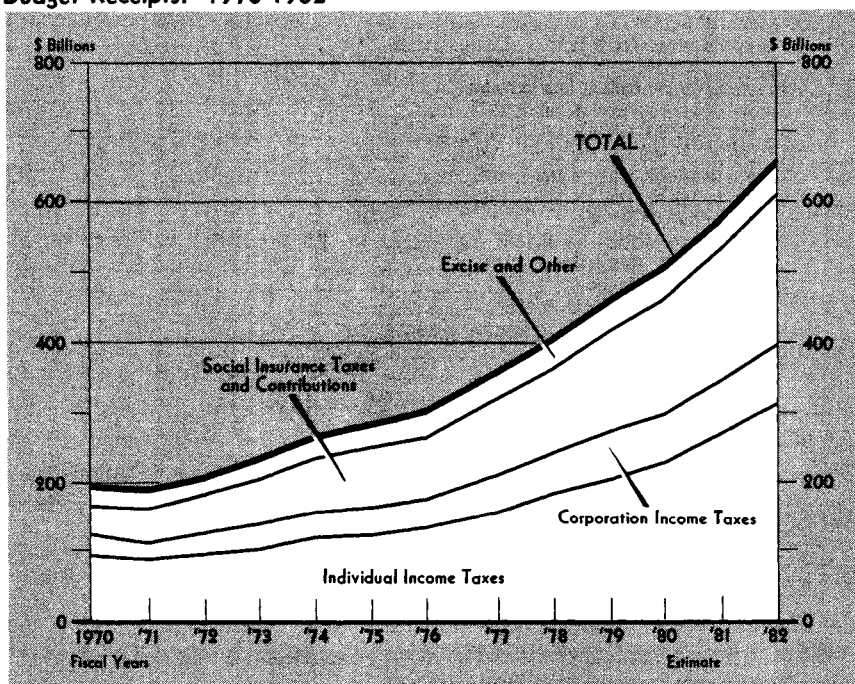
## RECEIPTS BY SOURCE

**Individual income taxes.**—Individual income tax receipts are estimated at \$203.6 billion in 1979 and \$227.3 billion in 1980, an increase of \$23.7 billion. As discussed earlier, the major proposal affecting individual income taxes in 1980 is the real wage insurance initiative. This reduces estimated 1980 receipts by \$2.3 billion.

Individual income taxes in 1981 and 1982 are projected at \$269.1 billion and \$311.2 billion, respectively. These figures reflect the cash management proposals described earlier, which add \$1.5 bil-

lion and \$1.3 billion, respectively, to 1981 and 1982 receipts. They also reflect a rise in the average tax rate on personal income as inflation and real growth move taxpayers into higher tax brackets. As discussed in Part 3, the appropriateness of future legislated tax reductions to offset some or all of this rise in effective tax rates will depend on progress against inflation and on the future performance of the economy.

### Budget Receipts: 1970-1982



*Corporation income taxes.*—Corporation income tax receipts are estimated at \$70.3 billion in 1979 and \$71.0 billion in 1980. Corporation income tax receipts in 1981 and 1982 are estimated at \$76.7 billion and \$86.0 billion respectively. These estimates reflect increases of \$1.8 billion in 1981 and \$3.2 billion in 1982 from the cash management proposals described earlier.

*Social insurance taxes and contributions.*—This category includes social security and railroad retirement taxes, unemployment insurance taxes and deposits, Federal employee retirement contributions, and premium payments for supplementary medical insurance.

Receipts from this source are expected to be \$141.8 billion in 1979 and \$161.5 billion in 1980. These figures reflect the increase in the social security tax rate from 12.1% to 12.26% that became effective January 1, 1979, and scheduled annual increases in the

social security taxable earnings base. The 1980 estimate also includes \$2.2 billion from the cash management initiative described earlier to accelerate State and local deposits of social security taxes.

The estimates for 1981 and 1982 are \$185.2 billion and \$208.0 billion respectively. These estimates reflect a significant rise in the social security tax rate—from 12.26% to 13.3%—that is scheduled to occur in January 1981, and annual increases in the taxable earnings base.

*Excise taxes.*—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at \$18.4 billion in 1979 and \$18.5 billion 1980. These estimates reflect the continued phase-out of the telephone excise tax that is scheduled under current law. This tax rate was reduced from 4% to 3% on January 1, 1979, and will be reduced by one percentage point each following year until the tax expires. These estimates also reflect proposed legislation to continue in a modified form the airport and airway taxes that are currently scheduled to expire June 30, 1980.

*Other receipts.*—Estate and gift taxes, customs duties, and miscellaneous receipts (the largest of which are deposits of earnings by the Federal Reserve System) are estimated to be \$21.9 billion in 1979 and \$24.3 billion in 1980. The 1980 estimate includes \$0.1 billion for the proposed legislation described earlier to create an oil pollution liability and compensation fund.

*Proprietary receipts.*—In addition to budget receipts, the Government receives significant proprietary income from the public. This income is derived from various market-oriented activities—such as interest, rents, royalties, and the sale of Government property, products, and services. Since this income arises from business-type transactions rather than from taxation, it is treated as an offset to related outlays and budget authority rather than as budget receipts. Proprietary receipts from the public are shown by receiving agency in Part 8 and by source of receipts in table 11 of Part 9.

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**PART 5**

**MEETING NATIONAL NEEDS:  
THE FEDERAL  
PROGRAM BY FUNCTION**

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## INTRODUCTION

***National needs and the functional classification.***—This section discusses the budget in terms of national needs, agency missions, and major programs. National needs are grouped in 16 broad areas that provide a coherent and comprehensive basis for analyzing and understanding the budget. Three additional categories discussed—interest, allowances, and undistributed offsetting receipts—do not address specific national needs but are required to include the entire budget.

The budget resources devoted to meeting national needs are classified by budget functions so that budget authority and outlays of budget and off-budget Federal entities, loan guarantees, and tax expenditures can all be grouped in terms of the national needs being addressed. To the maximum extent feasible, these groupings are made without regard to agency or organizational distinctions. They are also the categories used by the Congress in the concurrent resolutions on the budget.

In keeping with the requirements of the Congressional Budget Act of 1974,<sup>1</sup> the national needs presentation is supported by analyses of agency missions and major programs. In general, subfunction totals that together comprise each major functional category represent the resources devoted to agency missions.

To improve the relationship between national needs and major functions and between missions and subfunctions, the functional structure was revised for the 1979 budget. These revisions were carried out in consultation with the concerned committees of both Houses of the Congress, the Congressional Budget Office, and the General Accounting Office. Subsequent consultation, relating to the 1980 budget, indicated a consensus that there should be no changes in the basic structure. However, it was agreed that a few budget accounts were misclassified and therefore they have been transferred to the proper functions or subfunctions for this budget. All historical data by function presented in the budget have been adjusted so that they are on a comparable basis for all years.

***The Full Employment and Balanced Growth Act.***—Section 4(a) of the Full Employment and Balanced Growth Act of 1978 provides that the President's budget shall incorporate the programs and policies the President deems necessary to achieve the medium-term annual numerical goals for employment and unemployment, pro-

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<sup>1</sup> See Part 7 for a further discussion of this requirement.

duction, real income, productivity, and prices specified in the act. These goals are presented in the President's Economic Report and are discussed in Part 3 of the Budget. Programs and policies to achieve these goals are discussed throughout this section. The act also specifically provides that the budget should include recommendations for specific policies to reduce the rate of inflation.

In addition, the act states that policies and programs set forth in the President's budget shall include, to the extent deemed appropriate by the President, a consideration of a broad range of issues. Among those specifically mentioned are energy; transportation; the environment; small business; agriculture; land and water conservation; rural development; urban development; employment; health care; education and training; child care; social services; housing; aid to State and local governments; national defense and international programs; the effect on the interregional distribution of jobs and income of Federal procurement, grants, contracts, and the closure of military bases; job dislocation resulting from Federal laws, regulations, and policies; improving the competitiveness of the United States in international trade; and balancing the budget.

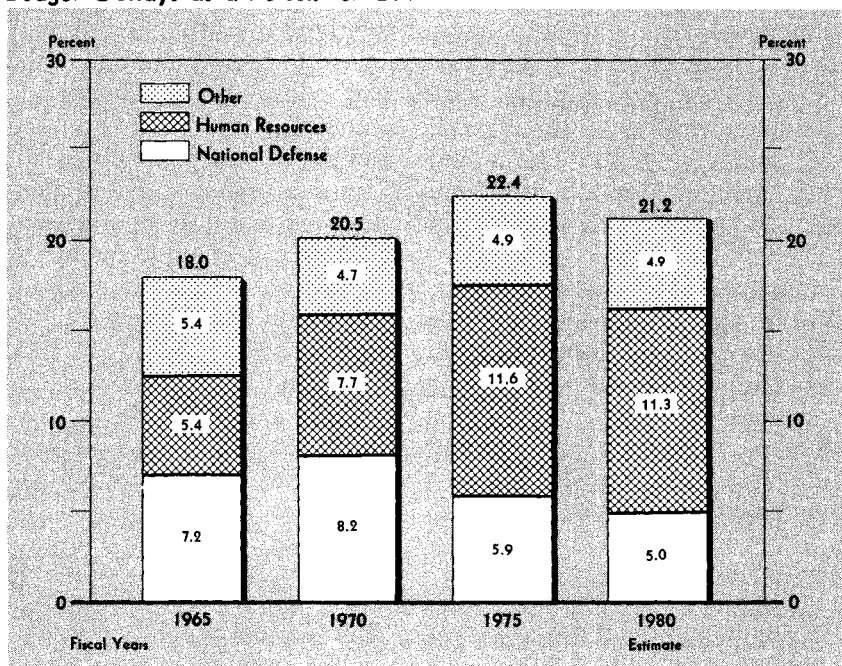
As the national needs sections that follow demonstrate, the issues listed in the Act were among those weighed carefully in the process of developing the President's budget recommendations. Policy conclusions and the reasons for them are put forth in this part of the budget. No attempt, however, has been made to include specific references to the Act in each instance where one of the issues listed above is discussed.

***Multi-year budget presentation.***—For the first time, this section of the budget includes detailed data on budget authority and outlays for 2 years beyond the budget year. This reflects the adoption by the administration of a 3-year planning and tracking system. This system provides information on a regular basis on the longer term effect of current budget decisions. It also provides the means for phasing in, or phasing out, programs on a systematic basis (e.g., welfare reform and the space shuttle).

***Major budget trends.***—Since the budget resources classified into major functions are of widely varying magnitudes, it is helpful to aggregate them into larger clusters for purposes of observing broad trends in Federal spending. This aggregation is particularly helpful when comparing Federal spending by major category to the size of the total economy (as measured by the gross national product or GNP), as is done in the following chart. The tables on the following two pages show budget outlays by larger cluster and by the functions comprising each larger cluster at 5-year intervals from 1955-75, and for each of the years 1978 through 1982. Tables showing

budget authority and outlays for each major function, subfunction, and basic program are included in each of the subsequent sections of this part of the budget. These tables include data for the last actual year (1978), the current year (1979), and the multi-year budget planning period (1980-1982). In addition, tables showing projected budget authority and outlays by agency and major function for the years 1983 and 1984 appear in Part 3 (Economic Assumptions and the Long-Range Outlook) of this document.

### Budget Outlays as a Percent of GNP



For purposes of the functional classification, each Federal activity is classified in the one function that defines its most important purpose. This permits the budget total to be categorized by mutually exclusive functions. However, many activities serve more than one national need or major mission. Therefore, the subsections in this part of the budget contain subsidiary information that identifies, to the extent feasible, those programs whose primary objective is to meet one category of national needs but that also make substantial contributions toward meeting other national needs.

Three categories of budget authority and outlays by function are treated differently in the actual and the estimated years:

- Future increases in Federal pay are not distributed by budget account, program, or agency. The budget totals are based on an assumed percentage increase in each year. These are reflected in two allowances for pay increases—one for the De-

fense Department and one for the rest of the Government. Hence, the functional total for national defense includes the pay allowance for the Department of Defense, military functions; the nondefense total includes the nondefense pay allowance, but the allowance is not distributed among the nondefense functions.

- The budget contains an allowance for contingencies to cover unanticipated requirements. The allowance does not represent a specific budget request and the Congress does not provide an appropriation for that purpose. Hence, no actual outlays are made from the contingency allowance; any contingencies are financed and fully reported in the appropriate function, so the contingency allowance for all past periods is always zero.
- Finally, many estimates do not take into account future inflation. Exceptions are major multi-year procurement programs and benefit payments tied by law to the cost of living. Separate allowances are included for inflation for 1981 and 1982. As with the allowance for pay, it is divided only between defense and nondefense.

The succeeding sections of this part of the budget discuss the basic composition and trends in spending by function, subfunction, and major programs. The chart in this section is designed to provide the reader with a broad overview of the outlay trends relative to each other and of the overall magnitude of the budget relative to the economy (the gross national product). The chart shows several major points:

- Federal spending relative to the total economy has risen significantly over this period. In 1965, Federal budget outlays were equal to 18% of the GNP; the total rose to 20½% in 1970 and 22½% in 1975. Under the President's budget program, this trend is being reversed. While total outlays are projected to increase, the rate of increase is projected to be lower than that of GNP, so budget outlays as a percent of GNP are projected to drop by more than one percentage point between 1975 and 1980.



## BUDGET OUTLAYS BY LARGER CLUSTER AND BY FUNCTION, 1955-1975

(In billions of dollars)

	Actual				
	1955	1960	1965	1970	1975
<b>National defense</b> <sup>1</sup> .....	<b>39.8</b>	<b>45.2</b>	<b>47.5</b>	<b>78.6</b>	<b>85.6</b>
<b>Human resources:</b>					
Income security.....	9.1	18.3	25.7	43.1	108.6
<i>Social security</i> .....	(4.4)	(11.0)	(17.0)	(29.7)	(63.6)
<i>Other</i> .....	(4.7)	(7.3)	(8.7)	(13.4)	(45.0)
Health.....	0.3	0.8	1.8	13.1	27.6
Education, training, employment, and social services.....	0.4	1.0	2.1	8.6	15.9
Veterans benefits and services.....	4.7	5.4	5.7	8.7	16.6
<b>Subtotal, human resources</b> .....	<b>14.6</b>	<b>25.5</b>	<b>35.4</b>	<b>73.4</b>	<b>168.7</b>
<b>Net interest:</b>					
Interest.....	6.0	8.3	10.4	18.3	30.9
Interest received by trust funds.....	-1.2	-1.4	-1.8	-3.9	-7.7
<b>Subtotal, net interest</b> .....	<b>4.8</b>	<b>6.9</b>	<b>8.6</b>	<b>14.4</b>	<b>23.2</b>
<b>All other:</b>					
International affairs.....	2.2	3.0	5.2	4.3	6.9
General science, space, and technology.....	0.1	0.6	5.8	4.5	4.0
Energy.....	0.3	0.5	0.7	1.0	2.2
Natural resources and environment.....	0.9	1.6	2.5	3.1	7.3
Agriculture.....	3.5	2.6	3.9	5.2	1.7
Commerce and housing credit.....	0.1	1.6	1.2	2.1	5.6
Transportation.....	1.2	4.1	5.7	7.0	10.4
Community and regional development.....	0.1	0.2	1.1	2.4	3.7
Administration of justice.....	0.3	0.4	0.5	1.0	2.9
General government.....	0.5	1.0	1.4	1.9	3.2
General purpose fiscal assistance.....	0.1	0.2	0.2	0.5	7.2
Undistributed offsetting receipts (except interest).....	-0.2	-1.2	-1.4	-2.6	-6.4
<b>Subtotal, all other</b> .....	<b>9.3</b>	<b>14.6</b>	<b>27.0</b>	<b>30.2</b>	<b>48.7</b>
<b>Total budget outlays</b> .....	<b>68.5</b>	<b>92.2</b>	<b>118.4</b>	<b>196.6</b>	<b>326.2</b>

<sup>1</sup> The national defense function.      \* 50 million or less.

- The chart reveals major changes in defense spending relative to the economy. In 1965 national defense spending was equal to 7.2% of the GNP. Defense spending rose significantly faster than the economy in the years immediately after 1965 due to the Vietnam war, and then slackened. In 1980 defense spending is anticipated to be equal to about 5% of the GNP; under the President's planning guidance, it is expected to stabilize close to that level at least through 1982.
- While national defense spending was fluctuating relative to the GNP, human resources programs were expanding rapidly. Such spending more than doubled relative to the economy

## BUDGET OUTLAYS BY LARGER CLUSTER AND BY FUNCTION, 1978-1982

(In billions of dollars)

	Actual 1978	Estimate			
		1979	1980	1981	1982
<b>National defense <sup>1</sup></b> .....	<b>105.2</b>	<b>114.5</b>	<b>125.8</b>	<b>137.0</b>	<b>148.2</b>
<b>Human resources:</b>					
Income security.....	146.2	158.9	179.1	194.1	207.5
<i>Social security</i> .....	<i>(92.2)</i>	<i>(102.3)</i>	<i>(115.2)</i>	<i>(126.8)</i>	<i>(137.9)</i>
<i>Other</i> .....	<i>(54.0)</i>	<i>(56.5)</i>	<i>(63.9)</i>	<i>(67.3)</i>	<i>(69.6)</i>
Health.....	43.7	49.1	53.4	58.8	64.2
Education, training, employment, and social services.....	26.5	30.7	30.2	31.0	31.5
Veterans benefits and services.....	19.0	20.3	20.5	21.2	21.7
<b>Subtotal, human resources</b> .....	<b>235.3</b>	<b>259.0</b>	<b>283.2</b>	<b>305.1</b>	<b>324.9</b>
<b>Net interest:</b>					
Interest.....	44.0	52.8	57.0	59.1	59.5
Interest received by trust funds.....	-8.5	-9.8	-10.9	-12.4	-14.5
<b>Subtotal, net interest</b> .....	<b>35.4</b>	<b>43.0</b>	<b>46.1</b>	<b>46.7</b>	<b>45.0</b>
<b>All other:</b>					
International affairs.....	5.9	7.3	8.2	8.9	9.5
General science, space, and technology.....	4.7	5.2	5.5	5.5	5.3
Energy.....	5.9	8.6	7.9	7.8	6.8
Natural resources and environment.....	10.9	11.2	11.5	12.6	13.3
Agriculture.....	7.7	6.2	4.3	5.6	5.9
Commerce and housing credit.....	3.3	3.0	3.4	3.4	3.0
Transportation.....	15.4	17.4	17.6	19.5	20.0
Community and regional development.....	11.0	9.1	7.3	8.4	8.8
Administration of justice.....	3.8	4.4	4.4	4.4	4.4
General government.....	3.8	4.4	4.4	4.5	4.7
General purpose fiscal assistance.....	9.6	8.9	8.8	8.7	8.7
Allowances.....			1.4	8.5	15.2
Undistributed offsetting receipts (except in- terest).....	-7.2	-8.9	-8.1	-8.7	-8.8
<b>Subtotal, all other</b> .....	<b>74.9</b>	<b>76.9</b>	<b>76.5</b>	<b>89.1</b>	<b>96.7</b>
<b>Total budget outlays</b> .....	<b>450.8</b>	<b>493.4</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>

<sup>1</sup> The national defense function.

between 1965 and 1975. The President's budget calls for a growth rate in these programs as a group that is roughly equal to the rate of growth in the total economy. The chart shows a modest dip (from 11.6% of GNP in 1975 to 11.3% in 1980). The 1980 figure does not include the effects of allowances for pay raises and contingencies, which are included in the "all other nondefense" grouping.

- The "all other nondefense" aggregation is made up of net interest and all other outlays, including allowances. There is no trend relative to the GNP discernible in total. However, the net interest component of this category rose from 1.3% of GNP in 1965 to 1.5% in 1970 and 1.6% in 1975; it is estimated at 1.8% in 1980 but projected to decline relative to GNP in

subsequent years as the budget deficit is reduced or eliminated, inflation and interest rates decline and the GNP grows.

Because of space constraints, the historical table on outlays by function and subfunction (Table 17 in Part 9 of this document) extends back only to 1970. Data on budget outlays by larger cluster beginning in 1940, by major function beginning in 1948, and by subfunction beginning in 1962 are available upon request from the Office of Management and Budget.

The basic presentation of budget authority and outlays by national need or budget functions is given in this part of the budget. The budget also contains several other related forms of data, as is discussed below.

**Credit.**—Federal credit activities—loans, loan repayments and sales—are shown in each national needs section that has significant credit activity through 1980. Each table shows the total amounts of direct and guaranteed loans that meet a particular national need. For direct loans, the tables show both new loans and offsetting repayments, sales, and adjustments. The resulting figures on net credit outlays represent the budget outlays for the direct loans.

The tables also show new guarantees and the net amount of credit guaranteed. Unlike direct loans, loan guarantees do not normally result in budget outlays except in the case of default. A further discussion of loans and loan guarantees may be found in Parts 2 and 6 of the Budget, and in Special Analysis F in the Special Analyses volume of the budget.

Because loan guarantees have a relatively small effect on budget outlays, they have, in the past, received less scrutiny in the executive and legislative branches than other Federal programs. The administration is proposing a credit control system that would subject both direct loans and loan guarantees to greater budget discipline. This proposal is discussed in Parts 2 and 6 of the budget.

**Tax expenditures.**—Tax expenditures are revenue losses under the individual and corporate income tax laws that are attributable to special exclusions, exemptions, or deductions from gross income, or to special credits, preferential rates of tax, or deferrals of tax liability. Nearly all tax expenditure provisions are intended either to encourage particular economic activities or to reduce the tax liabilities for special classes of taxpayers. They are one means by which the Federal Government pursues its objectives, and in most cases can be viewed as alternatives to other instruments of Government policy such as outlays, loan guarantees, regulations, and other tax law provisions.

The most important tax expenditures are discussed in the national needs sections that follow so that they may be compared with the outlays and loan guarantees that serve the same broad purpose. Tax expenditures are discussed further in Part 6 and in Special Analysis G, "Tax Expenditures." The latter includes a listing and an analysis of all tax expenditures, along with a discussion of this definition and measurement.

***Other Federal fiscal activities.***—The Federal Government allocates resources by means other than those reflected in budget outlays, tax expenditures, and loan guarantees. Outlays of the off-budget Federal entities, which are federally-owned and controlled, but excluded from the budget under provisions of laws, are similar in nature to budget outlays. The regulation of economic activity has a major impact on the economy in many sectors. Finally, provisions of the tax law affect the allocation of resources among private uses and the distribution of income among individuals in many important ways not covered by tax expenditures. Federal taxes other than income taxes have economic effects, as do tax rates, personal exemptions, and other features of the income tax structure that are not treated as tax expenditures.

The national needs sections that follow include information on off-budget Federal entities, and discuss major issues regarding economic regulation. Off-budget Federal entities, as well as privately owned, Government-sponsored enterprises, are also discussed in Part 6 of the Budget.

## NATIONAL DEFENSE

### *National Needs Statement:*

- Protect America's people, its institutions, and its lands from foreign aggression.
- Preserve an overall military balance at least as favorable as the present one between the United States and its allies, and the Soviet Union and its allies.
- Deter a nuclear attack on the United States or other nations whose security is important to us and assure that should deterrence fail the U.S. can deliver a retaliatory response that inflicts unacceptable damage on the Soviet Union.
- Maintain, with our allies, sufficient power to defeat any aggressors.
- Seek international agreements to limit and reduce all armaments, to prevent proliferation of nuclear technology, to restrict arms trade, to settle disputes by peaceful means, and to strengthen international stability.

The 1980 budget proposes \$138.2 billion in budget authority to meet these national needs. Outlays for national defense missions are estimated at \$125.8 billion in 1980, increasing to \$137.0 billion in 1981.

**Department of Defense—Military.**—The military programs of the Department of Defense provide the capabilities to meet our primary national defense needs. As shown in the following table, total obligational authority (TOA) proposed for the military missions of the Department of Defense is \$135.5 billion in 1980 and \$145.7 billion in 1981. Outlays are estimated at \$122.7 billion in 1980, an increase of \$10.8 billion over 1979.

In May of 1977, the members of NATO agreed that all should increase their defense spending. Increased defense spending throughout NATO will help maintain the deterrent value of NATO forces as the Warsaw Pact increases its military capabilities.

Last January, the administration proposed a 1979 military program of \$126 billion in total obligational authority (TOA). The Congress, however, reduced the 1979 program to \$123.6 billion. This budget proposes supplemental 1979 appropriations of \$2.2 billion, for a total program in 1979 of \$125.7 billion in TOA.

**NATIONAL NEED: DEFENSE, MILITARY**

(Functional code 051; in billions of dollars)

Major Missions and Programs	Budget authority				
	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Strategic forces.....	9.1	8.6	10.8	11.3	12.1
General purpose forces.....	41.3	47.5	50.0	55.0	58.5
Intelligence and communications.....	7.9	8.1	9.1	10.1	10.8
Airlift and sealift.....	1.6	1.8	1.9	2.0	2.1
Guard and reserve.....	6.9	7.0	7.1	7.1	7.8
Research and development <sup>1</sup> .....	10.0	11.1	11.8	12.8	13.9
Central supply and maintenance.....	12.0	12.5	13.3	14.3	15.1
Training, medical, and other general personnel activities.....	23.9	25.8	27.9	29.7	31.7
Administration and associated activities.....	2.2	2.3	2.6	2.6	2.8
Support of other nations.....	0.3	0.4	0.6	0.3	0.4
<b>Total, budget authority.....</b>	<b>115.3</b>	<b>125.2</b>	<b>135.0</b>	<b>145.2</b>	<b>155.2</b>
Prior-year funds and other financial adjustments.....	+1.2	+0.5	+0.5	+0.5	+0.5
<b>Total obligational authority.....</b>	<b>116.5</b>	<b>125.7</b>	<b>135.5</b>	<b>145.7</b>	<b>155.7</b>

<sup>1</sup> Excludes R. & D. in other program areas on systems approved for production.

The 1980 budget proposal includes the defense programs essential to meet national security needs. Additional programs were considered but rejected due to lower priority, technical problems, schedule slippages, or excessive costs. All programs have been reviewed to identify more efficient ways to conduct them. The resulting proposals provide for the lowest program costs consistent with our national security needs. Real growth in outlays is estimated to be about 3% in 1980. The major proposals reflected in the 1980 budget are:

- Maintain sufficient strategic force to make it clearly disadvantageous for the Soviet Union to initiate nuclear war.
- Improve the initial combat capability of our conventional forces designated for the defense of our NATO (North Atlantic Treaty Organization) allies, in order to make it clearly disadvantageous for the Soviet Union or its Warsaw Pact allies to initiate conventional war.
- Maintain sufficient capabilities to deter conflict worldwide, especially in such critical and potentially unstable areas as Northeast Asia, the Middle East, and the Persian Gulf.
- Modernize our naval forces to maintain freedom of the seas and to protect our capability to conduct military operations wherever we are challenged.
- Maintain reliable capabilities for monitoring foreign military developments and activities, and for verifying international

agreements on arms control—including a new strategic arms limitation treaty.

- Reform military pay to help attract and retain military personnel in the coming years, as the population of young people declines in numbers.
- Improve operating efficiency through greater competition in the acquisition process, supply system reforms, and improved utilization of civilian manpower.

The 1980 budget includes a variety of programs to improve our conventional capabilities. These programs strengthen the forces that deter or stand ready to respond to non-nuclear military threats against Western Europe or in other areas. These efforts are being undertaken, in coordination with our NATO allies, as part of a long-term defense program that was approved at the NATO summit in May 1977. The budget also includes cooperative programs with our NATO allies, including common purchase and operation of a fleet of airborne warning and control aircraft, co-production of the new F-16 fighter aircraft, and a common gun for new tanks. A sizable increase in the purchase of modern equipment for our ground forces is also proposed. This includes additional tanks, air defense systems, helicopters, armored personnel carriers, and ammunition. The budget provides for significantly upgrading artillery, anti-tank weapons, and combat unit capability for forces in Europe. In addition, naval capabilities will be strengthened by the construction of a new conventionally-powered aircraft carrier.

The budget also recommends measures that will improve the efficiency of defense operations. Actions are being taken to increase the degree of competition throughout the acquisition process and to encourage purchase of standard goods and services. Initiatives in supply management include correcting pricing inequities, disposing of excess stocks, making greater use of commercially-available equipment, and earlier identification of potentially obsolete inventories.

*Strategic forces.*—The principal objective of United States strategic forces is to deter a nuclear attack on the United States and its allies. They also help deter nonnuclear attack.

Strategic force evaluation involves more than simple numerical comparisons of United States and Soviet forces. Our forces are designed to survive and respond to a major Soviet nuclear attack in adequate numbers and strength. These must be able to penetrate Soviet defenses and destroy essential targets in a controlled manner under any circumstances, including a massive Soviet attack.

Our forces meet these conditions today, but must be improved to continue meeting them in the future. A supplemental is requested

for 1979 to pursue full-scale development of a larger, more accurate intercontinental ballistic missile capable, with modifications, of being deployed in submarines, aircraft, or land bases. Full-scale development of a method of basing this missile would commence following exploration of basing alternatives in 1979. The budget proposes procurement of the eighth Trident submarine and continued procurement of the Trident I missile. Competitive development and procurement of air-launched cruise missiles is proposed, with initial deployment in B-52 aircraft planned for 1982.

Funds are also requested for important improvements to strategic command and control and warning systems. Initiatives are recommended to provide earlier and more reliable warning of an attack, and to assure that our deterrent force can respond in a timely and controlled manner to a wide range of potential threats.

The budget anticipates successful completion of a new strategic arms limitation treaty that will reduce the danger of nuclear war and help restrain future increases in strategic spending. While no treaty will eliminate the danger that nuclear forces pose both to us and to the rest of the world, a treaty can reduce uncertainty as to the size and character of future Soviet strategic forces and also provide a healthier environment for further arms reductions.

For any treaty to be workable, the parties must be able to verify compliance with its provisions. The administration has confidence in the U.S. ability to verify compliance with the provisions of the pending agreement. The U.S. will continue to maintain intelligence capabilities, such as photoreconnaissance satellites, that provide this assurance. The treaty will not automatically make our strategic forces secure or end the arms competition. But the agreement, and the strategic force improvements it will permit, will help make the Nation more secure.

*General purpose forces.*—General purpose forces help deter or counter aggression below the threshold of strategic nuclear conflict. Most of the defense budget goes for conventional military forces. Active forces include 16 Army divisions, 3 Marine divisions, 3 Marine air wings, 26 wings of Air Force tactical aircraft and 269 naval warships, including 13 aircraft carriers and 12 carrier air wings. The 1980 budget proposes \$50.0 billion in budget authority for general purpose programs, a \$2.5 billion increase over the 1979 level as amended by supplemental proposals transmitted with this budget.

A number of initiatives for modernizing existing forces and improving their readiness for combat are proposed. These initiatives would strengthen the ability of our general purpose forces to maintain the balance of conventional military power, particularly in Western Europe, and to deter aggression elsewhere in the world.



*Army forces* are designed to meet the most demanding of all general purpose force challenges—conflict between the members of NATO and of the Warsaw Pact—but they must also have the flexibility to meet contingencies that threaten U.S. interests elsewhere.

Improvements in readiness and combat capability proposed in 1980 include:

- adding mechanized infantry and armor battalions to our forces oriented toward Europe;
- increasing the equipment that is prepositioned in Europe to outfit NATO reinforcements;

#### SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

(Year end—i.e., as of September 30)

	1978 actual	1979 estimate	1980 estimate
<b>Military personnel (in thousands):</b>			
End strength:			
Army .....	771	774	774
Navy .....	530	523	528
Marine Corps .....	191	190	189
Air Force .....	569	563	559
Total, Department of Defense .....	2,061	2,050	2,050
Average strength:			
Army .....	771	762	772
Navy .....	526	526	526
Marine Corps .....	191	188	189
Air Force .....	572	567	562
Total, Department of Defense .....	2,060	2,043	2,049
<b>Strategic forces:</b>			
Intercontinental ballistic missiles:			
Minuteman .....	1,000	1,000	1,000
Titan II .....	54	54	54
Polaris-Poseidon-Trident .....	656	656	656
Strategic bomber squadrons .....	25	25	25
<b>General purpose forces:</b>			
Land forces:			
Army divisions .....	16	16	16
Marine Corps divisions .....	3	3	3
Tactical air forces:			
Air Force wings .....	26	26	26
Navy attack wings .....	12	12	12
Marine Corps wings .....	3	3	3
Naval Forces:			
Attack and multipurpose carriers .....	13	13	13
Nuclear attack submarines .....	70	72	75
Other warships .....	166	170	181
Amphibious assault ships .....	64	65	63
<b>Airlift and sealift forces:</b>			
C-5A airlift squadrons .....	4	4	4
Other strategic airlift squadrons .....	13	13	13
Troopships, cargo ships, and tankers .....	48	48	48

- increasing the readiness of European combat units and select units in the United States;
- increasing by one-third the number of U.S. artillery pieces in Europe and deploying additional anti-tank weapons;
- raising the number and readiness of tank crews;
- deploying secure communications for tactical forces; and
- increasing the ability of our forces to withstand nuclear, biological and chemical warfare.

Increases are also proposed in all major Army procurement areas. For *armor*, the proposals include continued procurement of new XM-1 main battle tanks and initial acquisition of the new Infantry Fighting Vehicle designed to give infantry the mobility needed to fight along side the XM-1 tank. For *Aviation*, acquisition of Black Hawk transport helicopters and further conversions of Cobra helicopter gun ships to carry anti-tank missiles are proposed. For *air defense*, purchase of the Patriot missile system and the Stinger missile is planned.

The ability of combat and support forces to respond effectively when required depends on the condition of equipment and the ability of well-trained combat units to act with confidence, skill, and coordination. To maintain our military forces in a high state of readiness, the 1980 budget proposes a 1.4% real increase in budget authority for operations and maintenance. Part of this increase is for a national training center to provide a realistic combat environment for training ground forces. To finance this center and other unit training improvements, the budget provides for an increase in outlays for unit training.

The main missions of the *Air Force* tactical aircraft are to gain sufficient superiority in the air to permit U.S. and allied air forces to provide support to ground forces and to disrupt enemy forces behind the lines.

The 1980 budget proposes procurement of the following Air Force tactical aircraft:

- 144 A-10 attack aircraft for anti-armor missions;
- 60 F-15 fighter aircraft for air superiority missions;
- 175 F-16 multi-role aircraft for both air superiority and ground attack missions; and
- 3 E-3A AWACS aircraft for better airborne surveillance, warning and control.

NATO defenses will be strengthened by stationing new A-10 attack aircraft in Europe. Fighter aircraft stationed in the U.S. will be prepared to deploy to Europe, or elsewhere, on shorter notice than previously.

*Naval general purpose forces* have three missions: sea control, land attack, and peacetime presence. Sea control requires establish-

ing and maintaining naval superiority in ocean areas to protect vital sea lanes, and to deny their use to the enemy. Land attack is the use of naval aircraft and gunfire to support land operations and amphibious assaults. The peacetime presence mission is carried out by deployment of naval forces overseas to deter hostilities, influence the outcome of crises, and provide a tangible symbol of American commitment.

To carry out these missions, the 1980 budget provides for the construction of 14 new general purpose force ships. These include a conventionally-powered aircraft carrier, a destroyer equipped with the AEGIS anti-air warfare system, an attack submarine, 6 frigates for convoy and other escort duties, and 5 towed-array sonar ships to expand our ability to detect hostile submarines.

In recent years, there has been a trend toward building fewer, more expensive ships. This trend must be changed or the Navy in the future will have so few ships that our continued naval superiority may be jeopardized. Although large, expensive ships have impressive capabilities, these are insufficient to offset a substantial shrinkage in numbers.

As a part of the shift toward less expensive but still highly capable ships, procurement of conventionally powered rather than nuclear power AEGIS-equipped ships is proposed. The marginally higher capabilities of a nuclear power AEGIS-equipped ship are insufficient to justify the added cost. Also, studies are underway that examine the potential costs and benefits of procuring attack submarines that are smaller and less expensive than the *Los Angeles* class submarines now being built. These efforts to design and build more numerous and less expensive ships will permit us and our allies to maintain naval superiority.

The budget proposes procurement of 24 F-14 and 15 F-18 fighter aircraft. No further production of either A-6 or A-7 aircraft is proposed. The relatively low-cost F-18 will be purchased in large quantities over the next several years and will carry out a major portion of Navy and Marine Corps fighter and attack missions in the future.

*Airlift and sealift forces.*—Strategic mobility forces are used for the day-to-day peacetime resupply of U.S. forces stationed overseas and the rapid movement of military personnel and equipment to combat zones. The U.S. and its allies depend upon rapid movement and resupply to sustain our forces. Aggression against countries friendly to the U.S. may be deterred by awareness of U.S. capability for rapid reinforcement and supply.

Most of the \$1.9 billion in budget authority proposed for airlift and sealift forces supports day-to-day operations and maintenance. Modifications are proposed to improve our ability to mobilize and

transport U.S. forces by extending the service life and increasing the capability of the C-5A and C-141 aircraft. Additional prepositioning in Europe of equipment for heavy Army units is also planned. This will facilitate rapid deployment of U.S. forces to counter threats to Western Europe. A significant increase in the Civil Reserve Air Fleet program is proposed. This will build cargo capabilities into commercial wide-bodied aircraft while they are still in production. Commercial airlift capability can then provide more support in time of crises, just as we rely upon commercial ships to augment Navy sealift forces.

Military sealift forces transport petroleum and dry cargo for the Department of Defense. Civilian crew members now operate these Navy ships in times of peace and war. This permits greater concentration of trained naval personnel in warship assignment.

*Guard and reserve forces.*—The mission of guard and reserve forces is to provide trained units for support and reinforcement of existing active forces. To fulfill this mission we must recruit and retain a well-trained, equipped, and motivated force. Units with early deployment schedules in the event of mobilization receive the highest priority.

Some improvements in guard and reserve manning levels are projected for 1980 and beyond. The budget also provides for greater emphasis on full-time active duty military support to reserve force units and continued equipment modernization to help train and increase the capability of these forces. Older C-7, C-123, and F-100 aircraft, for example, will be phased out as newer C-130, F-4, A-10, and A-7 aircraft become available.

Based on an evaluation of the effectiveness of compensation in meeting reserve manpower objectives, the budget proposes more enlistment and reenlistment bonuses and educational assistance. It also proposes legislation that would: (1) reduce civilian pay for Federal employees while on annual reserve training; (2) eliminate administrative duty pay for unit commanders; and (3) eliminate officers' uniform maintenance allowance. A comprehensive pay reform package is being developed.

*Research and development.*—Defense research and development is needed to maintain the lead in military technology that we enjoy over potential adversaries and to improve the capabilities of our combat forces.

The 1980 budget for R&D proposes strengthening our technology base, vigorous efforts to modernize our strategic forces, and continued development of a number of key tactical programs. Major R&D efforts for 1980 include:

- **Technology base.**—The 1980 budget proposes real growth in TOA of 7% in this area overall, with real growth of 10% in research, and 5% in exploratory development.
- **Strategic systems.**—Increases are proposed in development programs to maintain the deterrent capability of strategic land, sea and air forces, to improve the reliability and survivability of strategic command, control and communications, and to improve intelligence capabilities.
- **Tactical systems.**—Systems in the final stages of development during the transition to production include the XM-1 tank, the F-18 fighter and the Patriot air-defense system. Major systems now in development include the Army advanced attack helicopter, the Pershing II theater-nuclear missile, the ground and sea-launched cruise missiles, and a family of advanced anti-armor munitions designed to counter the tank-heavy forces of the Warsaw Pact.
- **Other defense R&D.**—Substantial funding is proposed for the modernization of test and evaluation facilities to ensure that systems in development will be adequately tested and evaluated before entering production. Development efforts in support of the space shuttle transportation system will continue. Shuttle operations at Vandenburg Air Force Base in California are scheduled to begin in 1983.

***Military compensation reform.***—Legislation to reform the military compensation system will be submitted to the Congress this spring. The specific proposals will be designed to correct inefficiencies and inequities in pay, benefit and retirement programs that were highlighted in the April 1978 Report of the President's Commission on Military Compensation.

A key feature of the proposed retirement reform, drawn from the Commission's plan, would provide new career incentives by giving active duty personnel special cash payments after ten years of service. These payments would be charged against their future pension rights. Members completing 20 years of service would still be entitled to immediate pensions although benefits would be reduced from current levels until age 60. Personnel separating with 10 to 20 years of service would be entitled to deferred pensions beginning at age 60. Annuities would be calculated on high 2 years' average basic pay, rather than final basic pay, and would be offset by benefits available under the social security system.

Other provisions of the legislation will permit the basic allowance for quarters to be varied according to local housing costs, and authorize differential pay raises by grade and length of service.

These proposals are expected to lead to substantial cost reductions after a transition period that will protect the interests of

members of the current active-duty force. At the same time they will provide major improvements over the current system in achieving more management flexibility, fairness and cost effectiveness.

*Financing military retirement costs on an accrual basis.*—Legislation is also proposed to change the way the budget accounts for military retired pay. The budget now reflects only the annuity costs of military personnel who have already retired. Under the proposed legislation, the budget would reflect the retirement benefits being earned by military personnel on active or reserve duty. This change is designed primarily to improve personnel management by focussing attention on those retirement costs that can be controlled. Because the proposal involves complex changes in many parts of the budget that are contingent upon enactment of the legislation, the changes have not been reflected in the budget schedules.

*Tax expenditures.*—The provision of housing and meals for military personnel, either in cash or in kind, is excluded from taxable income. This results in an estimated 1980 tax expenditure of \$1.5 billion. In addition, disability-related military pensions received by current retirees are largely excluded from taxable income, resulting in a tax expenditure of \$130 million for 1980.

*National defense summary.*—The accompanying national defense table shows budget authority and outlays by appropriation categories for the three major defense missions: military functions of the Department of Defense, atomic energy defense activities and the defense-related activities of other agencies. Most of the increases in the military programs of the Department of Defense are for procurement and for research, development, test and evaluation. These accounts support the development and acquisition of new weapon systems that will replace obsolete ones. The smaller increases in operations and maintenance provide for the support, readiness and level of training for our forces.

## NATIONAL DEFENSE

(Functional code 050; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Department of Defense—Military:</b>					
Military personnel .....	27,246	28,683	28,890	29,058	29,176
Retired military personnel .....	9,180	10,318	11,452	12,515	13,549
Operation and maintenance .....	34,732	38,085	40,222	41,531	43,619
Procurement .....	29,529	31,463	35,402	38,682	41,454
Research, development, test and evaluation .....	11,371	12,774	13,536	15,364	15,366
Military construction .....	1,641	2,498	2,158	2,296	3,534
Family housing .....	1,346	1,623	1,575	1,649	1,811
Revolving funds and other .....	278	—235	—429	—455	—353
Allowances: Civilian and military pay raises:					
Existing law .....			2,256	4,689	7,154
Proposed legislation .....			—81	—139	—146
Other legislation .....			61	24	28
Subtotal, Department of Defense— Military .....	115,322	125,209	135,041	145,215	155,193
<b>Atomic energy defense activities .....</b>	<b>2,514</b>	<b>2,614</b>	<b>3,022</b>	<b>3,206</b>	<b>3,176</b>
<b>Defense-related activities:</b>					
Existing law .....	93	94	360	368	371
Proposed legislation .....			—178	—178	—178
Subtotal, defense, related activities ....	93	94	183	191	193
<b>Deductions for offsetting receipts .....</b>	<b>—2</b>	<b>—3</b>	<b>—3</b>	<b>—3</b>	<b>—3</b>
<b>Total, budget authority .....</b>	<b>117,926</b>	<b>127,915</b>	<b>138,243</b>	<b>148,609</b>	<b>158,560</b>
<b>OUTLAYS</b>					
<b>Department of Defense—Military:</b>					
Military personnel .....	27,075	28,220	28,447	28,625	28,734
Retired military personnel .....	9,171	10,281	11,435	12,500	13,535
Operation and maintenance .....	33,578	35,905	38,690	40,145	42,116
Procurement .....	19,976	22,476	25,749	29,998	34,385
Research, development, test and evaluation .....	10,508	11,726	13,015	14,633	15,365
Military construction .....	1,932	1,854	1,951	2,079	2,351
Family housing .....	1,405	1,441	1,493	1,624	1,755
Revolving funds and other .....	—602	—3	—295	—455	—353
Allowances: Civilian and military pay raises:					
Existing law .....			2,234	4,665	7,129
Proposed legislation .....			—80	—138	—145
Other legislation .....			61	24	28
Subtotal, Department of Defense— Military .....	103,042	111,900	122,700	133,700	144,900
<b>Atomic energy defense activities .....</b>	<b>2,070</b>	<b>2,509</b>	<b>2,968</b>	<b>3,156</b>	<b>3,099</b>
<b>Defense-related activities:</b>					
Existing law .....	76	97	343	368	372
Proposed legislation .....			—178	—178	—178
Subtotal, defense related activities ....	76	97	166	191	194
<b>Deductions for offsetting receipts .....</b>	<b>—2</b>	<b>—3</b>	<b>—3</b>	<b>—3</b>	<b>—3</b>
<b>Total, outlays .....</b>	<b>105,186</b>	<b>114,503</b>	<b>125,830</b>	<b>137,043</b>	<b>148,190</b>

**Atomic energy defense activities.**—Department of Energy responsibilities for national defense include R&D, testing and production of nuclear weapons, production of special nuclear materials, storage of nuclear wastes from defense programs and design of reactors for navy vessels. The following table shows the distribution of funding levels for these programs. Budget authority of \$3.0 billion is requested for 1980, compared to \$2.6 billion in 1979.

#### ATOMIC ENERGY DEFENSE ACTIVITIES

(Functional code 053; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
Weapons research, development, test, and production .....	1,397	1,435	1,659	1,692	1,700
Weapons materials production and waste management .....	675	698	855	974	933
Naval reactor development .....	247	290	263	273	259
Other research programs .....	195	191	245	268	284
<b>Total, budget authority .....</b>	<b>2,514</b>	<b>2,614</b>	<b>3,022</b>	<b>3,206</b>	<b>3,176</b>
<b>OUTLAYS</b>					
Weapons research, development, test, and production .....	1,142	1,368	1,618	1,696	1,641
Weapons materials production and waste management .....	530	679	853	945	933
Naval reactor development .....	231	263	272	281	269
Other research programs .....	167	199	225	234	256
<b>Total, outlays .....</b>	<b>2,070</b>	<b>2,509</b>	<b>2,968</b>	<b>3,156</b>	<b>3,099</b>

**Weapons, R&D, testing and production.**—This involves the design, testing and production of nuclear warheads, projectiles, and bombs for the nuclear weapons stockpile, including quality control and surveillance of all components of the finished devices. Funding proposed for 1979 and 1980 supports increased missile warhead production.

**Nuclear materials production.**—This entails the production of special nuclear materials for use in nuclear warheads. Production at a slightly reduced rate is proposed for 1980.

**Defense nuclear waste management.**—This program currently provides interim storage for all defense nuclear wastes. The program also supports R&D toward the goal of permanent storage and isolation of these wastes. Funding proposed for 1979 and 1980 would support increased efforts to upgrade interim storage, increased R&D on the permanent storage of defense wastes, and design work and land acquisition for a future underground repository planned in southeastern New Mexico.



*Naval reactor development.*—This program includes the R&D design, procurement, and testing of prototype reactors for current and future naval vessels.

*Other research programs.*—The other Department of Energy defense programs include inertial confinement fusion, using intense laser beams; nuclear materials security and safeguards, providing protection of Department of Energy nuclear facilities and nuclear materials; and arms control and verification technology.

*Defense-related activities.*—Outlays for the activities of the civilian departments and agencies that support national defense are estimated to rise from \$97 million in 1979 to \$166 million in 1980.

*Federal preparedness planning and crisis management.*—The emergency management program recommended in 1980 includes planning for relocation during crises, shelter surveys, improved communications, and emergency planning. This activity will be part of the responsibility of a proposed new Federal Emergency Management Agency to be established in 1979. Outlays for the emergency planning, preparedness, and mobilization functions of the Federal Emergency Management Agency are estimated at \$140 million in 1980 compared to \$133 million in 1979.

*Stockpile of strategic and critical materials.*—To meet our needs for raw materials during wartime, the Federal Government stockpiles strategic and critical materials. Sales and purchases are proposed in 1980 to adjust the inventory of the stockpile to current requirements. Outlays are estimated to be \$181 million in 1980. In 1979, they are estimated at zero. Receipts from sales are estimated at \$238 million in 1980.

*Selective Service.*—The Selective Service System is responsible for maintaining in standby the capability to meet defense personnel requirements in a future national mobilization. The budget includes \$9.8 million in budget authority for 1980 and a 1979 supplemental of \$1.7 million. Together with management improvements, these funds will enable the system to respond to a wide variety of potential mobilization situations.

## CREDIT PROGRAMS—NATIONAL DEFENSE

(In millions of dollars)

	1978 actual	1979 estimate	1980 estimate
Direct loans:			
New loans.....		1	*
Repayments, sales and adjustments (—).....	— 11	— 11	— 12
Net credit outlays.....	— 11	— 10	— 12
Guaranteed loans:			
New loans.....	1	1	*
Net credit guaranteed.....	1	— *	*

\* \$500 thousand or less.

## INTERNATIONAL AFFAIRS

### *National Needs Statement:*

- Promote a stable international environment that will reduce conflicts, encourage worldwide economic progress, and bring greater respect for human rights.
- Support the long-term development of poor countries with particular emphasis on reducing widespread poverty.
- Support the security and economic and political stability of allies and friendly governments.
- Advance American foreign policy through diplomacy and improved communication between the United States and other nations.
- Support our domestic economy by strengthening international economic institutions.

In international affairs most national needs are met by diplomatic and policy initiatives that require only small amounts of budget authority and outlays. Foreign assistance is the most significant budgetary item in international affairs.

Special emphasis is given in the budget to provide for:

- increasing U.S. bilateral development aid to meet the basic human needs of poor people in poor countries;
- fulfilling past pledges to the World Bank and other multilateral development banks whose programs pool the resources of all donors in addressing economic problems in the poor countries;
- continuing a high level of security assistance to help bring about peace in the Middle East;
- continuing to phase down grant military assistance;
- meeting the humanitarian needs of a rapidly increasing number of refugees; and
- significantly increasing Export-Import Bank funds to take advantage of increased trade opportunities.

## NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Foreign economic and financial assistance:</b>					
Multilateral development assistance:					
Multilateral development banks .....	1,926	2,515	3,625	2,619	4,315
International organizations .....	240	260	277	315	346
Agency for International Development .....	1,294	1,544	1,762	2,054	2,534
Proposed legislation .....			25	40	60
P.L. 480 Food aid .....	923	806	719	1,069	1,195
Security supporting assistance (AID) .....	2,219	1,921	1,995	1,950	1,950
Refugee assistance .....	79	164	152	154	161
Other foreign economic and financial assistance .....	127	149	162	165	166
Offsetting receipts .....	-336	-346	-370	-416	-458
Subtotal, foreign economic and financial assistance .....	6,472	7,013	8,348	7,951	10,269
<b>Military assistance:</b>					
Grant military assistance .....	180	209	110	92	18
Foreign military training .....	30	34	33	33	33
Foreign military credit sales .....	676	654	656	647	649
Offsetting receipts and other .....	-277	-244	-239	-238	-236
Subtotal, military assistance .....	608	653	560	534	464
<b>Total, foreign aid .....</b>	<b>(7,080)</b>	<b>(7,666)</b>	<b>(8,909)</b>	<b>(8,485)</b>	<b>(10,734)</b>
<b>Conduct of foreign affairs:</b>					
Administration of foreign affairs .....	748	825	807	966	1,030
International organizations and conferences .....	461	479	503	525	548
Other .....	32	26	35	35	36
Proposed legislation .....			7		
Subtotal, conduct of foreign affairs ....	1,241	1,330	1,352	1,526	1,614
<b>Foreign information and exchange activities.....</b>					
	451	508	521	555	618
<b>International financial programs:</b>					
Export-Import Bank .....			829	1,634	1,675
Military sales trust fund (net) .....	1,198	2,400	2,200	1,800	1,400
International monetary programs .....		1,832			
International commodity agreements .....		60			
Other .....	-74	-76	-77	-77	-77
Subtotal, international financial programs .....	1,124	4,216	2,952	3,357	2,998
<b>Deductions for offsetting receipts.....</b>					
	-100	-97	-78	-74	-75
<b>Total, budget authority .....</b>	<b>9,795</b>	<b>13,622</b>	<b>13,655</b>	<b>13,849</b>	<b>15,890</b>

## NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Foreign economic and financial assistance:</b>					
Multilateral development assistance:					
Multilateral development banks .....	858	858	1,023	986	988
International organizations .....	210	251	272	304	337
International Fund for Agricultural Development .....	20	20	40	40	40
Agency for International Development .....	1,007	1,175	1,316	1,484	1,742
Proposed legislation .....			6	20	26
P.L. 480 food aid .....	808	1,055	993	1,069	1,195
Security supporting assistance (AID) .....	1,908	2,061	1,950	1,965	1,955
Refugee assistance .....	75	111	173	153	159
Other foreign economic and financial assistance .....	78	118	119	125	121
Offsetting receipts .....	-336	-346	-370	-416	-458
Subtotal, foreign economic and financial assistance .....	4,629	5,303	5,523	5,730	6,105
<b>Military assistance:</b>					
Grant military assistance .....	169	243	200	150	130
Foreign military training .....	22	25	31	30	30
Foreign military credit sales .....	570	555	525	525	510
Offsetting receipts and other .....	-277	-246	-240	-240	-238
Subtotal, military assistance .....	484	577	516	466	432
<b>Total, foreign aid .....</b>	<b>(5,113)</b>	<b>(5,879)</b>	<b>(6,038)</b>	<b>(6,195)</b>	<b>(6,536)</b>
<b>Conduct of foreign affairs:</b>					
Administration of foreign affairs .....	716	717	843	924	1,003
International organizations and conferences .....	382	466	532	515	542
Other .....	30	35	33	33	34
Proposed legislation .....			1	1	1
Subtotal, conduct of foreign affairs .....	1,128	1,218	1,410	1,474	1,581
<b>Foreign information and exchange activities .....</b>	<b>423</b>	<b>505</b>	<b>529</b>	<b>561</b>	<b>596</b>
<b>International financial programs:</b>					
Export-Import Bank .....	-106	91	561	1,036	1,099
Military sales trust fund (net) .....	-341	-100			
International commodity agreements .....		60			
Other .....	-194	-243	-247	-245	-236
Subtotal, international financial programs .....	-641	-193	314	791	863
<b>Deductions for offsetting receipts .....</b>	<b>-100</b>	<b>-97</b>	<b>-78</b>	<b>-74</b>	<b>-75</b>
<b>Total, outlays .....</b>	<b>5,922</b>	<b>7,312</b>	<b>8,213</b>	<b>8,947</b>	<b>9,501</b>

***Foreign economic and financial assistance.***—The main missions of these programs are to provide humanitarian assistance to needy people abroad, to promote economic development in the third world, and to support important foreign policy initiatives of the United States. The budget places greater emphasis on the development mission. The development assistance programs include the multilateral banks, international organizations, the International Fund for Agricultural Development, the Agency for International Development (AID) and P.L. 480 food aid. Budget authority for development assistance is proposed to grow substantially, from \$5.1 billion in 1979 to \$6.4 billion in 1980. In contrast, budget authority for security supporting assistance is proposed to be \$2.0 billion in 1980, which is only slightly above 1979 levels for comparable programs.

Outlays for the development assistance programs for 1980 grow slowly, by \$291 million, largely because \$899 million of the budget authority growth takes the form of borrowing guarantees for the multilateral development banks.

The budget enables the United States to meet its formal commitments to a number of multilateral international development and humanitarian institutions. Many of these institutions were initiated with strong U.S. support, and they have provided a means for other industrialized countries to assume a gradually increasing share of the costs of foreign aid. If the continued cooperation of these countries is to be expected, the United States must make good on its commitments.

The proposed increase in AID bilateral development assistance is based on the President's equally strong commitment to assist more directly the neediest peoples of the world. This assistance will be focused on the poorest developing countries, which are primarily in Africa and the Asian subcontinent. It will be allocated with particular attention to supporting the development of countries whose past and likely future performance shows a strong commitment to self-help.

For the 1981-82 period, further substantial growth is projected for development aid in furtherance of the administration's strong commitment to assist developing countries. An increase of \$2.0 billion in budget authority is estimated between 1980 and 1982. By 1982, nearly sixty percent of the amount to be requested for the multilateral development banks will be in the form of borrowing guarantees (callable capital) rather than actual expenditures. While budget authority traditionally has been sought to cover the full amount of these guarantees, which will not result in budget outlays, other arrangements may be more appropriate under the proposals being considered for future control of all Federal credit programs.

New organizational arrangements have been adopted to improve the effectiveness of the development assistance programs and additional measures are currently under consideration. A report on the results will be provided to the Congress no later than February 1, 1979, as required by law. Among other things the administration plans to recommend steps to enhance the contribution of U.S. science and technology to economic development in all developing countries through a Foundation for International Technological Cooperation.

*Multilateral development assistance.*—Most of the funds in this category are provided to the *multilateral development banks* comprising the World Bank group and the Asian, African, and Inter-American development banks. Through their ordinary capital operations, which offer credit at market-related interest rates, these institutions provide the preponderance of official development lending to the more advanced developing countries. These operations are primarily financed by borrowings on international capital markets backed by member countries' borrowing guarantees. U.S. subscriptions to ordinary capital are mostly in the form of callable capital, which have never resulted in and are unlikely to require budgetary outlays. Each of the multilateral development banks also has concessional lending operations, which provide funds at low interest rates and with long-term repayment schedules to the poorest countries.

Increased U.S. contributions to the concessional lending funds of the Asian and African development banks are proposed for 1980, reflecting the poverty of the recipient countries and the growing capacity of these institutions to manage regional lending programs. Funds are also requested to replenish the ordinary and concessional funds of the Inter-American Development Bank. A decrease in the concessional contribution to this bank is more than offset by a larger ordinary capital subscription. This shift in emphasis recognizes the progress of many Latin American countries toward greater economic self-sufficiency and, hence, their diminished need for concessional aid.

Approximately \$1 billion of the \$3.6 billion in 1980 budget authority sought for the multilateral banks represents funds that were pledged for prior years but which have not yet been appropriated. Because the United States benefits from the system of cooperative international economic relations that the banks promote, it is particularly important that this country bear its fair share of the funding responsibility by making good on these past pledges. Outlays for multinational development banks are estimated to rise from \$0.9 billion in 1979 to \$1.0 billion in 1980.

The United States makes voluntary contributions to 17 *international organizations and programs* that effectively carry out important multilateral developmental, humanitarian, and scientific activities. The largest request, \$140 million in budget authority for 1980, is for the United Nations development program, the primary multilateral source of technical assistance for developing countries. Also included in the 1980 request are sizeable contributions to the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees, the Organization for American States, and the International Atomic Energy Agency, as well as contributions to several small development-oriented programs. Budget authority for the voluntary contributions to these international organizations and programs is proposed to increase through 1982 as part of the administration's policy to increase development assistance.

*AID programs.*—These programs are designed principally to help alleviate critical problems of hunger and malnutrition, population pressure, disease, and ignorance. They assist developing countries to meet the basic needs of their poor through programs that promote economic growth and equity. They also reflect the administration's human rights policies.

The administration has taken a number of steps to assure that the AID program more directly benefits the neediest people in the poorest countries and is better coordinated with other assistance programs. In view of these improvements and AID's efforts to strengthen program management, the President is recommending a sizable long-term increase in the program. Budget authority for AID development assistance programs is proposed to rise from \$1.5 billion in 1979 to \$1.8 billion in 1980 and to \$2.5 billion by 1982. Outlays are estimated to rise from \$1.2 billion in 1979 to \$1.3 billion in 1980 and to \$1.7 billion by 1982.

*Public Law 480 food aid.*—Food aid serves a wide range of policy objectives. It supports U.S. diplomatic objectives, particularly in the Middle East, promotes economic development, develops agricultural export markets, and constitutes the major U.S. program for humanitarian relief. The food aid program will continue to emphasize humanitarian concerns, but will place greater emphasis on encouraging recipient countries to pursue effective economic development policies, particularly under the new food-for-development program. The 1980 estimate of \$1 billion in outlays would permit shipments of approximately 6.7 million tons of food at projected prices, approximately equal to the 1979 tonnage. This is about two-thirds of the annual worldwide food aid target set by the United Nations for all donors.



*Security supporting assistance.*—This program is managed by AID under State Department guidance. It provides both balance of payments support and development project financing to selected countries of particular importance to the foreign policy of the United States. Most of the funds will be provided to Middle Eastern countries in support of United States efforts to promote a peace settlement in the region. Budget authority of \$2.0 billion is proposed for 1980, slightly more than the total \$1.9 billion appropriated in 1979. Outlays are estimated to drop to \$2.0 billion in 1980 from \$2.1 billion in 1979.

*Refugee assistance.*—War, national liberation movements, internal strife, and human rights violations have resulted in sharply increased demands for refugee assistance for the care, maintenance, and resettlement of Indochinese, African, and Eastern European refugees. This administration has been responsive to the needs of these refugees and to international appeals to ameliorate refugee problems by providing assistance through the United Nations, other international organizations, and private voluntary American organizations. Supplemental 1979 appropriations and increased 1980 appropriations are requested to aid the United Nations in providing care and maintenance for sharply increased numbers of Indochinese refugees in Southeast Asia and the transportation and placement of the additional refugees recently authorized for entry into the United States by the Attorney General. The funds will also be used to provide for the increasing flow of refugees from Eastern Europe to this country. The need for additional funds may have to be considered if the exodus from Indochina and Eastern Europe continues.

*Other foreign economic and financial assistance.*—The Peace Corps, part of ACTION, will continue its programs of developmental assistance in low-income countries with increased focus on basic human needs and training. In order to meet its goal of improving international understanding, the Peace Corps will expand its information exchange activities and increase its work with host country development programs and international voluntary organizations. The 1980 volunteer level for Peace Corps (about 6,000 volunteer years in some 65 countries) is approximately the same as in 1979.

*Military assistance.*—These programs are administered by the Defense Department under State Department guidance. They provide defense materiel and services to allies and other friendly governments for their internal security and self-defense, and support participation in regional or collective security arrangements. This assistance is provided in the form of military assistance

grants, foreign military sales credits, and grants for military training.

Emphasis in military assistance is shifting from grants to foreign military sales credits as the improving economic situation of some recipient countries enables them to assume a greater share of the cost of their defense. It is planned that after 1981 grant military assistance will be provided only in exceptional circumstances. The proposed budget authority of \$110 million in 1980 for grant military assistance is \$99 million less than in 1979, and includes funds for only 4 countries. No grant military assistance country programs are currently planned beyond 1981, but the delivery costs of prior-year programs and necessary administrative costs will continue to be funded under this program.

The proposed budget authority for foreign military credit sales in 1980 is \$656 million, \$2 million more than in 1979. This amount of budget authority provides a worldwide program of loans and loan guarantees totaling \$2.1 billion. Of this amount, \$500 million is for direct credits. The remainder of the loans are made by the Federal Financing Bank and guaranteed by the Department of Defense. Since the Federal Financing Bank's transactions are excluded from the budget (see Part 6 of the Budget), only the 10% reserve on the guarantees is included as budget authority, and no outlays are estimated.

Budget authority of \$32.9 million is requested for international military education and training in 1980. The budget authority requested includes funds for resuming grant training for Greece and Turkey.

*Conduct of foreign affairs.*—With the increasing interrelationship of American domestic and international interests, the activities of many Federal agencies affect United States relations with foreign governments and international organizations. Nevertheless, the administration of the foreign affairs of the United States is primarily conducted, coordinated, and overseen by the Department of State and American embassies, missions, and consulates abroad. The President, the Congress, and other policymakers rely on the State Department's reporting and analysis of important international developments affecting American interests. The Department also regularly informs the American public about those developments and the administration's views about them. The travel of Americans abroad is aided through passport and consular services, and over 5 million visas are now issued annually to foreign nationals to facilitate their visiting or emigrating to the United States. The Department also provides many administrative services for other agencies operating abroad. These functions will be carried on

by the Department in 1979 and 1980 with slightly fewer employees than in 1978.

In addition to the voluntary contributions to international organizations discussed under multilateral assistance above, the United States, as a member government, also makes annual contributions to the United Nations and 44 other international organizations. As a member of these multilateral bodies, the United States participates in helping to solve many critical international peacekeeping, economic, social, and political problems. The United States' share of the budgets of these organizations, including United Nations peacekeeping activities, is estimated to require \$482 million of budget authority for 1980, \$503 million for 1981, and \$525 million for 1982. For most organizations, the United States proposes to support only those budget increases needed to maintain the prior year's level of operations during the 1981-82 period. In the case of a very few organizations, a 2% increase in real program growth will be supported. The United States will continue to encourage all international organizations to meet new and expanded needs from reductions in low-priority or obsolete activities.

A 1979 supplemental appropriation of \$58 million is required to meet our legally-binding assessments to several international organizations. Of that amount, \$27 million is required, because the Congress prohibited the United States from making assessed contributions to the United Nations or its specialized agencies for technical assistance activities in 1979. This prohibition seriously impairs the ability of the United States to meet its legal obligations. Therefore, the administration is proposing to lift the prohibition so that we can continue participating effectively in those organizations.

Although no request is now made for the United States' share of the proposed United Nations activities aiding the transition of Namibia to independence, the administration strongly supports the United Nations' plan for Namibia and will make a request for funds when as the requirements are known.

The Arms Control and Disarmament Agency continues to play a central role in arms control negotiations and research. Major elements of the Agency's program include strategic arms limitations, nuclear nonproliferation, arms trade restrictions and defense analysis. Outlays are estimated to be \$17 million for 1980.

***Foreign information and exchange activities.***—The newly established International Communication Agency (ICA), through its staff in 126 countries, has a central role in improving international communication and understanding. It promotes visits of Americans abroad and foreign nationals to the United States to help both understand each other's attitudes, aspirations, and opinions. Long-term institutional relationships are encouraged. Such exchanges

can significantly influence long-term United States relations with foreign nations. In addition the Agency's Voice of America radio programs, its other media and field staff report world events and explain United States policies. The Agency also provides the President and other foreign policy officials with assessments of foreign public opinion and its probable reaction to proposed United States policies. Except for moderate increases for exchanges, ICA activities are proposed to continue at the current levels through 1982. An estimated \$5 million in budget authority is proposed to initiate the Humphrey scholarships, named for the late Vice President, to bring young public servants from developing countries to the United States for a year of advanced training in their profession. The scholarships are intended to lead to long-term professional exchanges between American and foreign individuals and institutions.

The Board for International Broadcasting makes grants to Radio Free Europe/Radio Liberty, which broadcasts in 22 languages to Eastern Europe and the Soviet Union. Amounts proposed in the budget will permit operations throughout the 1979-82 period at approximately the current annual level.

***International financial programs.***—The mission of our international financial programs is to advance U.S. interests by improving the functioning of the international financial system. Since World War II, the international financial system has been strengthened by closer cooperation among governments. Nonetheless, problems and gaps remain that require Government action to facilitate U.S. commercial exports and military sales. In addition, there is a continuing need to expand the resources of the International Monetary Fund (IMF) to enable it to assist member countries with balance of payments problems. During 1978, the members of the IMF agreed on a 50% increase in IMF quotas. Legislation to authorize U.S. participation in the quota increase will be proposed during calendar year 1979.

***Export-Import Bank.***—The Export-Import Bank provides direct loans, refinancing of export credits, loan guarantees and insurance in order to facilitate the export of U.S. goods and services. These programs support exports by:

- assuming commercial and political risks that exporters or private financial institutions are unwilling or unable to undertake;
- overcoming limitations in private sector U.S. export financing;
- assisting U.S. exporters to meet foreign officially supported export credit competition; and

- providing guidance in export financing.

By concentrating on areas where private financing is not available and by meeting foreign competition on a case by case basis, the Bank helps improve the functioning of the international economic system and the efficient development of resources both at home and abroad. The Export-Import Bank's programs are generally intended to supplement private credit markets. Terms and conditions on use of its facilities are set at rates more favorable than those available in the private sector in order to counteract the special terms foreign governments provide to support their exporters.

#### EXPORT-IMPORT BANK AUTHORIZATIONS

(In millions of dollars)

	1977 actual	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Direct loan commitments.....	747	2,927	3,750	4,188	4,400	4,750
Discount loan commitments.....	473	497	500	520	550	600
Guarantees and insurance commitments.....	4,379	3,952	5,830	6,815	7,500	8,250
Total commitments.....	5,600	7,376	10,080	11,523	12,450	13,600
Net Outlays.....	340	— 106	91	561	1,036	1,099

In line with the President's recently announced policy to encourage exports, the Export-Import Bank's direct loans are estimated to increase significantly—from \$0.7 billion in 1977 and \$2.9 billion in 1978 to \$3.8 billion in 1979 and \$4.2 billion in 1980. This increase will promote U.S. exports and further strengthen the U.S. economy. In addition, the Bank's guarantee and insurance programs are estimated to increase by 10–20% annually consistent with the rapid growth in U.S. trade.

*Foreign military sales trust fund.*—U.S. law requires that certain types of sales of military equipment and services may be undertaken only by the Federal Government. The foreign military sales trust fund is the vehicle through which such sales of U.S. military equipment and services to foreign governments are made. Orders placed by foreign governments through the trust fund can be combined with orders by U.S. military departments, thereby lowering the costs for both the United States and foreign governments through larger volume procurement and shared research and de-

velopment expenses. Net budget authority for the fund is estimated to decrease from \$2.4 billion in 1979 to \$2.2 billion in 1980. In 1979, receipts are estimated to exceed gross outlays, resulting in net outlays of -\$0.1 billion. Receipts and gross outlays are expected to be in balance in 1980.

***Tax expenditures.***—A tax expenditure results from the deferral of tax on one-half of the profits derived from domestic international sales corporation (DISC) sales. In 1980 it is estimated to be \$1.3 billion.

Recently enacted changes in the rules for taxing income earned by U.S. citizens abroad affect tax expenditures. Beginning in 1980, Americans living and working abroad may deduct living expenses in excess of the cost of living in the U.S., with an extra \$5,000 deductions available for hardship areas. Excess living expense exclusions include deductions for some of the costs for foreign schools below the college level for dependents, home leave for the taxpayer, spouse and dependents, and liberalized moving expenses. Tax expenditures for these benefits are estimated to be \$555 million in 1980.

***International affairs-related programs.***—A number of Federal programs are related to international affairs, although their primary purpose is to meet other national needs and serve other major missions. Almost every department of the U.S. Government has a bureau or office that focuses on international affairs. One of the most important programs that is related to international affairs is the Commodity Credit Corporation (CCC), which provides credit at favorable interest rates for periods usually up to 3 years and intermediate credit for 3 to 10 years for agricultural exports. Other major programs not classified as international, but which have international aspects, are the National Security Council, the Office of the Special Trade Representative, the Foreign Agricultural Service of the Department of Agriculture, and the international research programs in the National Institutes of Health.

## CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Security assistance:</b>			
Direct loans:			
New loans .....	1,624	1,480	1,404
Repayments, sales and adjustments (—) <sup>1</sup> .....	—687	—713	—698
Net credit outlays .....	937	766	706
Guaranteed loans:			
New loans .....	1,678	1,550	1,625
Net credit guaranteed .....	1,359	970	925
<b>Economic development credit:</b>			
Direct loans:			
New loans .....	269	248	267
Repayments, sales and adjustments (—) .....	—259	—274	—300
Net credit outlays .....	10	—27	—34
Guaranteed loans:			
New loans .....	101	141	219
Net credit guaranteed .....	62	103	179
<b>Public Law 480 Food aid:</b>			
Direct loans:			
New loans .....	689	723	632
Repayments, sales and adjustments (—) .....	—149	—145	—160
Net credit outlays .....	540	578	472
<b>Export-Import Bank:</b>			
Direct loans:			
New loans .....	1,260	1,578	2,199
Repayments, sales and adjustments (—) <sup>1</sup> .....	—1,249	—1,338	—1,468
Net credit outlays .....	12	240	731
Guaranteed loans:			
New loans .....	4,213	4,845	5,572
Net credit guaranteed .....	—334	—89	54
<b>Other international assistance:</b>			
Direct loans:			
New loans .....	1	1	1
Repayments, sales and adjustments (—) .....	—121	—133	—136
Net credit outlays .....	—120	—132	—135

<sup>1</sup> Includes sale of loan assets.

## GENERAL SCIENCE, SPACE AND TECHNOLOGY

### *National Needs Statement:*

- Expand scientific knowledge through support of basic research in all fields of science.
- Develop a greater understanding of the Earth, the solar system, and the universe through space exploration.
- Develop and demonstrate practical, economic, and productive applications of space technology.

Even in a period of constrained budget growth, the government must sustain support of science as a long-term investment in the Nation's future. Over time, this investment will improve our understanding of the fundamental problems that American society faces and offer potential solutions to many of these problems.

Through programs of the National Science Foundation and the Department of Energy, further efforts will be made in 1980 to spend research dollars in ways that will help mankind survive and prosper in an increasingly fragile and resource-limited world.

Proposed funding for the space program is carefully targeted both to maximize the return on investments already made and to concentrate on those areas of research where maximum scientific and technical returns can be realized. With manned-orbital flights of the space shuttle beginning in fiscal year 1980, space program spending can achieve new and broader benefits from the Nation's 20 years of space research, development, and exploration.

In 1980, proposed outlays for this function total \$5.5 billion, an increase of \$231 million over 1979.

Proposed outlays for the National Science Foundation (NSF), the science programs of the Department of Energy (DOE), and the space science, applications, and technology programs of the National Aeronautics and Space Administration (NASA) will increase by approximately 10% between 1979 and 1980. Proposed 1980 outlays for other NASA space programs are being held to approximately the same level as in 1979.

Special emphasis is given in this budget to:

- increased funding for basic research as part of a Government-wide effort to maintain a high level of Federal support for such research;
- further development and production of the space shuttle for operations from both east and west coasts;
- continued development of spacecraft, such as those that will study the polar regions of the Sun and the surface and atmosphere of Jupiter;



- initiation of an interagency research program to determine the value of satellite data in estimating worldwide agricultural production; and
- continued development of an advanced Earth resources satellite, Landsat-D, to enhance the use of and assess further the value of data obtained from such satellites.

The missions and programs that meet the national needs in general science represent only a part of the Federal Government's funding for basic research. Most Federal funding for such research is included in other functional categories of the budget in such areas as national defense, energy, health, agriculture, and environment, where it assists in meeting national needs over the long term, as well as adding to basic scientific knowledge. The table in this section summarizes total Federal obligations for basic research. More detailed information is provided in Special Analysis L, "Research and Development," in the Special Analyses volume of the budget.

Similarly, the NASA space programs included in this functional category constitute only part of the Government's funding for space programs. In 1980, outlays for all space programs are estimated to be \$7.9 billion, 12% above the 1979 level. Space programs that address specific national needs in areas such as defense and natural resources and environment are included in the discussions of those functions elsewhere in Part 5.

#### SCIENCE

***General science and basic research.***—The key programs under this function that directly support the mission of general science and basic research are those of the National Science Foundation and the Department of Energy. This year, the budgets of these agencies were reviewed concurrently to help minimize potential duplication and make more effective use of each agency's resources. Outlays for this mission are estimated to total \$1.4 billion in 1980, an increase of \$103 million, or 8% over 1979.

The administration has expressed continuing support for an increased basic research effort through these programs and through the scientific programs included in other budget functions. Total obligations for the conduct of basic research across all Federal programs, including basic research funded in other functional categories, are nearly \$4.6 billion in 1980. This is an increase of \$379 million, 9% over the 1979 level.

## NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

(In millions of dollars)

Major missions and programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>General science and basic research:</b>					
National Science Foundation programs.....	868	917	1,011	1,007	1,007
Department of Energy general science programs.....	405	430	474	470	470
Smithsonian scientific information exchange activities <sup>1</sup> .....	2	2	*	*	*
Subtotal, general science and basic research.....	1,275	1,349	1,485	1,477	1,477
<b>Space research and technology:</b>					
Space flight .....	2,192	2,424	2,332	2,110	1,825
Space science, applications, and technology .....	1,065	1,227	1,404	1,467	1,490
Supporting space activities .....	369	384	435	515	498
Subtotal, space research and technology.....	3,626	4,035	4,168	4,092	3,813
Deductions for offsetting receipts.....	-4	-2	-2	-2	-2
<b>Total, budget authority .....</b>	<b>4,897</b>	<b>5,381</b>	<b>5,651</b>	<b>5,566</b>	<b>5,287</b>
<b>OUTLAYS</b>					
<b>General science and basic research:</b>					
National Science Foundation programs.....	803	880	950	947	947
Department of Energy general science programs.....	355	419	453	463	458
Smithsonian scientific information exchange activities <sup>1</sup> .....	2	2	*	*	*
Subtotal, general science and basic research.....	1,160	1,300	1,403	1,409	1,405
<b>Space research and technology:</b>					
Space flight .....	2,260	2,371	2,339	2,125	1,868
Space science, applications, and technology .....	972	1,170	1,310	1,448	1,517
Supporting space activities .....	354	387	407	495	518
Subtotal, space research and technology.....	3,586	3,928	4,056	4,068	3,903
Deductions for offsetting receipts.....	-4	-2	-2	-2	-2
<b>Total, outlays.....</b>	<b>4,742</b>	<b>5,226</b>	<b>5,457</b>	<b>5,475</b>	<b>5,305</b>

\*500 thousand or less.

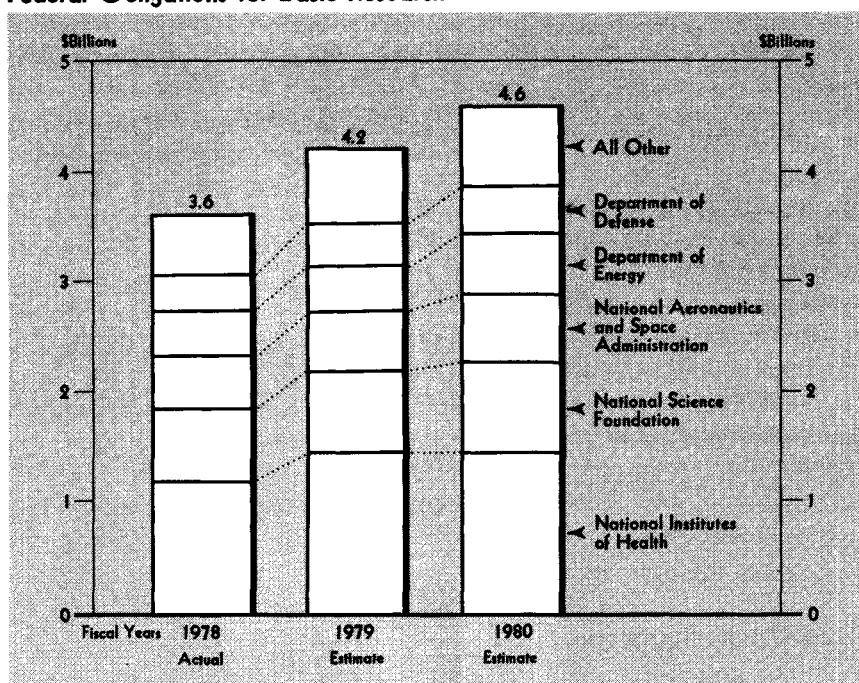
<sup>1</sup> Science information services previously classified in this function will be transferred to function 370, commerce and housing credit, to improve the coordination and management of those services.

The fundamental knowledge obtained through basic research improves man's understanding of natural laws and phenomena, of the environment on earth and in space, and of living things. The special role of universities and colleges in the conduct of basic research ensures a flow of trained scientists and engineers for the

future. The results of basic research provide the foundation for applied research directed toward practical applications. Thus, basic knowledge is essential for the understanding and long-term solution of problems in many areas of national concern, such as economic growth, health, agriculture, energy, environment, and national defense.

The Federal Government supports about two-thirds of the Nation's basic research. The private sector tends to underinvest in such research because of its long-term nature and the difficulty in predicting who will obtain the benefits from such research. Growth in Federal support, as provided in the 1980 budget, therefore meets an essential national need. The administration believes, however, that private investment in basic research is critical to the overall national effort and that industry also should seek to maintain a high level of investment.

### Federal Obligations for Basic Research



*National Science Foundation programs.*—The primary mission of the National Science Foundation (NSF) is the support of basic research. The budget proposes an increase in outlays for the NSF from \$880 million in 1979 to \$950 million in 1980. Proposed budget authority would increase from \$917 million in 1979 to \$1,011 million in 1980, or about 10%.

The basic research financed by NSF assists in balancing Federal support across all scientific disciplines in three broad areas of responsibility:

- to increase knowledge and understanding of natural laws and phenomena and to improve understanding of engineering principles;
- to increase knowledge of the natural environment of earth and in space; and
- to increase knowledge of life—from the fundamental molecules of living organisms to complex human and social interactions.

The Foundation also funds programs in applied research in selected areas of national need and in science education at all levels of learning.

In 1980 the NSF plans to emphasize basic studies related to long-term national problems, such as research on ecosystems and on fundamental atmospheric phenomena related to weather and climate. A significant new initiative in submicron science and engineering is proposed. This field of science, which addresses itself to the study of structures as small as the distance between atoms, is of considerable potential value to American industry in fields such as electronics. The program of basic and applied research on earthquakes is proposed to be continued at approximately the same level as in 1979. Both the submicron program and the earthquake program of the Foundation are part of multi-agency efforts to strengthen these areas of science and engineering.

*Department of Energy general science programs.*—An increase in outlays from \$419 million in 1979 to \$453 million is estimated in 1980 for research funded by the Department of Energy (DOE) in high energy physics, nuclear physics, and the biomedical and life sciences.

The high energy physics program supports studies of the fundamental properties and structure of energy and matter to obtain knowledge about the underlying forces of nature. High energy physics research depends primarily upon large accelerator facilities. In 1980 the electron-positron colliding beam storage ring (PEP), currently under construction at the Stanford Linear Accelerator Center, is scheduled to become operational. This facility will be used to study a very broad range of fundamental questions in particle physics. In addition, construction of the intersecting storage accelerator project (ISABELLE), initiated in 1978, will continue toward projected operation in 1986. This will be the highest energy colliding beam accelerator in the world and will make possible new experiments to investigate recent theories dealing with fundamental forces.

The nuclear physics program of the Department of Energy is concerned with supporting experimental and theoretical studies of the properties and dynamics of atomic nuclei and the characterization of the forces that govern their interaction. These investigations are also largely carried out in national accelerator facilities. In 1980 DOE plans to equip and begin operation of two new experimental areas—one at the Holifield Heavy Ion Research Facility and one at the Bates Linear Accelerator. The budget provides funds to initiate three new construction projects in 1980—at Bates, at the Clinton P. Anderson Meson Physics Facility, and at the Michigan State University Heavy Ion Accelerator. These projects are the three highest priority construction projects for nuclear physics as determined by a joint DOE/NSF Nuclear Science Advisory Committee, and together they have the potential to advance dramatically the frontiers of research in nuclear physics.

The life sciences and biomedical research program seeks better understanding of how physical and chemical agents interact with life processes in ecological systems and in human and animal populations. The 1980 budget request increases funding for efforts to develop radio-isotope techniques for use in medical diagnosis and medical research. Support for this research has lagged behind the Nation's needs in recent years.

*Tax expenditures.*—In addition to direct Federal funding of basic research, the tax code encourages private sector research and development, including basic research, by allowing expenditures for such purposes to be deducted as a current expense. The resulting tax expenditures are estimated at \$1.8 billion in 1980.

*Related programs.*—As noted above, most of the Federal Government's basic research funds are allocated to other budget functions since they support other specific national needs or missions. The following table shows total Federal obligations by agency for the conduct of basic research. It excludes funds for major facilities, such as those discussed above under Department of Energy general science programs.

#### SPACE RESEARCH AND TECHNOLOGY

As the space shuttle becomes operational in 1981, it will extend the work environment to space and reduce the cost of manned operations in space. In preparing for this new era, the administration has developed a policy to meet national needs over the next decade. The objectives are to obtain social and economic benefits from the Nation's 20 year investment in space research and development and to exploit new opportunities in an evolutionary manner. The budget reflects a commitment to a balanced space

program with emphasis on both space science and exploration and the practical application of space technology. The budget request maintains the current schedule in the space shuttle development program, provides for expeditious transition to an operational shuttle transportation system, continues exploration of space, and recommends new initiatives in space applications.

#### FEDERAL OBLIGATIONS FOR THE CONDUCT OF BASIC RESEARCH

(In millions of dollars)

Functional Code and Agency	Basic Research		
	1978 actual	1979 estimate	1980 estimate
<b>Programs in general science, space, and technology function:</b>			
250 National Science Foundation.....	678	741	828
250 Energy.....	257	293	320
250 National Aeronautics and Space Administration.....	478	530	630
Subtotal.....	1,413	1,564	1,778
<b>Programs in other functions:</b>			
550 Health, Education, and Welfare.....	1,269	1,561	1,581
270 Energy.....	157	176	231
050 Defense.....	311	373	436
350 Agriculture.....	228	252	268
300 Interior.....	156	176	174
500 Smithsonian.....	35	37	39
370 Commerce.....	28	32	33
300 Environmental Protection Administration.....	5	8	17
999 Other agencies.....	32	29	31
Subtotal.....	2,221	2,646	2,811
<b>Total.....</b>	<b>3,635</b>	<b>4,210</b>	<b>4,589</b>

**Space flight.**—Programs in space flight are carried out to enhance the Nation's capability to operate in space and to provide space transportation services to Government, commercial, and foreign users. Outlays for these programs are estimated to be \$2.3 billion in 1980, compared to \$2.4 billion in 1979.

In 1980, outlays of \$1.6 billion are recommended for continued development and production of the space shuttle system with an expected decrease to \$0.7 billion in 1982. The space shuttle will increase the flexibility and productivity of manned space missions by making possible the retrieval of payloads from orbit for reuse; the servicing and repair of satellites in space; and the operation of space laboratories, such as the European-built Spacelab, for scientific and practical purposes. When fully operational, the shuttle will replace virtually all expendable launch vehicles currently used by the Department of Defense and by NASA. Four shuttle orbiters will meet expected civilian and military needs through the 1980's.

The space shuttle's first orbital test flight is scheduled for 1979, with regular operations scheduled to begin in 1981 at Kennedy Space Flight Center, Florida and in 1983 at Vandenberg Air Force Base, California.

*Space science, applications, and technology.*—The Federal Government supports fundamental studies and exploration of the solar system and the universe and demonstrations of practical applications of space-based systems. It also supports development of space technology to reduce the cost of operations in space and to develop new applications. Consistent with the administration's space policy to emphasize space science and applications, total outlays for such programs are expected to increase from \$1.2 billion in 1979 to \$1.3 billion in 1980, an increase of 12%.

Observations from space permit unique studies of the Earth's space environment, the Sun, the planets, and stars — studies that are not possible from ground-based observatories because of the obscuring effects of the atmosphere. The budget request recommends outlays of \$672 million for space science and exploration, a 15% increase over 1979. In 1982, outlays are expected to be \$778 million, 33% above 1979 expenditures.

The recommended budget for this activity provides for continued development of several science projects that have already been approved. The solar polar mission to orbit the Sun will, for the first time, study solar activity and radiation near the Sun's polar regions. This will contribute to our basic understanding of the Sun's effect on the Earth's atmosphere and climate. This cooperative effort with the European Space Agency is an important aspect of the administration's space policy, which seeks international participation in space science. The two satellites required for this mission are scheduled to be launched by the shuttle in 1983.

The budget also provides for continued development of a space telescope. This instrument will allow scientists to observe galaxies and other sources of radiation that are at far greater distances from the Earth than can be observed from ground-based observatories. The telescope is planned for launch by the space shuttle in 1983. Work will also continue on the Jupiter orbiter and probe mission, the next step in the systematic exploration of the planets. Other projects, such as operation of the Voyager spacecraft that will photograph the rings and surface of Saturn in 1980 and 1981, will be continued.

The 1980 budget also emphasizes the development and demonstration of practical application of space technology. To conduct these activities, the administration proposes outlays of \$420 million, a 13% increase over 1979. By 1982, outlays are expected to be \$505 million, 36% above 1979 expenditures.

To investigate further the value of satellite data for monitoring agricultural crop conditions, the 1980 budget requests funding for the Departments of Agriculture and Commerce and the National Aeronautics and Space Administration to initiate a research program in worldwide agricultural production forecasting. The program also includes funds to investigate the use of satellite remote sensing data for providing early quantitative estimates of the effect of natural disasters on crop conditions. In support of these and other remote sensing activities, the budget recommends continued development of the Landsat-D satellite, the fourth in a series of experimental Earth resources satellites, scheduled for launch in 1981.

The budget provides for work on long-term, advanced space communications technology, which will assist in maintaining the Nation's leadership in satellite communications.

The budget also reflects the administration's decision to assure the continuity of civil Earth resources remote sensing data through the 1980's. To obtain the maximum value from our current remote sensing capabilities, studies will be conducted to determine the most effective and economic means for providing such earth resources data. As part of the administration's overall effort to seek improved coordination of national space programs, studies for better integration of current civil and defense uses of these capabilities also will be conducted.

**Supporting space activities.**—In 1980, outlays of \$407 million are recommended to provide tracking and data relay support to the entire NASA flight program, including automated and manned spacecraft missions, sounding rockets, and aerodynamic test flights.

#### CREDIT PROGRAMS—GENERAL SCIENCE, SPACE AND TECHNOLOGY

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Satellite leases:</b>			
Guaranteed loans:			
New loans .....	180	183	136
Net credit guaranteed.....	180	183	136

\*\$500 thousand or less.



## ENERGY

***National Needs Statement:***

- Reduce dependence on foreign oil in the near term and minimize the potential effects of supply disruptions.
- Prepare the U.S. economy to withstand the effects of higher energy prices resulting from continuing growth in demand coupled with the declining availability of world oil supplies.
- Develop renewable and essentially inexhaustible sources of energy for sustained economic growth through the next century.
- Develop advanced nuclear power systems that will limit the potential for international proliferation of nuclear weapons.
- Protect the environment while achieving the Nation's energy goals.

For many years, low prices and abundant supplies of oil and natural gas disguised the true dependence of the Nation's economy on finite energy resources. In 1973, however, sudden shortages and consequent rapid price increases ushered the United States into a new energy era. The days of cheap and abundant energy are over, and energy will become even more costly in the future. The Federal Government's principal responsibility is to ensure that the Nation's transition to the new energy era is as smooth as possible. The measures supported in the budget are intended to provide for such a transition. These include:

- the development of a strategic petroleum reserve and an overall energy emergency preparedness strategy;
- the setting of energy prices at levels that encourage domestic energy production and energy efficiency, without unnecessary inflationary impacts;
- programs and policies that encourage the production and use of domestic fossil fuel resources in a manner consistent with the protection of the Nation's environment;
- development of more efficient and more proliferation-resistant nuclear energy technologies, through continued research on advanced nuclear systems, together with the development of safe and effective methods for the disposal of nuclear wastes; and
- the rapid development of effective and competitive renewable energy technologies.

In a year of limited budget resources, difficult judgments on the allocation of resources must be made even in a high-priority area such as energy. The most important such judgment made is to concentrate Government investment in technologies that may help sustain the development of the Nation through the next century. For the near term, realistic energy prices and private sector investments should bring into the marketplace new, more efficient technologies.

This allocation of resources is reflected in the growth of the solar energy budget relative to other energy supply areas, and further by the emphasis placed on long-term research and development of solar energy. Growth in other areas of the energy budget has been limited, and a number of existing or planned technical projects have not been funded in the 1980 budget.

**Energy supply.**—The programs that support the energy supply mission are directed at (1) using domestic energy resources more efficiently and effectively; (2) providing individuals and businesses with incentives to convert to alternate sources of energy; and (3) mitigating any harmful environmental effects of both present and future energy technologies. In addition, this mission includes the Federal Government's direct energy production responsibilities: producing enriched uranium for nuclear power plants, producing oil from the naval petroleum reserves, distributing electricity through 5 power marketing administrations, and generating and transmitting power through the facilities of the Tennessee Valley Authority.

Budget authority of \$18.0 billion is proposed for energy supply in 1980. Excluding \$15 billion in anticipated new borrowing authority for the Tennessee Valley Authority power program, this is about the same as the 1979 level of \$3.0 billion. Net outlays for energy supply are estimated to be \$4.4 billion in 1980, compared with \$4.9 billion in 1979 and \$4.0 billion in 1978. Total new tax incentives for energy supply provided by the National Energy Act (NEA), including new tax expenditures and excise tax changes, are estimated at \$318 million in 1980. Total tax expenditures for energy supply, including existing provisions of law, such as the percentage depletion allowance and expensing of exploration and development costs, as well as the new provisions of the NEA, are estimated to be \$3.4 billion in 1980.

**NATIONAL NEED: ENERGY**

(Functional code 270; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Energy supply: <sup>1</sup></b>					
Research, and energy technology develop- ment:					
Solar <sup>2</sup> .....	410	522	589	450	405
Other renewable resources .....	456	538	518	507	422
Fossil .....	764	723	772	963	925
Nuclear fission .....	1,077	1,110	937	981	965
Proposed legislation .....			300		
Environment (EPA) .....	130	112	102	102	102
Other technology .....	599	393	698	636	639
Uranium enrichment (net) .....	528	47		315	549
Petroleum reserves .....	361	351	73	91	99
Petroleum reserve receipts .....	-501	-686	-862	-910	-953
Power marketing .....	152	173	190	191	139
Proposed legislation .....			15,000		
Other offsetting receipts .....	-250	-273	-319	-319	-319
Subtotal .....	3,725	3,010	17,999	3,007	2,974
<b>Energy conservation:</b>					
Technology development .....	158	227	247	224	228
Conservation grants .....	369	432	308	608	608
Subtotal .....	527	659	555	832	836
<b>Emergency energy preparedness .....</b>	<b>3,175</b>	<b>3,007</b>	<b>8</b>	<b>297</b>	<b>1,673</b>
<b>Energy information, policy, and regulation:</b>					
Energy Information Administration .....	51	79	89	89	89
Regulation:					
Federal Energy Regulatory Commission ...	42	64	74	67	64
Economic Regulatory Administration .....	92	133	160	111	64
Nuclear Regulatory Commission .....	290	327	373	377	383
Administrative expenses (Department of Energy) .....	367	377	308	455	439
Subtotal .....	842	980	1,003	1,099	1,039
<b>Deductions for offsetting receipts .....</b>	<b>-25</b>	<b>-96</b>	<b>-84</b>	<b>-96</b>	<b>-96</b>
<b>Total, budget authority .....</b>	<b>8,242</b>	<b>7,560</b>	<b>19,482</b>	<b>5,138</b>	<b>6,426</b>

*Research and energy technology development.*—Energy R. & D. can provide new technology options for the Nation that will permit the greater use of domestic energy resources in a safe and environmentally acceptable manner. The appropriate Federal role is to concentrate on technologies with high levels of technical risk and long development times that nevertheless have high energy production or energy savings potential. Federal support should complement but not displace sector research and development

**NATIONAL NEED: ENERGY—Continued**

(Functional code 270; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Energy supply:<sup>1</sup></b>					
Research, and energy technology development:					
Solar <sup>2</sup> .....	313	480	597	519	418
Other renewable resources .....	230	497	513	560	456
Fossil .....	649	812	777	903	969
Nuclear fission .....	808	1,095	970	956	1,000
Proposed legislation .....			-100	-50	-50
Environment (EPA) .....	118	127	131	112	102
Other technology .....	300	376	599	625	632
Uranium enrichment .....	270	121	16	268	254
Petroleum reserves .....	558	410	319	93	86
Petroleum reserve receipts .....	-501	-686	-862	-910	-953
Power marketing .....	1,474	1,937	1,730	1,621	1,211
Other offsetting receipts .....	-250	-273	-319	-319	-319
Subtotal .....	3,970	4,896	4,371	4,376	3,805
<b>Energy conservation:</b>					
Technology development .....	125	204	232	237	233
Conservation grants .....	96	286	427	568	615
Subtotal .....	221	490	660	805	848
<b>Emergency energy preparedness .....</b>	<b>897</b>	<b>2,367</b>	<b>1,961</b>	<b>1,619</b>	<b>1,218</b>
<b>Energy information, policy, and regulation:</b>					
Energy Information Administration .....	39	72	91	94	89
Regulation:					
Federal Energy Regulatory Commission ...	38	59	70	68	64
Economic Regulatory Administration .....	79	110	156	127	73
Nuclear Regulatory Commission .....	271	305	345	349	355
Administrative expenses (Department of Energy) .....	371	427	308	463	448
Subtotal .....	798	974	969	1,101	1,028
<b>Deductions for offsetting receipts .....</b>	<b>-25</b>	<b>-96</b>	<b>-84</b>	<b>-96</b>	<b>-96</b>
<b>Total, outlays .....</b>	<b>5,861</b>	<b>8,630</b>	<b>7,878</b>	<b>7,805</b>	<b>6,803</b>
<b>ADDENDUM</b>					
Off-budget Federal entity:					
Rural electrification and telephone revolving fund:					
Budget authority .....	355				
Outlays .....	62				

<sup>1</sup> Does not include National Energy Act supply and conservation tax credits.<sup>2</sup> Only a portion of total Federal solar expenditures. See the Federal solar crosscut table in the narrative.

investment. With additional incentives for private investment in R. & D. provided by rising prices and greater consumer demand for new products resulting from the National Energy Act, the private

sector can be expected to finance R. & D. where technical risks are relatively low and development times relatively short.

*Solar* is the one area of energy technology for which a large overall increase is proposed in 1980. This increase reflects the administration's belief that solar energy can, in time, make a significant contribution as a clean and renewable source of energy. Proposed outlays for solar energy R. & D. governmentwide increase by 40% between 1979 and 1980, while proposed outlays for the application of solar power rise by 22%. These outlays and tax credits for solar energy are expected to exceed \$800 million in 1980. In the solar program proposed for 1980, Federal efforts are focused on longer-term technologies, which the private sector is less likely to support.

Emphasis will be given to photovoltaics to develop the means for economical production of electricity directly from solar energy. Efforts will also be undertaken to develop improved thermochemical, photochemical, and biochemical processes to convert organic wastes and crops to fuels. The budget supports continued development of large facilities to produce electricity from the heat of the sun and the oceans. Basic and applied solar research is also significantly increased, including funds for construction of a new 300-acre solar research facility to be built at the Solar Energy Research Institute site in Golden, Colorado.

Near-term Federal efforts include the development and demonstration of passive solar, advanced cooling, process heat, and wind technologies. In addition, the budget continues to provide selected field tests and other demonstrations and applications to help bring solar technologies into the marketplace. Further stimulus to the solar industry will result from provisions of the National Energy Act that make tax credits available to consumers and to businesses to help defray the high initial cost of purchasing solar equipment.

Most of the work to develop new solar technologies is conducted by the Department of Energy. Applications of available solar technology are, however, funded by several Federal agencies. For example, a variety of applications in foreign countries, such as solar building and process heating demonstrations, will be undertaken by the Agency for International Development as part of its foreign assistance mission. Demonstrations of solar heating and cooling will be undertaken by the Tennessee Valley Authority. The Department of Agriculture will support application of solar technologies to agricultural uses. There will be a growing number of applications of solar technologies in the Federal Government's own buildings. Although solar activities outside the Department of Energy are funded by other agencies in support of their specific

missions, these efforts will assist in meeting the overall Federal goal of stimulating a vigorous solar industry.

Finally, solar technology education, information dissemination, and training activities will be accelerated in 1980. The Federal Government will continue its efforts to remove legal and market barriers to the widespread use of solar energy. At the same time, efforts will be undertaken to assure that consumers are adequately protected as the market for solar equipment grows.

#### FEDERAL OUTLAYS AND TAX EXPENDITURES FOR SOLAR ENERGY DEVELOPMENT

(In millions of dollars)

	1979 estimate	1980 proposed
<b>Outlays for solar energy:</b>		
Solar research and technology development:		
Department of Energy .....	333	465
Solar demonstrations and applications:		
Department of Energy .....	165	164
Other Federal agencies .....	53	101
Subtotal, solar demonstrations .....	218	265
<b>Total outlays .....</b>	<b>551</b>	<b>730</b>
<b>Tax expenditures for solar energy:</b>		
Solar tax credits (revenue loss) .....	88	74

*Other renewable* energy resources include nuclear fusion, geothermal, and hydroelectric energy from small dams.

For magnetic fusion, the 1980 budget provides for \$364 million in outlays, a modest increase over 1979. The program is directed toward determining the technical and economic feasibility of producing energy through a controlled thermonuclear reaction. This concept has the potential of providing a truly clean and limitless source of power in the next century.

It is expected that technical feasibility will be demonstrated within the next 4 to 5 years, as a result of major experiments planned already. These experiments will be conducted at the Tokamak fusion test reactor (TFTR) facility at Princeton University in New Jersey and at the magnetic mirror facility at the Lawrence Livermore Laboratory in California. Concurrently, the Department of Energy is also assessing other fusion concepts. Ultimately a single concept will be chosen for a test reactor. Such a facility would produce more energy than it consumes, and would be the forerunner of commercial fusion power reactors. Based on research done to date, these reactors might be operational in the first decade of the next century.

The objective of the geothermal program is to develop hot underground brines (hydrothermal) and deep deposits of hot brines mixed with natural gas (geopressured) as useful energy sources,

and to develop the advanced technologies required to tap the Nation's large reserves of thermal energy stored in hot underground rock formations.

Emphasis in 1980 will be on better definition of geothermal resources, development of advanced technology to exploit geopressed and hot rock resources, and initiation of a 50 megawatt project to demonstrate the readiness of hydrothermal technology. The budget also continues efforts to help resolve environmental, institutional, legal, and regulatory problems that presently inhibit the use of domestic geothermal resources.

After several years of rapid program growth, proposed outlays for geothermal R&D decline slightly from \$135 million in 1979 to \$132 million in 1980. Increased private investment in the near-term development of hydrothermal resources can be expected, capitalizing on the significant progress already achieved through earlier Federal investments.

For the development of hydroelectric power from small dams the primary Federal role in permits and licensing will be augmented by support for assessments of environmental, safety, economic, and institutional problems in developing such sites.

The goal of the *fossil* energy program is the accelerated development of environmentally acceptable technologies that can lead to the increased use of coal and expanded supplies of domestic oil and gas. The eventual commercial application of these technologies can greatly reduce our dependence on imported oil. Because coal is the Nation's most abundant fossil energy resource, the greatest share of the fossil energy budget is directed to coal-related research and development.

The 1980 budget places increased emphasis on longer-term activities with higher risks and higher potential payoffs. With greater reliance on the potential for private sector investments in the near term and on large demonstration projects, an effective national effort can be achieved with reduced demands on the Federal budget. Thus, the administration is proposing that both budget authority and outlays for fossil research and technology development decrease in 1980. Outlays are estimated to decrease from \$812 million in 1979 to \$777 million in 1980.

To satisfy the Nation's long-term energy needs, it will be necessary to convert coal to cleaner and more easily transported liquid and gaseous fuels. The budget requests \$248 million in outlays for this purpose. A portion of these funds will be used to begin construction of two demonstration plants: the first to convert coal to high-Btu pipeline-quality gas; and the second to convert coal to either a clean solid or a clean liquid fuel, using solvent refined coal technology. A decision on which solvent refined coal plant will be built, either the solid or liquid producing plant, will be made late

this summer following evaluation of proposals from private firms. The budget proposes to continue support for coal demonstration and pilot plants already underway, and for third generation gasification and liquefaction technologies.

Advanced energy conversion systems including magneto-hydrodynamics, fuel cells, and turbine technology receive increased emphasis in the 1980 budget.

While these new technologies are being developed, coal will continue to be burned under increasingly stringent environmental standards. To meet these new standards, the budget includes a significant increase in budget authority for the development of environmental control technologies. Substantial funds are also proposed for improved methods of direct coal combustion such as fluidized bed combustion, for systems to improve coal mining efficiency, and technologies to remove environmental contaminants prior to combustion.

The principal objectives of the petroleum and gas research and development programs are to improve recovery of oil and gas from existing reserves and to develop technology to produce new oil and gas resources economically. A significant effort is also directed at developing technologies to ensure that the Nation's oil shale resources are developed economically and in an environmentally acceptable manner. Outlays for petroleum and gas activities are decreasing because a technically mature industry exists in these areas. Private firms are prepared, capable, and willing to develop the necessary technologies and to commercialize them without Federal support. By decreasing the funding for these near-term activities, the Federal program will be better able to focus on those activities not being developed by private industry.

The *nuclear fission* program continues to be oriented toward the development of nuclear power as a safe, environmentally acceptable, economic source of electricity. In support of the President's foreign policy objectives, the program emphasizes reducing the risk of proliferation of nuclear weapons abroad.

Total outlays for nuclear fission are estimated to be \$970 million in 1980. This represents a decrease of \$125 million from 1979, largely resulting from the administration's policies not to reprocess spent fuel from commercial nuclear power plants and not to proceed with the construction of the Clinch River breeder reactor project.

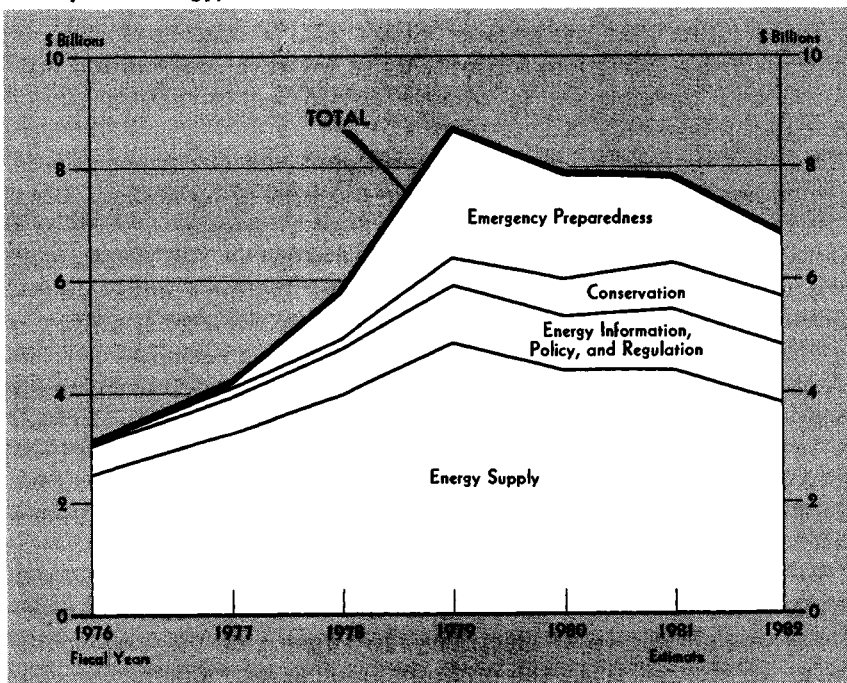
The administration is committed to demonstrating environmentally acceptable means of disposing of nuclear waste. The 1980 budget supports a range of Federal Government activities that are essential to dealing with the waste management issue. Also, near-term programs in both the Department of Energy and the Nuclear



Regulatory Commission are aimed at ensuring the safety of operating nuclear power plants.

Until acceptable permanent disposal methods are available on a large scale, interim storage will be required for the increasing amounts of nuclear fuel discharged from nuclear power plants. The budget supports proposed legislation that would authorize the Federal Government to accept spent nuclear fuel from utilities and provide interim storage for that fuel. Under proposed legislation, all costs for this service would be recovered fully by the Government from fees charged to utilities using this service.

#### Outlays for Energy, 1976-1982



For the midterm (1985-2000), the nuclear programs are designed to provide alternatives to the worldwide use of nuclear fuels (plutonium and highly enriched uranium) that could be diverted to produce nuclear weapons. Several programs are proposed to increase the availability of low-enriched uranium. These include research on advanced technologies for uranium enrichment, and projects to increase the efficiency with which low-enriched uranium fuel is used in nuclear power plants. In order to reduce the worldwide availability of weapons-grade nuclear fuel, efforts will be made to develop techniques that will avoid the need to use weapons-grade fuel.

In light of projections of reduced growth in the demand for electricity and the unlikely prospect that industry would develop a

new reactor in the near future, the administration is proposing that work on the steam cycle, high temperature gas cooled reactor (HTGR) be discontinued in 1980. In the interest of nonproliferation, a joint program is proposed with the Federal Republic of Germany to develop direct cycle technologies for use in HTGR's and to develop a proliferation-resistant, medium-enriched HTGR fuel.

For the long term, beyond 2000, the administration is continuing a strong, well-integrated research and development program on fast breeder reactors. While producing electricity, these reactors have the capability to generate more fuel than they consume, and the 1980 budget supports keeping this important energy option open for the future. The U.S. will continue to work with other nations to develop technical and institutional arrangements that can overcome the problems presented by the nuclear materials produced in breeder reactors.

By aggressively pursuing the mid-term alternatives, the United States will probably not need breeder reactors for electricity production before the end of the century. This will provide time for the orderly development of an economical, proliferation-resistant breeder reactor technology.

The 1980 budget includes substantial funding for research on the base technologies, fuels, components, and safety of the liquid metal fast breeder reactor (LMFBR). However, the administration again proposes to terminate the Clinch River LMFBR project, since it would be a premature and uneconomic demonstration.

The Department of Energy conducts research on the effects of energy production and use on the *environment*. Special emphasis is given to determining the human health and ecological effects of the developing technologies, such as coal liquefaction. The budget also proposes increased funding for the nuclear decontamination and decommissioning program. The Department will continue its program to clean up abandoned uranium mill tailings sites, to protect the public from long-term exposure to low-level radiation. Research efforts will also continue to determine whether increasing amounts of carbon dioxide in the atmosphere cause changes in world climate. Additional funding is proposed for studies of diesel engine emissions to determine their potential health effects. Over the past year, DOE and the Environmental Protection Agency have worked closely together to improve environmental effects research and pollution control technology programs in the energy area. In 1980, both agencies will be involved in several cooperative programs.

As part of its energy supply strategy, the administration is proposing legislation to help States and localities that are affected by efforts to develop our domestic resources. Under the proposed legislation, the inland energy impact program would be the central

focus for such Federal assistance, as discussed in the community and regional development function of this budget.

*Uranium enrichment.*—The Department of Energy plans to continue to operate the 3 existing gaseous diffusion enrichment plants that produce sufficient enriched uranium to meet the Government's own requirements, as well as the needs of domestic nuclear power plants and anticipated foreign orders. Proposed outlays of \$1.2 billion will continue ongoing work to upgrade these plants to provide increased enrichment capacity and more efficient plant operation. Funds are also provided to continue construction of the new centrifuge enrichment plant at Portsmouth, Ohio. These outlays will be offset by uranium enrichment receipts, estimated to be \$1.2 billion in 1980.

*Petroleum reserves.*—In 1976 the Congress directed that oil production be increased at the naval petroleum reserves located in California and Wyoming in order to help reduce U.S. dependence on higher-cost imported oil. Oil produced from the reserves is sold at competitive prices, with receipts deposited in the Treasury. Government production from the reserves in 1980 is expected to be about 160,000 barrels per day, with revenues estimated at \$862 million in 1980. The budget requests \$69 million in new budget authority for development and production costs at the California and Wyoming reserves.

The budget proposes that the Government exploration to define the potential for oil and gas resources in the national petroleum reserve in Alaska (NPRA) be concluded at the end of 1979 with close-out costs to be funded from enacted appropriations. The 1979 termination date was selected because by that time adequate information will have been collected to formulate recommendations to the Congress on the future use of the reserve as required by Public Law 94-258. Development of two new gas wells in 1979 will maintain an adequate short-term supply of gas for the Village of Barrow and nearby Federal facilities. No additional funding will be recommended, either to develop the Barrow field or to provide another source of energy, until an alternative fuels study requested by the Congress is completed. As a result of these recommendations, new budget authority for NPRA activities in 1980 is only \$4 million compared to \$231 million in 1979. The funds in 1980 are for operation of the gas field and environmental cleanup.

*Power marketing.*—Proposed net outlays for power marketing activities decline from \$1.9 billion in 1979 to \$1.7 billion in 1980. These outlays include funds for construction and operations of transmission facilities at the 5 Federal power marketing administrations (PMA's) of the Department of Energy. These agencies

market about 45% of the hydroelectric energy and over 5% of all electricity generated in the United States. Revenues from the sale of the electricity offset most of these outlays. The PMA's will introduce additional electric rate increases in keeping with statutory requirements that rates reflect the actual cost of services provided. Approximately 95% of these outlays are for continuation of the nuclear power plant construction program of the Tennessee Valley Authority. To facilitate the TVA power program, legislation will be proposed to increase the limitation on borrowing authority under the Tennessee Valley Authority Act by \$15 billion.

Also included are the administrative expenses of the Rural electrification and telephone revolving fund (RE&TRF) administered by the Rural Electrification Administration (REA). By statute, the loans, advances, budget authority, and outlays of this fund are excluded from the budget totals. New insured loans to rural borrowers during 1980 are estimated to be at least \$985 million. Loans of between \$735 million and \$885 will be provided for electric service to rural areas, and at least \$250 million will be provided to furnish and improve telephone service to rural areas. Loans from the RE&TRF bear interest at either 2% or 5%, and are to be repaid within 35 years.

In addition, during 1980 the REA proposes to make commitments to guarantee an estimated \$5 billion in loans made by the Federal Financing Bank (FFB) and other qualified lenders to eligible rural electric borrowers at rates agreed upon by the borrower and lender. These loans are intended to finance the construction and operation of generating plants, and electric transmission and distribution systems in rural areas. By statute, any amounts guaranteed by the Administrator of REA under the Rural Electrification Act are not included in the totals of the budget and are exempt from any general limitation imposed by statute on expenditures and budget outlays of the United States.

***Energy conservation.***—The programs that support the conservation mission are designed to encourage more efficient use of energy in the major sectors of the economy. The principal conservation components of the 1980 budget for the Department of Energy are technology development and financial and technical assistance through conservation grants. Federal appropriations for these purposes have grown rapidly over the last several years, and do not need to be increased further this year to meet 1980 conservation objectives.

In addition, the administration's strategy includes tax credits and regulatory measures to encourage conservation. Tax credits assist homeowners and commercial and industrial users in the purchase of energy-saving equipment. Federal regulations will

result in more efficient buildings, major appliances and motor vehicles, and will help slow the growth of energy consumption and encourage greater private investment in new technologies.

Total outlays for 1980 energy conservation are estimated at \$660 million, a 35% increase above the 1979 level of \$490 million. Tax expenditures for conservation are estimated at \$825 million in 1980. New tax incentives in the National Energy Act, including both tax expenditures and other tax changes, are estimated at \$631 million in 1980. New excise taxes will be imposed on "gas guzzler" 1980 model automobiles.

*Technology development.*—Federally supported research and technology development is provided to help develop a better understanding of common technical problems in energy conservation, and to assist private sector development of energy saving technologies in selected instances where there are very high potential energy savings but severe technical risk and long lead times to implementation. Programs in the 1980 budget continue to assist industry in the development of advanced technologies for use in the buildings, industry, and transportation sectors.

Outlays for conservation technology programs have increased dramatically over the past several years with 1980 outlays estimated at \$233 million, 260% above the 1977 level. Although 1980 outlays are again estimated to increase above the 1979 level, reduced efforts are proposed for near-term conservation technology efforts, recognizing the increased incentives for private investment to accelerate improved efficiency in energy use in the near term.

Key efforts being supported in 1980 include development of advanced automotive engines and electric vehicles, industrial waste and heat recovery technology, and development of efficiency standards for buildings and major appliances.

*Conservation grants.*—Department of Energy grants provide weatherization assistance to low-income persons and to public and non-profit schools and hospitals. These groups do not benefit from the tax credits and might not make investments in conservation equipment without assistance. Weatherization for homes of low-income people is proceeding as planned with budget authority at \$200 million in both 1979 and 1980. The administration is requesting that budget authority for the schools and hospitals grants be decreased from \$100 million in 1979 to \$2.5 million in 1980, since funds appropriated in prior years are expected to be available in 1980. Outlays for these grants are estimated to increase from \$60 million in 1979 to \$139 million in 1980.

Proposed legislation for State energy management and planning grants will consolidate State energy conservation and "outreach" programs for public education, and extend the program to include State supply and emergency preparedness planning activities. This

proposal will give States more flexibility to use these funds to meet their needs.

***Emergency energy preparedness.***—This major mission area is concerned with the development of plans and measures to protect the Nation against possible petroleum supply disruptions. Efforts include the preparation of contingency plans, development of emergency measures such as gasoline rationing and other demand restraints and implementation of the strategic petroleum reserve program. The administration continues to believe that the amount of protection that would be afforded by a billion barrel strategic reserve is needed to protect the Nation against petroleum supply disruptions. In combination these programs will provide that protection and ensure our ability to withstand disruptions should they occur.

The 1980 budget includes funds for continued development of the storage component of the strategic petroleum reserve on a revised schedule that calls for storage of 750 million barrels in the 1985–1986 time period. The administration plans a reprogramming of \$733 million in 1979 funds appropriated for oil purchases to start the expansion of existing sites and acquisition of new sites. This would bring the storage capacity of sites on which work is underway or completed through 1980 to 608 million barrels. Should program progress warrant, additional funds will be requested for starting development of an additional 142 million barrels of facilities for a total of 750 million barrels. Funds for this eventuality are covered by the allowance for contingencies. Funds for the purchase of oil have been previously appropriated and new budget authority for 1980 is not needed for this purpose, but \$8 million for management expenses is requested.<sup>1</sup>

The budget includes budget authority of \$31 million in 1979 and \$33 million in 1980 for the Economic Regulatory Administration to allow the Department of Energy to prepare measures for use in an energy emergency. (These activities are classified under energy information, policy, and regulation.) The measures would reduce petroleum consumption, promote fuel switching, and facilitate Federal and State government cooperation. Preparations for prompt implementation of gasoline rationing, as appropriate during an emergency, will begin in 1979. Planning for non-petroleum energy emergencies will continue in 1979 and 1980.

***Energy information, policy, and regulation.***—Passage of the National Energy Act has expanded Federal responsibilities in carry-

<sup>1</sup> Petroleum storage oil funding estimates are based on continuation of price controls on domestic crude. The estimates were developed for budget purposes and are not the result of an administration decision on oil pricing policies. At the time the budget was being prepared, future domestic oil pricing policies were under discussion.

ing out these missions, causing proposed outlays to increase from \$798 million in 1978 to \$974 million in 1979 and \$969 million in 1980.

*Energy information.*—The Energy Information Administration (EIA) in the Department of Energy collects data from the private sector on energy transactions, production, consumption, imports, and undertakes independent analysis of that data.

Major efficiencies already have resulted from consolidating energy information programs from various predecessor agencies into the Department of Energy. Initiatives undertaken in 1979, and continued in 1980, will provide more detailed and reliable information on oil and natural gas reserves and production, and the financial condition of major petroleum-producing companies.

The 1980 budget provides total outlays of \$91 million for the EIA, an increase of \$19 million over 1979. With these resources, greater emphasis can be given not only to securing additional energy data as required by law, but also to improve data validation activities to help ensure more reliable data collection and analysis for public policy purposes.

*Regulation.*—The purpose of energy regulation is to assure that national energy needs are satisfied safely, efficiently, and equitably. An important aspect of both the proposed 1979 and 1980 budgets is the administration of the new authorities provided in the various laws making up the National Energy Act.

Under the National Energy Act, the *Federal Energy Regulatory Commission* has the important responsibility of administering the Natural Gas Policy Act. Historically, Federal jurisdiction over natural gas has been limited to gas used in interstate markets. The new gas act extends Federal jurisdiction to intrastate markets to eliminate distortions that have been caused by having two separate markets. To stimulate additional gas supplies, the law authorizes phased price increases, and provides for complete decontrol of new gas by 1985. The new law requires incremental pricing so that industrial users will pay for higher cost gas. To meet this additional workload and still reduce existing case backlogs, the budget includes substantial increases for the Federal Energy Regulatory Commission for both 1979 and 1980. Outlays are estimated to rise from \$38 million in 1978 to \$59 million in 1979 and \$70 million in 1980. This is primarily to increase staffing of the Commission from 1,360 employees in 1978 to 1,800 employees in 1979 and 1980.

The *Economic Regulatory Administration* in the Department of Energy will administer provisions of the National Energy Act including the Powerplant and Industrial Fuel Act and the Public Utility Regulatory Policies Act. The powerplant act strengthens coal conversion authorities that prohibit the use of oil or natural

gas in new, large electric utilities and industrial boilers. The public utility act encourages energy-conserving changes in electric utility rates by requiring State Public Utility Commissions to consider rate reforms, such as prohibiting electric rates that decline as consumption increases and time of day pricing.

The Economic Regulatory Administration also administers the regulatory provisions that ensure equitable petroleum pricing and allocation regulations. The 1980 budget reflects completion of audits on most petroleum company transactions from 1973 through 1976. Concentrated audits of the 36 major refiners are expected to continue through 1980 and to be completed in 1981.

The *Nuclear Regulatory Commission* (NRC) regulates the siting, construction, and operation of all civilian nuclear reactors, nuclear fuel storage, and waste disposal of radioactive materials. It also conducts a nuclear safeguards program to prevent the loss or diversion of nuclear materials, and a research program to produce information needed to confirm the data and analytic methods that form the basis for nuclear licensing standards and regulations.

In 1980, the NRC will place primary emphasis on improving the licensing process. An increase of 108 staffing positions is proposed primarily to reduce the backlog of license amendments and unresolved generic safety issues, and to bring all operating nuclear reactors into compliance. Waste management activities, including preparation of standards for licensing repositories and disposal research, are another important priority. Major increases in research are proposed for the loss-of-fluid test (LOFT) facility, transferred from DOE, and waste management. The advanced converter reactor (high temperature gas reactor) program is proposed to be eliminated, consistent with elimination of the companion DOE research program. Total outlays for the NRC will increase from \$305 million in 1979 to \$345 million in 1980.

Other Federal regulatory functions that directly affect energy, but which are discussed elsewhere, include the: Environmental Protection Agency on air and water quality, Department of Labor on mine health and safety, Department of the Interior on leasing and control over transportation corridors crossing Federal lands, Department of Commerce on the Coastal Zone Management Act, and Department of Transportation on automobile fuel efficiency, pipeline safety, and the maritime industry.



**CREDIT PROGRAMS—ENERGY**

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Geothermal development and other energy:</b>			
Guaranteed loans:			
New loans .....	2	173	107
Net credit guaranteed .....	2	173	105
<b>Off-budget Federal entity—Rural Electrification:</b>			
Administration:			
Direct loans:			
New loans .....	881	1,100	1,150
Repayments, sales and adjustments (—) ..	—587	—897	—942
Net credit outlays .....	294	203	208
Guaranteed loans:			
New loans .....	2,093	3,124	4,693
Net credit guaranteed .....	2,093	3,124	4,693

## NATURAL RESOURCES AND ENVIRONMENT

### *National Needs Statement:*

- Protect the public health and welfare by assuring a clean environment with special emphasis on air and water quality and the control of particularly injurious pesticides, hazardous wastes, and toxic substances.
- Provide for the conservation and development of public lands, water, timber, and other natural resources.
- Preserve natural areas, historic sites, and fish and wildlife, both for their own sakes, and as recreational resources.
- Improve our knowledge and understanding of the atmosphere and of the Earth's structure, environment, and resources.

Intelligent stewardship of America's natural resources and environment is a prime responsibility of government at all levels. The resources held in common — our air, water, and land — must be conserved and enhanced by every generation of Americans, and each year's Federal budget must provide for those activities. In this, as in other areas of budgetary responsibility, however, many activities must be limited or deferred in years of fiscal constraints.

The 1980 budget reflects increased emphasis on the protection of human health from the hazardous effects of toxic substances and other pollutants. In order to provide the resources for these expanded efforts, some activities in the areas of construction and land acquisition will have to be delayed. Investments in the development of timber and other resources of the public lands must be limited to those that are economically and environmentally sound. Without reducing the level of our long-term commitments, large-scale efforts such as grants for sewage treatment plant construction must be limited to levels of spending that can be effectively managed under the complex intergovernmental mechanisms involved.

To help meet our national needs for using and preserving our natural resources and improving the environment, the budget proposes that \$11.5 billion be spent in 1980. The budget recommendations give special emphasis to:

- materially strengthening the scientific data base on the health effects of environmental pollution;
- substantially increasing funding and personnel for the control of toxic substances;

- increasing grants to States to support the control of hazardous wastes, and of air and drinking water pollutants;
- initiating a technical and financial assistance program to control non-point sources of water pollution in rural areas;
- funding of pollution control projects at Federal facilities that are in violation of Federal, State, and local pollution laws;
- resuming construction of the replacement for Lock and Dam 26 on the Mississippi River, and initiating the construction of 26 other water resources projects;
- increasing the Federal-State cooperative efforts to regulate surface mining of coal in order to prevent permanent land degradation, and to reclaim land previously damaged by such mining; and
- initiating in 1979 a program to provide grants to cities for the rehabilitation of parks, part of the administration's urban initiative.

Significant reductions in budget authority below 1979 levels are proposed for the land and water conservation fund, the agricultural conservation program, sewage treatment plant construction grants, and for construction of facilities on Federal and Indian lands.

***Pollution control and abatement.***—The mission of controlling and reducing pollution of air, water, and land is carried out by the Federal Government both directly and through State and local governments, supported by Federal financial and technical assistance. Outlays for this mission are estimated to increase by 14%, from \$4.1 billion in 1979 to \$4.7 billion in 1980.

***Sewage treatment plant construction grants.***—Under authority of the Federal Water Pollution Control Act of 1972 and the Clean Water Act amendments of 1977, the Federal Government has provided over \$27 billion for the planning, design, and construction of municipal sewage treatment facilities. Federal grants under this program cover 75% of the cost of facility construction. The budget requests budget authority of \$3.8 billion for the program in 1980, which, together with funds available from prior years, is estimated to make over \$8.3 billion available to the States for obligation in 1980. Obligations are expected to increase from \$3.4 billion in 1979 to \$3.6 billion in 1980. This request will assist in meeting water quality requirements by focusing funding on the most critical water quality improvements and continues the administration's \$45 billion long-term funding commitment for this program. As a large number of projects move into the final construction stages after 1980, outlays for this program are expected to increase significantly.

# **NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES, AND IMPROVING THE ENVIRONMENT**

(Functional code 300; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Pollution control and abatement:</b>					
Sewage treatment plant construction grants.....	4,500	4,200	3,800	4,000	4,000
Regulatory and research programs.....	876	1,104	1,198	1,191	1,188
Rural clean water program.....			75	75	75
Oil pollution liability and compensation fund (proposed legislation).....			25	50	50
Offshore oil pollution compensation fund.....		8	14		
Proposed legislation.....			-7		
Subtotal, pollution control and abatement.....	5,376	5,312	5,105	5,316	5,313
Water resources.....	3,818	3,531	4,113	4,456	4,312
<b>Conservation and land management:</b>					
Management of national forests and forestry research.....	1,635	1,762	1,490	1,490	1,490
Management of public lands.....	394	435	387	416	416
Mining reclamation and enforcement.....	68	118	195	224	256
Conservation of agricultural lands.....	556	523	400	398	395
Other, including offsetting receipts.....	-201	-640	-595	-595	-601
Subtotal, conservation and land management.....	2,450	2,198	1,877	1,933	1,956
<b>Recreational resources:</b>					
Land and Water Conservation Fund.....	861	768	628	880	980
Proposed legislation.....			-18	-30	-30
Urban recreation grants.....		38	150	150	150
Operation of recreational resources.....	964	1,067	988	1,019	1,048
Proposed legislation.....			4	4	4
Subtotal, recreational resources.....	1,825	1,873	1,752	2,022	2,151
<b>Other natural resources:</b>					
Existing law.....	1,212	1,307	1,417	1,388	1,377
Proposed legislation.....			-48	-48	-48
Subtotal, other natural resources.....	1,212	1,307	1,370	1,340	1,329
Deductions for offsetting receipts.....	-1,087	-1,252	-1,339	-1,382	-1,416
Total, budget authority.....	13,593	12,970	12,878	13,686	13,645

**OUTLAYS**

<b>Pollution control and abatement:</b>					
Sewage treatment plant construction grants.....	3,187	3,100	3,600	3,800	4,200
Regulatory and research programs.....	778	975	1,035	1,185	1,190
Rural clean water program.....			7	22	36
Oil pollution liability and compensation fund (proposed legislation).....			25	50	50
Offshore oil pollution compensation fund.....		8	14		
Proposed legislation.....			-7		

**NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES, AND IMPROVING THE ENVIRONMENT—Continued**

(Functional code 300; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Subtotal, pollution control and abatement .....	3,964	4,083	4,673	5,058	5,476
<b>Water resources</b> .....	<b>3,468</b>	<b>3,600</b>	<b>3,670</b>	<b>4,108</b>	<b>4,015</b>
<b>Conservation and land management:</b>					
Management of national forests and forestry research .....	1,275	1,579	1,362	1,412	1,491
Management of public lands .....	355	432	382	416	416
Mining reclamation and enforcement .....	5	71	148	190	197
Conservation of agricultural lands .....	582	597	427	385	382
Other, including offsetting receipts .....	-233	-666	-604	-608	-602
Subtotal, conservation and land management .....	1,984	2,014	1,716	1,795	1,885
<b>Recreational resources:</b>					
Land and Water Conservation Fund .....	632	543	479	691	858
Proposed legislation .....			7	5	
Urban recreation grants .....		2	20	71	135
Operation of recreational resources .....	806	914	884	950	978
Proposed legislation .....			4	3	3
Subtotal, recreational resources .....	1,439	1,460	1,394	1,720	1,975
<b>Other natural resources:</b>					
Existing law .....	1,157	1,303	1,342	1,326	1,321
Proposed legislation .....					
Subtotal, other natural resources .....	1,157	1,303	1,342	1,326	1,321
<b>Deductions for offsetting receipts</b> .....	<b>-1,087</b>	<b>-1,252</b>	<b>-1,339</b>	<b>-1,382</b>	<b>-1,416</b>
<b>Total, outlays</b> .....	<b>10,925</b>	<b>11,207</b>	<b>11,456</b>	<b>12,625</b>	<b>13,255</b>

In 1980, the Corps of Engineers will continue to manage much of the construction stage of the program under an interagency agreement with the Environmental Protection Agency. However, as the program continues to expand, the administration is encouraging the States to assume responsibility for program management and implementation. In support of this effort, the administration will propose legislative changes that will ensure adequate funding for the management of State programs, regardless of reductions in Federal funding for the construction grants program.

*Regulatory and research programs.*—Consistent with its firm commitment to a clean environment and the elimination of environmental public health hazards, the administration proposes budget authority of \$1.2 billion in 1980 for the activities of the Environmental Protection Agency (EPA) in this area. This represents an increase of 60% in budget authority since January 1977.

During the same time, EPA's personnel levels have increased by approximately 20%.

The administration proposes to strengthen materially the scientific data base on the health effects of environmental pollution. An increase of \$37 million in budget authority is requested for research on air quality, drinking water, toxic substances, and radiation health effects.

In addition, approximately \$15 million of research sponsored by the National Cancer Institute will support the Environmental Protection Agency's environmental regulatory mission, primarily in the area of toxic substances control.

Major emphasis on the control of toxic substances will continue. An increase of \$44 million in budget authority (75% over 1979) is recommended for this area. This increase reflects the high priority placed on the effective control of toxic substances as an important part of the Environmental Protection Agency's preventive health mission.

The administration has increased assistance to State and local governments for regulatory and enforcement programs by 92% from January 1977 levels. Increased funding is proposed for State grants for air, drinking water, and hazardous waste. Increases of 7%, 12%, and 24%, respectively, over the 1979 levels are proposed.

The administration is proposing legislation that would give States the opportunity to consolidate two or more of the environmental State program grants administered by EPA. This would enable the States to conduct more coordinated environmental programs. The two key features of this legislation are: (1) the establishment of \$25 million in supplemental assistance available to States that have planned a more effective overall environmental program, and (2) provision of flexibility for States to transfer up to 20% of individual program grant allotments to problem areas of higher priority when viewed in the context of the overall pollution problems of a particular State.

The most critical unmet water pollution problems are associated with non-point sources. Funds for the EPA program to plan control of non-point sources of water pollution are requested at a level 25% higher than the 1979 enacted level. The Department of Agriculture program to help clean up non-point sources pollution is described below under the rural clean water program.

As proposed in the 1979 budget, the Department of Transportation's transportation planning process has been integrated with the Environmental Protection Agency's air quality planning requirements. This integration of planning requirements, plan approval, and funding will ensure that transportation systems contribute to meeting air quality health standards in urban areas where these standards are not now being met. No separate funds for air quality

planning have been requested for the EPA for 1980. Funds for these purposes will be available from the Department of Transportation/Environmental Protection Agency joint planning funds and from the unexpended balance of 1979 appropriations to the EPA.

The budget includes budget authority of \$10 million in 1980 to support State inventory and regulatory planning activities for municipal and industrial wastes that are not classified as hazardous. The administration will support these activities for 5 years, after which the States should have completed the inventory and their regulatory strategy. Federal funding will decline by \$2 million per year, reflecting an anticipated increase in State resources to establish the regulatory program, and end in 1984.

*Rural clean water program.*—The administration is proposing the initiation in 1980 of technical and financial assistance to landowners to control the most critical non-point sources of water pollution in rural areas. This new program is to carry out section 35 of the Clean Water Act. Budget authority of \$75 million is recommended in 1980 for this program. The Department of Agriculture will share costs for pollution control and conservation measures required by State water quality plans developed under the Federal Water Pollution Control Act.

*Oil pollution liability and compensation.*—The administration is again proposing comprehensive legislation to establish a fund of up to \$200 million to assure adequate and timely cleanup of oil spills in the Nation's waterways. A more limited fund, established to cover cleanup and damages resulting from spills of oil on the Outer Continental Shelf, will be incorporated in the proposed comprehensive fund.

*Related programs.*—Budget resources in support of the mission of pollution control and abatement are provided by agencies other than the Environmental Protection Agency. Where their primary purpose is the support of other national needs, they are classified in other functional categories. For example, pursuant to the President's recent Executive Order No. 12088, the administration is requesting increased funds to enable Federal facilities to comply with Federal, State, and local pollution laws. In 1980, an estimated \$640 million (15% more than in 1979) in budget authority is requested for pollution control and abatement at Federal facilities to meet current environmental standards and to avoid future violations.

The following table summarizes the financing of pollution control and abatement activities that are classified as meeting these as well as other national needs. For further detail see Special Analy-

sis K, "Environment," published in a separate volume of this budget.

**POLLUTION CONTROL AND ABATEMENT—INCLUDING PROGRAMS ASSIGNED TO OTHER MISSIONS**

(In millions of dollars)

	Outlays 1978 actual	Obligations		
		1978 actual	1979 estimate	1980 estimate
<b>Environmental Protection Agency (largely subfunction 304):</b>				
Water:				
Construction grants.....	3,187	2,860	3,400	3,600
Other water .....	334	347	417	427
Air .....	150	171	236	268
Other <sup>1</sup> .....	401	474	613	627
Subtotal.....	4,072	3,852	4,666	4,922
<b>Other programs:</b>				
Water:				
Construction grants.....	565	214	250	235
Other.....	452	501	557	563
Air .....	264	285	255	360
Land.....	93	132	199	264
Other <sup>1</sup> .....	319	386	438	485
Subtotal.....	1,693	1,518	1,699	1,907
<b>Total.....</b>	<b>5,765</b>	<b>5,370</b>	<b>6,365</b>	<b>6,829</b>

<sup>1</sup> Includes toxic substances control, waste management, noise, radiation, and pesticide.

**Tax expenditures.**—The Revenue Act of 1978 allows pollution control facilities that are amortized over 5 years to qualify for the full 10% investment credit, unless they are financed with tax-exempt bonds. A 5% credit is allowed in the case of tax-exempt financing. These investment tax credit provisions for pollution control facilities are estimated to result in a 1980 tax expenditure of \$740 million. The exclusion of interest paid on pollution control bonds from income also results in a tax expenditure. The facilities financed by these bonds are privately owned, even though the bonds are nominally issued by State or local governments. The resulting 1980 tax expenditure is estimated at \$460 million. Additional tax expenditures result from allowing certain payments made by customers of water and sewage disposal facilities to finance construction of new facilities to be treated as contributions to capital rather than income. This treatment is also available to gas and electric utilities. These exclusions will result in an estimated 1980 tax expenditure of \$60 million.

**Water resources.**—This mission is to manage and control our water resources in order to attain the benefits of water resources



development while preserving the quality of the environment. Benefits of water resources development include: flood control, municipal and industrial water supply, irrigation of agricultural lands, water conservation, inland waterways and harbors, hydroelectric power, recreation and wildlife preservation, and erosion control.

The Federal Government carries out its responsibilities in this area with careful regard for the proper role of State and local governments. Outlays for this mission are estimated to increase slightly from \$3.6 billion in 1979 to \$3.7 billion in 1980.

Because the involvement of the Federal Government in water resources development had grown in piecemeal fashion over the years without a unified and consistent policy, the administration undertook a major study of water policy. On June 6, 1978, the President announced the results of this water policy review. At the same time he announced proposals to improve the planning and management of Federal water resource projects and programs by:

- improving the procedures for planning and evaluating projects;
- initiating an independent review of all future water resources projects;
- emphasizing water conservation and non-structural means of solving water problems;
- involving the States in choosing and funding water projects; and
- proposing a set of selection criteria for choosing new water resource construction starts that assures that the projects selected are safe, economically justified, and environmentally acceptable.

The 1980 budget recommendations provide necessary funding to carry out these improvements. The Water Resources Council will continue to work on a planning manual to be used by all Federal agencies engaged in planning and constructing water projects. The Council will conduct independent reviews of water project proposals. The budget provides for grants to States for water management and grants for technical assistance and public education about water conservation. Legislation will be proposed to authorize these grants. Legislation will also be proposed to change the way water project costs are shared between the Federal Government and non-Federal entities.

Budget authority of \$578 million is proposed to fund the full cost of constructing 26 new water resource projects to be initiated in 1980. These projects meet the administration's criteria for safety, economics, and environmental impact. The Corps of Engineers will start construction of 10 projects; the Bureau of Reclamation, 6 projects; and the Soil Conservation Service, 10 projects. Funds are

also provided to resume work in 1980 on replacing Lock and Dam 26 on the Mississippi River.

The budget provides for initiating advance engineering and design on 7 projects. Funds will be requested to initiate advance engineering and design on 10 additional projects if they are authorized in a manner consistent with the administration's water policy.

In addition, all Federal agencies have been directed to examine their programs for opportunities to conserve water resources directly or to encourage conservation by others.

The 1980 budget includes outlays of \$30 million for the Corps of Engineers to continue safety inspections of non-Federal dams. Under this program, which was initiated in 1978, the Federal Government will finance the one-time inspection of approximately 9,000 potentially hazardous dams. While the Federal inspection program is expected to be completed in 1981, the Federal Government is assisting States in training personnel to establish adequate State dam safety programs so that they can continue this activity in the future.

The funding levels proposed for 1980 for projects now under construction by the Corps of Engineers and Bureau of Reclamation are expected to continue all ongoing construction at a rate generally consistent with schedules established during 1979. Construction outlays are estimated to increase in 1981 as a result of new construction starts.

The following table shows financing data for construction projects that have been funded with year-to-year appropriations and that need future budget authority for their completion. Because the total budget authority does not appear in any one budget year, the full costs of these projects are often not clearly displayed. For example, the proposed 1980 budget authority of \$2.1 billion for ongoing construction of water resources projects will have to be supplemented by an additional \$19 billion in budget authority in future years to complete the projects. The total cost of these projects is estimated at over \$42 billion.

Other activities, such as the operation and maintenance of completed projects, are expected to continue at approximately the same level as in 1979.

Federal water resources activities supplement and complement other national needs and missions. For instance, canals and rivers provide transportation services; flood-control investments reduce disaster assistance; irrigation and drainage projects increase farm production; Federal hydroelectric power meets part of the Nation's energy needs; and Federal water resources planning constitutes an integral part of the Nation's environmental protection activities.

**WATER RESOURCES CONSTRUCTION PROJECTS IN THE 1980 BUDGET THAT REQUIRE FUTURE  
BUDGET AUTHORITY**

(In millions of dollars)

Agency and program	Budget Authority			Total
	Already approved prior to 1980	Proposed for 1980	Additional needed to complete	
Corps of Engineers—Civil:				
Construction, general.....	9,657	1,397	7,242	18,296
Flood control, Mississippi River and tributaries.....	2,597	122	3,344	6,063
Department of Agriculture—Soil Conservation Service.....	2,174	145	1,601	3,920
Department of Interior—Bureau of Reclamation:				
Colorado River Basin salinity control projects.....	147	38	413	598
Construction and rehabilitation.....	5,388	196	4,932	10,516
Colorado River basin project.....	546	89	994	1,629
Upper Colorado River storage projects.....	464	63	955	1,482
<b>Total.....</b>	<b>20,978</b>	<b>2,050</b>	<b>19,481</b>	<b>42,504</b>

**Conservation and land management.**—The gross land area of the United States is approximately 2.3 billion acres. Federal civil and defense agencies administer about 762 million acres or 33% of the total. Nearly 300 million acres of the federally-administered land is in Alaska. The Federal lands administered by civil agencies are managed to provide a balanced use of our natural resources integrating recreational and wilderness opportunities, wildlife habitat, environmental quality, and watershed protection with timber harvest, mineral extraction, and range utilization.

The administration took steps in calendar year 1978 to protect and preserve lands of outstanding national interest in Alaska by creating 56 million acres of national monuments, by initiating the establishment of permanent wildlife refuges on 39 million acres of land, and by withdrawing these areas and an additional 21 million acres from mineral development or selection by the State. These national interest lands were so designated and withdrawn to ensure the preservation of their extraordinary scientific, historic, scenic, cultural, and wildlife values. The administration continues to seek enactment of legislation to designate these areas as part of the Federal system of parks, wildlife refuges, wild and scenic rivers, and forests. When the State and Native land selection process is complete, Alaska's 375 million acres will be made up of 103 million acres of State lands, 44 million acres of Native lands, and 228 million acres of Federal lands. Much of the Federal land and extensive Outer Continental Shelf areas bordering Alaska will continue to be open for development, including timber, mineral, and oil and gas development. This allows for balanced growth in Alaska, as well as preservation of unequalled national treasures.

Total outlays for the mission of conservation and land management are estimated to decrease from \$2.0 billion in 1979 to \$1.7 billion in 1980 largely because of reductions in national forest administration and in conservation of agricultural lands.

*Management of national forests and forestry research.*—The Forest Service administers the national forest system, covering 188 million acres; conducts a comprehensive forest and range research program; and carries out cooperative forestry programs with States and private landowners. Proposed 1980 budget authority for these activities totals \$1,490 million, a decrease of \$272 million from 1979. However, the 1980 program level will be about \$50 million more than in 1977.

The largest proposed reduction (\$161 million) is in the costs of administering the national forests, including the timber sales program and related road construction, construction of facilities, reforestation, and stand improvement. These reductions are partially offset by modest increases in fish and wildlife management, administration of minerals development, and other activities.

Other reductions are proposed for research and cooperative forestry programs. The 1980 budget proposes no funds for grants to States for forest fire control. The objective of this program has been accomplished, since all States now have established forest fire control programs.

The 1980 budget also provides no funds for the Youth Conservation Corps in 1980. While this is a popular program providing summer employment for youths, it is not targeted to the needy or to the basic underlying causes of unemployment. The Corps performs useful work, but much of it is not essential to the maintenance of our public lands or can be accomplished at a lower cost by other means. The recommendation to close this program is made for these reasons, because of the need for strict fiscal restraint, and in light of the overall program of youth employment and training discussed in the section on education, training, employment, and social services.

The proposed budget for the Forest Service is sufficient to meet high-priority program needs. Timber sale offerings are planned at 11.7 billion board feet in 1980 — the estimated maximum that can presently be sold economically and in an environmentally acceptable manner from national forest lands. Funds are proposed to permit the reforestation of 187,000 acres and for timber stand improvement on 179,000 acres. This is in addition to reforestation of harvested areas financed by receipts from timber purchasers. Proposed funding for wildlife and fish management will assure protection to these important resources; funds for recreational use

of the national forests and other activities are provided at somewhat lower levels than in 1979.

Because of the need for fiscal restraint, most Forest Service activities are not proposed at the levels recommended in the program transmitted by the former Secretary of Agriculture in 1976 pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974. The 1980 budget is, however, consistent with the statement of policy transmitted at that time, which noted that additional evaluation of those recommendations would be necessary to support the program, and that the recommendations should be considered in the context of total Federal priorities and the overall size of the budget. The administration is conducting further planning and evaluation as the basis for revised recommendations required in calendar year 1980 under the 1974 Act.

Income realized from logging timber is taxed at rates applicable to long-term capital gains, rather than as ordinary income. This treatment will result in an estimated 1980 tax expenditure of \$455 million.

*Management of public lands.*—The Bureau of Land Management administers approximately 417 million acres of public domain land, including about 243 million acres in Alaska. In addition, it manages subsurface rights vested in Federal ownership on another 370 million acres, and has jurisdiction over 1.1 billion acres of the Outer Continental Shelf. In managing these lands, the Bureau strives for an optimal balance among recreation, timber, grazing, mineral development, wilderness, wildlife, and other uses. Revenues collected from mineral leasing, grazing fees, timber sales, land and materials sales, and rights-of-way leases are estimated at \$823 million in 1979 and \$837 million in 1980. Outer Continental Shelf receipts are included in the section on undistributed offsetting receipts. Budget authority for the Bureau is proposed to decrease from \$435 million in 1979 to \$387 million in 1980. Reductions are proposed for facilities construction and several other activities.

Funding recommended for Outer Continental Shelf environmental studies is increased over 1979. Priorities for these studies will be determined primarily by the importance of the study to oil and gas lease sale and lease management decisions, and the magnitude of the potential environmental consequences of those decisions.

The budget proposals continue the emphasis given in 1979 to soil and vegetative inventories, and to environmental studies to support the range management program. They provide for continuing the inventory and review of wilderness areas. Lower priority research and project development activities have been deferred wherever possible.

*Mining reclamation and enforcement.*—The goals of the Office of Surface Mining Reclamation and Enforcement are the prevention of environmental degradation of land due to surface mining of coal, and reclamation of land previously damaged by such mining. Budget authority of \$195 million is recommended for 1980, an increase of \$77 million over 1979.

The first goal is being achieved through enforcement of regulations that set standards for surface mining of coal. The program is designed to have States assume responsibility for enforcement as soon as feasible. During 1980 it is expected that the Office will approve the regulatory and enforcement programs of most coal-producing States. As an incentive for States to assume this responsibility, the budget proposes that the Federal Government provide several types of aid, including technical assistance and grants to help support operating expenses of State programs. The Office will continue to have an oversight role in those States that assume regulatory responsibility, and will have full responsibility for enforcement in States that do not exercise this option.

The budget provides \$114 million in budget authority for the reclamation of abandoned mine lands, an increase of \$53 million over 1979. Reclamation projects are undertaken by the Office of Surface Mining, the Soil Conservation Service of the Department of Agriculture, and by States that have approved regulatory programs. In addition, Bureau of Mines staff will manage a large number of projects for the Office. The budget proposes budget authority of \$50 million for reclamation grants to States in 1980, compared to \$10 million in 1979. The Office will continue work on development of an inventory of lands requiring reclamation to assist Federal and State governments in establishing priorities for reclamation projects over the 15-year life of the program. By the end of 1980 the inventory will be more than half complete.

*Conservation of agricultural lands.*—Several programs contribute to the mission of protecting and maintaining the long-term productive capacity of the Nation's rural lands, through technical and financial assistance to conservation districts, State and local governments, and private landowners.

The decrease in budget authority from \$523. million in 1979 to \$400 million in 1980 reflects proposed program reforms. These include the consolidation of the Great Plains conservation program with the agricultural conservation program, the continued redirection of cost sharing under the agricultural conservation program to enduring practices, and the initiation of the proposed new rural clean water program. This proposed new program is discussed in the section on pollution control and abatement, above. Total 1980 cost sharing funds for conservation and water pollution abatement

equal the 1979 level. Cost sharing assistance under the agricultural conservation program will focus on the alleviation of water runoff that causes non-point source pollution, the treatment of critically eroding lands, and other conservation measures that provide long-term benefits. This emphasis on achieving lasting benefits should result in more effective use of the total funds (Federal, State, local, and private) available for conservation purposes. Resource conservation and development program funds will be directed toward meeting commitments made in prior years rather than initiating new projects.

*Other conservation and land management.*—The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) promotes the rational use and conservation of our coastal areas by helping States and territories develop and administer coastal zone management programs. NOAA also provides grants for the construction of public facilities required as a result of coastal-related energy development activities, and designates sanctuaries to protect important marine and estuarine areas.

Budget authority for these programs is proposed to increase from \$64 million in 1979 to \$66 million in 1980. In 1980, eligible States and territories will receive Federal grants for the planning and administration of their coastal zone management programs. Twenty-one States (60% of the 35 coastal States and territories) will have programs operating in 1980 to provide for management of 80% of the Nation's coastline. Continued funding for the coastal energy impact formula grant program is requested to help those States affected by the anticipated expansion of Outer Continental Shelf oil and gas developments. Further expansion of the national marine and estuarine sanctuaries program is also planned.

*Recreational resources.*—The Federal Government acquires and operates national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries, and wildlife refuges. Facilities are provided for visitors and to improve fish and wildlife habitat. Grants and technical assistance are provided to States for planning, acquiring, developing, and managing areas for recreation, fish and wildlife conservation, and the preservation of historic places.

Outlays for these programs are estimated to decrease to \$1.4 billion in 1980 compared to \$1.5 billion in 1979 largely because of the postponement of land acquisition and of construction.

*Land and water conservation fund.*—This fund provides grants to States for recreational land acquisition and development. It also finances the Federal purchase of recreational lands and the conser-

vation of natural resources such as national parks and endangered species of wildlife.

Appropriations for the land and water conservation fund are recommended at \$610 million in 1980. The allocation of the fund will be in the usual 60% State, 40% Federal ratio:

- \$360 million for matching grants to States;
- \$242 million for the acquisition of land for parks, wildlife refuges, and recreation areas by 4 Federal agencies: the National Park Service, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management; and
- \$8 million for administering the fund.

The administration does not propose funding this program at its authorized level in 1980 because of the need for budget restraint and because land acquisition can be postponed without serious employment or contractual consequences. However, the recommended funding will allow initial land acquisition at most of the new Federal areas authorized by the Congress in calendar year 1978.

*Urban recreation grants.*—This program was enacted in 1978 as one of the administration's urban initiatives. The objective of this program is to help make our cities a better place to live. Urban recreation grants will be provided for the rehabilitation of city park and recreation facilities and will pay 70% of the costs of rehabilitation. Budget authority of \$37.5 million is recommended to start this program in 1979, with a recommended increase to \$150 million in 1980. This is a one-time, 5-year program for rehabilitating park facilities. It is not available for operating costs, maintenance, or establishment of new parks — all of which can be assisted under other Federal programs.

*Operation of recreational resources.*—This program conducts diverse activities necessary to the operation of the national park and wildlife refuge systems. It provides facilities and services for visitors and manages the natural resources within these areas. In addition, its activities encompass grants, research, and technical assistance in the areas of recreation, fish and wildlife, and historic preservation. Budget authority of \$988 million is recommended for 1980 compared to \$1,067 million in 1978 and \$964 million in 1979.

Budget authority of \$45 million is recommended for the historic preservation fund, which makes grants to States covering 50% of the costs of programs for the identification and survey of historic places and for their rehabilitation. The recommendation is held at this level in part because of the need for overall fiscal restraint, and in part because other Federal funds (e.g., programs of the Department of Housing and Urban Development and the Economic



Development Administration) are increasingly being directed to counteract the underlying causes of loss of historic resources. Also, there are now tax incentives to encourage rehabilitation of historic properties and disincentives to demolish historical structures.

The Fish and Wildlife Service's mission involves managing wildlife refuges, comprising 46 million acres, operating 89 fish hatcheries, conducting research on fish and wildlife, administering a program to protect endangered species, and providing grants to States to assist them in managing fish and wildlife.

Grants to States, funded by Federal excise taxes on sporting equipment, have increased substantially over the past few years and budget authority is estimated to total \$117 million in 1980. The administration urges that the States use these funds for the protection of non-game, as well as game, species of wildlife, and the budget does not include funds specifically to finance States' management of non-game species.

Budget authority for cooperative State-Federal wildlife management plans on Federal lands is recommended at \$17 million, compared to \$16 million in 1979 and \$13 million in 1978. This work is conducted pursuant to the Sikes Act and similar authorizing laws.

The National Park Service develops, operates, and maintains the national park system, comprising 327 areas totalling about 72 million acres. Total visits to these areas are expected to increase by about 4% to 294 million in 1980. In order to maintain high levels of funding for park operations, the administration is proposing that park visitors pay a higher proportion of the costs of operating national parks. Park users now pay only about 5% of these costs. Over the 1979 and 1980 visitor seasons, park fee receipts will be increased by about 70% over 1978 levels through a combination of initiating entrance fees at parks that do not currently charge and raising other entrance and user fees from their current relatively low levels. Park fees have not been increased since 1972.

***Other natural resources.***—These activities are primarily directed at increasing understanding of the atmosphere and the Earth's structure and environment. To accomplish this mission, the Geological Survey and the Bureau of Mines in the Department of the Interior, and the National Oceanic and Atmospheric Administration in the Department of Commerce conduct a wide range of activities.

The Geological Survey conducts national geologic and mineral resources surveys, including the identification of geologic hazards such as earthquakes, water resources investigations, and topographic surveys and mapping. It also supervises Federal mineral leases and the exploration for petroleum resources in the national petroleum reserve in Alaska. Recommended conclusion of the

latter program is discussed in the energy function. Budget authority of \$451 million is recommended for the resource programs of the Geological Survey in 1980, compared to \$376 million in 1978 and \$421 million in 1979.

Increased levels of funding in 1980 are recommended for oil and natural gas lease sales on the Outer Continental Shelf (consistent with legislation enacted in the 95th Congress), carrying out the Natural Gas Policy Act and the Surface Mining Act, resumption of competitive coal leasing on Federal lands, mineral surveys of land under consideration for designation as wilderness areas, and analyses of regional underground water resources. These increases are partially offset by decreases in geothermal resources assessment and other programs.

The Bureau of Mines conducts research and administers various programs to develop and conserve the Nation's mineral resources and to diminish the adverse effects of mining on the environment. To achieve its mission, the Bureau makes estimates of non-fuel mineral reserves to support both private and public policymaking, including reviews of wilderness area proposals. It also conducts research on metallurgy, environmental problems related to mining and mineral processing, and mine health and safety techniques. Budget authority of \$135 million is recommended for these programs in 1980, compared to \$149 million in 1979. This decrease reflects proposed termination of the mined lands demonstration program, which will be replaced by reclamation work financed through the Office of Surface Mining.

The National Oceanic and Atmospheric Administration (NOAA) conducts marine- and atmosphere-related research and environmental monitoring, produces maps and charts for navigation, manages our marine fisheries resources, protects marine mammals and endangered species, and operates a national system to monitor and predict weather conditions.

An increase in budget authority from \$681 million in 1979 to \$718 million in 1980 is proposed for the operations of this agency. In 1980 NOAA plans to accelerate ocean pollution research and monitoring efforts, to develop and carry out fisheries management plans for the 200-mile zone, and to expand weather warning and forecasting services, especially for the coastal areas.

**Credit programs.**—Loans are made to State and local organizations for the construction and rehabilitation of small irrigation, municipal, and industrial water systems that utilize water from Federal projects.

## CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Bureau of Reclamation loan program and other:</b>			
Direct loans:			
New loans .....	58	37	43
Repayments, sales and adjustments (—) .....	<u>—24</u>	<u>—6</u>	<u>—7</u>
Net credit outlays .....	33	31	36

## AGRICULTURE

***National Needs Statement:***

- Assure sufficient agricultural production to meet domestic needs and to capture a fair share of growth in export markets.
- Provide an adequate return to farmers based on the cost of production.
- Dampen fluctuations in food prices.
- Provide capability for further increases in farm output and returns through research and assistance to farmers in applying research results.
- Improve health through nutrition and food safety.
- Improve the efficiency and reliability of domestic and export agricultural marketing systems.

American agricultural commodities provide basic nutrition for millions of people at home as well as abroad and a source of livelihood for American farmers. The Nation therefore has strong interests both in assuring that food supplies are sufficient to meet domestic needs and export demands, and in protecting American agricultural producers against the vagaries of the weather and excessive fluctuations in supply and demand.

The 1980 budget demonstrates the Federal commitment to a strong agricultural economy in three ways:

- The Government seeks to modulate the swings in the agricultural economy by supporting prices and incomes in years of abundance and by helping to create farmer-held grain reserves for years of short supply.
- The budget reflects an increasing commitment to basic animal and plant research so that the American farmer can continue to be the world's most dependable supplier of food and fiber.
- The budget provides for a redirection of Government spending in conservation-related agriculture programs toward increased Government assistance to farmers who must solve farm-related water pollution problems. These environmentally sound practices will at the same time contribute to an enriched land base for a growing farm economy. (These programs are discussed in the natural resources and environment national needs section.)

Estimated outlays for the agriculture function decrease by \$2.0 billion from 1979 to 1980, largely due to the reduced level of short-

term export credit and large reductions in the anticipated costs of commodity price support programs.

The United States is the world's largest exporter of farm products. Many countries depend on us to close the gap between their production and consumption, and we look to them as markets for our farm products. Since U.S. exports are a large part of its agricultural production, small changes in world production and corresponding demand for U.S. farm products can produce rapid increases and decreases in prices of U.S. farm products. This situation calls for mechanisms that both stabilize prices and are flexible enough to allow us to respond to changing supply and demand.

These objectives are being met through the establishment of grain reserves—the cornerstone of the administration's agricultural policies. We now have farmer-held reserves that include 11 million tons of wheat and 20 million tons of feed grains. In addition, the Commodity Credit Corporation (CCC) owns 0.5 million tons of rice.

To assist in bringing supplies into better balance with demand, the government has established acreage-set-aside programs for major crops. A better match between supply and demand should be achieved over time, and the crop reserves program will provide a stabilizing force against unexpected events. The administration is continuing to build export markets abroad, and to help maintain — through food stamp and nutrition programs—an adequate level of food consumption at home. (Food stamps are discussed in the income security section of this part of the budget.)

Among the steps taken in the agriculture function to meet the tight spending constraints for 1980 was an \$800 million reduction below 1979 levels in CCC short-term export credit. Despite this reduction, export expansion should be achieved by aggressive marketing, by prudent use of the \$800 million in outlays budgeted for short- and intermediate-term foreign credit, and by use of more credit guarantees where some form of credit assistance is essential to expanding our markets. The 1980 budget requests that most other agricultural programs be funded at near the 1979 levels.

***Farm income stabilization.***—This mission is the major Federal involvement in the agricultural sector. Estimates of price support program costs for 1980 and 1981 are, of course, highly speculative and subject to the uncertainties of weather. The projected outlays are not limits on the assistance to be provided. They will vary upward or downward depending on the requirements of the agricultural sector.

## NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Farm income stabilization:</b>					
Price support and related programs.....	524	6,491	3,056	3,657	3,370
Federal Crop Insurance Corporation.....	62	12	12	12	12
Proposed legislation.....			-12	-12	-12
Agriculture credit insurance fund.....	509	144	273	264	249
Other programs.....	14	36	40	43	45
Unallocated salaries and expenses.....	228	228	191	191	191
Subtotal, farm income stabilization.....	1,337	6,910	3,559	4,155	3,855
<b>Agricultural research and services:</b>					
Research programs.....	491	608	532	532	532
Extension programs.....	269	275	259	259	259
Marketing programs.....	65	74	76	76	76
Animal and plant health programs.....	209	241	225	231	237
Economic intelligence.....	125	138	144	144	144
Other programs.....	55	59	62	62	62
Unallocated overhead.....	60	72	79	79	79
Offsetting receipts.....	-53	-63	-66	-66	-66
Subtotal, agricultural research and services.....	1,221	1,405	1,311	1,317	1,323
Deductions for offsetting receipts.....	14	-3	-3	-3	-3
Total, budget authority.....	2,573	8,312	4,868	5,469	5,175
<b>OUTLAYS</b>					
<b>Farm income stabilization:</b>					
Price support and related programs.....	5,623	4,737	2,511	3,580	3,567
Proposed legislation.....		271	127	193	478
Federal Crop Insurance Corporation.....	57	21	20	12	12
Proposed legislation.....			-26	-26	-20
Agriculture credit insurance fund.....	653	-383	187	349	327
Other programs.....	39	43	43	45	45
Unallocated salaries and expenses.....	215	230	186	186	186
Subtotal, farm income stabilization.....	6,588	4,920	3,049	4,339	4,595
<b>Agricultural research and services:</b>					
Research programs.....	456	535	494	525	534
Extension programs.....	252	250	233	259	259
Marketing programs.....	56	77	78	76	76
Animal and plant health programs.....	201	241	203	229	237
Economic intelligence.....	119	136	143	142	142
Other programs.....	52	58	60	60	60
Unallocated overhead.....	48	72	78	79	79
Offsetting receipts.....	-53	-63	-66	-66	-66
Subtotal, agricultural research and services.....	1,129	1,307	1,223	1,306	1,322
Deductions for offsetting receipts.....	14	-3	-3	-3	-3
Total, outlays.....	7,731	6,224	4,269	5,642	5,915

\* International food reserve and comprehensive crop insurance.

*Price support and related programs.*—Commodity Credit Corporation (CCC) outlays for price support programs are projected to fall from \$5.0 billion in 1979 to the \$2.7 billion estimated for 1980. Lower production of feed grains and improved markets for grains generally are estimated for 1980, which lessens the need for CCC financial assistance. Reductions are also anticipated because of legislation being proposed to establish a 4 million ton international emergency food reserve in 1979, and because of a downturn in net lending to farmers for storage facilities as need for new facilities decreases. In addition, higher receipts from sugar sales and sugar loan repayments are expected to result in a reduction of \$650 million between 1979 and 1980 in outlays for this program.

The largest part of the reduction in CCC outlays is accounted for by an \$800 million cut in the level of short-term export credit in 1980. The reduction of this item is based on the projections that the excess of world supply of farm products over demand will be reduced by 1980, that export markets will continue strong, and that the CCC's non-commercial risk assurance program will result in a shift to non-Federal sources for short-term export credit.

#### COMMODITY CREDIT CORPORATION OUTLAYS

[In millions of dollars]

Function and Program	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Agriculture:</b>					
Price support and related programs:					
Commodity loans.....	5,739	4,776	3,962	4,364	4,145
Commodity purchases.....	761	573	659	788	738
Direct payments.....	2,268	2,152	1,620	2,721	2,954
Grain reserve storage payments.....	216	325	325	298	265
Short-term and intermediate export credit sales.....	1,584	1,600	800	800	800
Storage facility loans.....	646	550	300	225	100
Interest expenditures.....	232	669	1,075	1,100	1,100
Other price support operations.....	393	288	327	315	315
Receipts and adjustments.....	-6,219	-6,196	-6,557	-7,031	-6,850
Proposed legislation.....		271	127	193	478
Subtotal, price support and related programs.....	5,623	5,008	2,638	3,773	4,045
Other agricultural activities.....	33	39	43	44	45
Subtotal, agriculture.....	5,656	5,047	2,681	3,817	4,090
<b>International affairs:</b>					
P.L. 480 Food Aid:					
Gross outlays.....	1,193	1,438	1,399	1,500	1,650
Receipts and reimbursements.....	-384	-383	-406	-431	455
Subtotal, international.....	-808	1,055	993	1,069	1,195
<b>Total Commodity Credit Corpora- tion outlays.....</b>	<b>6,465</b>	<b>6,102</b>	<b>3,674</b>	<b>4,886</b>	<b>5,285</b>

*Crop insurance.*—Farmers are offered insurance against crop losses from natural hazards by the Federal Crop Insurance Corporation. Federal crop insurance is available in some counties for selected crops to cover the farmers' variable production costs. Indemnity payments are estimated to total \$85 million in 1979 and \$98 million in 1980. In addition, the CCC provides disaster payments partially to offset reductions in income from supported crops due to adverse weather conditions. Disaster aid programs for farmers also include emergency loans (estimated at \$578 million in 1979 and 1980) financed by the agricultural credit insurance fund. To protect producers from losses from natural disasters, the administration is proposing legislation for a nationwide crop insurance program, which would—over time—replace existing programs.

*Agricultural credit insurance fund.*—Agricultural loans, including emergency loans from the agricultural credit insurance fund, increased sharply in 1978 when more than two-thirds of the counties in the United States were declared eligible for emergency financial assistance because of adverse weather conditions. Loan volume is expected to decline from \$3.6 billion in 1978 and \$3.3 billion in 1979 to \$1.3 billion in 1980 because of an expectation of more normal weather and the expiration of the emergency livestock loan guarantee and economic emergency loan programs. Currently, the Small Business Administration also provides loans for crop losses. In order to avoid overlap with loan programs of the Farmers Home Administration, the 1980 budget proposes that farm lending assistance under the Small Business Act be terminated.

*Agricultural research and services.*—This mission is to improve production and marketing efficiency through better technology and regulation. It also provides information on worldwide agricultural markets, and controls the spread of animal pests and diseases.

*Research.*—Research helps increase agricultural productivity resulting in more abundant domestic supplies, a large volume of competitively priced exports, and more nutritious food products. It also provides information on human nutrition, food safety, and marketing technology. Outlays of \$494 million are estimated for agricultural research in 1980, about the same level as in 1979, excluding a one-time expenditure of \$40 million in 1979 for the U.S. contribution to the Israel-U.S. Binational Agricultural Research and Development Fund.

Funds will be redirected from selected crop, animal, and post-harvest technology research and construction, to permit increases for food safety, human nutrition, conservation and natural re-



sources, integrated pest management research, and basic plant research.

Emphasis will be placed on carrying out needed research through cooperative agreements and competitive grants and contracts with private, State and local organizations.

**Animal and plant health.**—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that could result in severe losses in yields or in the output of livestock products. Budget authority of \$225 million is proposed for these services in 1980, \$16 million below 1979.

#### CREDIT PROGRAMS—AGRICULTURE

[In millions of dollars]

Program	1978 actual	1979 estimate	1980 estimate
<b>Price support and related commodity loans:</b>			
Direct loans:			
New loans .....	7,969	6,926	5,063
Repayments, sales and adjustments (—) .....	—5,240	—5,447	—5,424
Net credit outlays .....	2,729	1,479	—362
<b>Agricultural and emergency credit programs and other:</b>			
Direct loans:			
New loans .....	5,701	4,090	3,928
Repayments, sales and adjustments (—) <sup>1</sup> .....	—5,374	—4,757	—4,199
Net credit outlays .....	327	—667	—271
Guaranteed loans: <sup>2</sup>			
New loans .....	4,219	3,883	3,021
Net credit guaranteed .....	3,031	2,953	1,249

<sup>1</sup> Includes sale of loan assets.

<sup>2</sup> Includes loans counted as direct loans of other accounts.

**Credit programs.**—Net credit outlays for price support and related commodity loans are projected to fall from \$1.5 billion in 1979 to —\$0.4 billion in 1980 largely because of the reduction in CCC short-term export credit. Loans to farmers for facilities to store grain reserves are expected to drop by 1980, following years of large additions to on-farm storage capacity. Commodity loans, offered as a part of commodity price supports, are also expected to decline with the achievement of grain reserve targets in 1979.

Agricultural and emergency credit programs include farm real estate, farm operating, and emergency loans. The estimated increase in net outlays for these programs is a result of larger amounts of asset sales in 1979 than in 1980.

**Tax expenditures.**—The objectives of agricultural income support and rural development are promoted by a variety of tax expenditures in agriculture. The tax code permits farmers to treat certain capital outlays as current expenses and accords capital gains treatment to certain kinds of ordinary income. The 1980 revenue loss from these two provisions is estimated to be \$505 million and \$395 million, respectively. Rural electric and telephone and agricultural marketing cooperatives are permitted to deduct noncash patronage dividends, and are accorded preferential tax treatment in a number of other ways. A 1980 tax expenditure of \$365 million is expected from these preferences. The Revenue Act of 1978 for the first time permits payments received under Federal and State cost sharing conservation programs to be excluded from income. The revenue loss from this provision is estimated to be \$30 million in 1980.

**Related programs.**—Several programs that fulfill other national needs complement the programs in agriculture. The most important of these programs is the P.L. 480, food aid program, which is discussed in the International Affairs section.

#### OUTLAYS FOR FEDERAL PROGRAMS THAT SUPPORT THE AGRICULTURAL MISSIONS

(In millions of dollars)

Program Title	Primary Function in budget	1978 actual	1979 estimate	1980 estimate
Disaster and drought assistance .....	450	2,120	818	45
Conservation of agricultural lands .....	300	582	597	427
Rural clean water programs .....	300	.....	.....	7
Public Law 480 Food Aid .....	150	808	1,055	993
Food safety and quality service .....	550	262	281	278

## COMMERCE AND HOUSING CREDIT

### *National Needs Statement:*

- Ensure that an adequate supply of mortgage credit is available nationally.
- Target credit to urban and rural areas and prospective borrowers not well served by private credit markets.
- Encourage the return of middle-income families to central cities to aid urban revitalization efforts.
- Maintain effective mail service at reasonable rates with costs largely borne by postal customers.
- Provide oversight of and assistance to business to encourage the development of jobs and a sound economy.

The Federal Government's long-term objectives in the commerce and housing credit area are affected significantly by aggregate fiscal and monetary policies. In the past year, these policies have necessarily become more restrictive to help counter inflationary pressures.

In contrast to prior periods of restrictive monetary policy and high interest rates, the housing industry remained strong last year. Total housing starts in 1978 were slightly more than 2 million, despite increasing interest rates during the year. While single-family starts were slightly less than the 1½ million record level of 1977, multi-family starts rose to 600,000. This high rate of activity may not be sustainable in the long run, and a slight decline in housing starts is forecast for next year to about 1.75 million units. This rate is well above the troughs experienced in previous high-interest-rate periods. The current performance of the housing sector indicates: (1) the underlying strength of the demand for housing derived largely from the post-World War II baby boom, and (2) the ability of mortgage lenders to compete for savings more effectively than during previous periods of tight money due to institutional changes in financial markets.

The performance of the housing market is critical to the improvement in housing conditions for American families, especially low-income families. Census data indicate that the number of households residing in physically substandard housing units has declined substantially and that, as of the fall of 1976, 3.4 million lower-income households resided in units with one or more significant physical deficiencies, compared to 3.7 million in 1974. Further improvements in housing conditions will occur given the past performance of the private housing market, the continued projected

growth in family incomes, and continued growth in the number of eligible families receiving Federal housing subsidies over the next few years.

At the same time, business investment continued to show strong growth, rising by more than 8% in real terms during the year. As a result, investment rose to 10% of gross national product, close to its share in the high-investment periods of the 1960's and early 1970's.

A principal concern is to avoid the sharp and disproportionate reductions in housing credit that have typically resulted from tight monetary policies and to ensure that the Federal Government continues to provide an economic environment and adequate investment incentives to foster continued strength in business investment.

Other major concerns are to achieve Federal commerce and housing credit objectives more efficiently, and to target Federal resources more effectively to those groups, regions, or economic sectors with both the greatest need and the greatest potential return for those funds.

While Federal expenditure programs in this functional area contribute significantly to the achievement of Federal objectives, Federal tax policies and credit programs make an equal or even more substantial contribution to these objectives. Major efforts in the budget to avoid sharp curtailments of mortgage credit and housing market activities include:

- another \$2 billion in 1980 GNMA mortgage purchase commitments for HUD-subsidized housing projects and middle/moderate income multifamily housing projects in distressed urban areas through the targeted tandem program;
- expanded use of GNMA mortgage-backed securities; and
- continued use of new money market instruments, especially the money market certificates approved by the Federal Home Loan Bank Board.

This budget will also make more efficient use of Federal resources allocated to commerce and housing credit by:

- initiating a protective insurance payments program to help homeowners in temporary financial trouble to avoid defaults;
- relying primarily on the private sector to renovate and repair currently held FHA properties in conjunction with the sale of those properties; and
- consolidating travel and tourist policy activities within the Department of Commerce, while eliminating the U.S. Travel Service.

To achieve more effective targeting of Federal resources in the commerce and housing credit area, this budget proposes:

- a 30% increase in SBA-guaranteed business loans to minority-owned business between 1979 and 1980;
- sustained emphasis on the nonelderly handicapped in HUD's elderly and handicapped housing program; and
- continued targeting of rural housing programs to low-income families occupying substandard housing.

***Mortgage credit and thrift insurance.***—Federal housing policy continues to focus on the basic goal of providing a decent home in a suitable living environment for every American family. Federal housing programs carry out this goal by:

- ensuring an adequate supply of mortgage credit;
- increasing the stock of housing through new construction and rehabilitation programs; and
- providing explicit subsidies primarily for low- and moderate-income households.

Most of the explicitly subsidized programs are discussed in the income security section.

Mortgage credit programs are aimed at increasing the supply of credit for housing. Mortgage insurance, guaranteed and direct loans, interest subsidies, and secondary mortgage market activities support the smooth operation of private mortgage credit markets and supplement those markets, particularly in rural and central-city areas. By making credit available at affordable interest rates, Federal credit policies stimulate the demand for, and therefore, the production of, housing.

Past periods of fiscal and monetary austerity have led to sharp outflows of savings from savings and loans institutions to other savings instruments, resulting in severely depressed housing construction activity. The development of money market certificates, the expanded use of GNMA mortgage-backed securities to attract nontraditional mortgage investors, and the provision of GNMA tandem interest subsidies have allowed the housing sector to compete effectively for funds during the recent period of high interest rates.

**NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT**

(Functional code 370; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Mortgage credit and thrift insurance:</b>					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)....	7	507	6	6	6
Mortgage credit (FHA) .....	552	310	247	175	125
Housing for the elderly or handicapped...	750	800	800	800	800
Department of Agriculture—rural housing programs.....	669	1,825	1,651	2,257	2,524
Federal Home Loan Bank Board.....	— 10				
National Credit Union Administration .....			1,700		
Subtotal, mortgage credit and thrift insurance.....	1,968	3,442	4,405	3,238	3,455
<b>Postal Service</b> .....	1,787	1,803	1,698	1,640	1,616
<b>Other advancement and regulation of commerce:</b>					
Small business assistance.....	835	749	735	785	810
National Consumer Cooperative Bank.....		54	89	128	83
Technology utilization.....	197	237	263	262	262
Economic and demographic statistics.....	151	277	712	211	165
Other .....	374	420	437	432	430
Proposed legislation.....			— 22	— 22	— 22
Subtotal, other advancement and regulation of commerce.....	1,558	1,737	2,213	1,797	1,729
<b>Deductions for offsetting receipts</b> .....	— 5	— *	— *	— *	— *
<b>Total, budget authority</b> .....	<b>5,308</b>	<b>6,982</b>	<b>8,315</b>	<b>6,675</b>	<b>6,800</b>
<b>OUTLAYS</b>					
<b>Mortgage credit and thrift insurance:</b>					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)....	211	257	362	319	245
Mortgage credit (FHA) .....	357	111	34	— 92	— 154
Housing for the elderly or handicapped...	176	476	700	658	615
Department of Agriculture—rural housing programs.....	449	218	362	892	1,056
Federal Deposit Insurance Corporation .....	— 567	— 1,121	— 1,192	— 1,250	— 1,300
Federal Home Loan Bank Board.....	— 403	— 390	— 506	— 619	— 707
National Credit Union Administration .....	— 13	— 23	— 83	— 39	— 47
Subtotal, mortgage credit and thrift insurance.....	210	— 472	— 323	— 131	— 292
<b>Postal Service</b> .....	1,778	1,803	1,698	1,640	1,616
<b>Other advancement and regulation of commerce:</b>					
Small business assistance.....	662	730	674	696	721
National Consumer Cooperative Bank.....		50	90	126	82
Technology utilization.....	192	221	252	268	258
Economic and demographic statistics.....	136	237	601	336	165
Other .....	353	400	411	438	429

## NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT—Continued

(Functional code 370; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Proposed legislation.....			— 11	— 22	— 22
Subtotal, other advancement and regulation of commerce.....	1,342	1,637	2,016	1,842	1,633
Deductions for offsetting receipts.....	— 5	— *	— *	— *	— *
Total, outlays.....	3,325	2,968	3,390	3,350	2,957
<b>ADDENDUM</b>					
Off-budget Federal entities:					
Postal Service:					
Outlays.....	— 496	349	529	94	— 304
Federal Financing Bank:					
Budget authority.....	12,659	15,134	13,869	14,000	14,000
Outlays.....	10,614	11,477	11,288	11,300	11,300

\*500 thousand or less.

*Mortgage purchase activities.*—Major Federal support for the mortgage market is provided by the *Government National Mortgage Association (GNMA)*. Guarantees of securities that are backed by mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration are one form of support. These guaranteed securities help to attract into the mortgage market investors who have not traditionally invested in mortgages. New securities guaranteed by GNMA are estimated to increase from \$15.0 billion in 1979 to \$16.5 billion in 1980.

GNMA also operates “tandem” mortgage purchase programs to support special types of mortgages. Two types of mortgages are currently being supported by the GNMA tandem program. The first is FHA-insured mortgages for multifamily projects receiving rent subsidies through HUD’s lower income housing assistance program (section 8). The second, “targeted tandem” program supports the construction of moderate- and middle-income rental housing in distressed urban areas. Interest subsidies provided by the latter program encourage the return of middle-income families to these distressed areas.

The budget proposes \$2.0 billion of mortgage purchase commitments in 1980, the amount provided in both 1978 and 1979. This 3-year total of \$6.0 billion of commitments will facilitate the development of an estimated 200,000 units of new multifamily housing with below-market interest rates. Mortgages purchased under the tandem programs are resold when market conditions permit, with GNMA absorbing the loss. Net outlays for GNMA’s credit activi-

ties, including losses on mortgage purchases, are estimated to be \$257 million in 1979 and \$362 million in 1980.

*Mortgage credit.*—The *Federal Housing Administration's (FHA's)* mortgage and loan insurance programs provide assistance for families who are able to fulfill the obligations of a mortgage loan but who may not be adequately served by the private market. Insurance for mortgages with graduated payment schedules, which require lower initial monthly payments, will continue to be made to assist young, first-time homebuyers.

Heavy default rates experienced under some mortgage insurance programs in the early 1970's resulted in large increases in the FHA inventory of assigned mortgages and properties acquired as a result of foreclosure. Improved economic conditions, better underwriting, and the use of HUD's lower-income housing assistance (section 8) and troubled projects operating subsidies programs should result in a decrease in the growth of the assigned mortgage inventory. Beginning in 1979 a major effort will be made to increase the sale of multifamily properties now owned by FHA. Section 8 rental assistance, which is classified as an income security program, will be used where necessary to protect low-income tenants from displacement or large rent increases, and to induce the private market to rehabilitate properties not currently meeting minimum housing standards. In 1980, a new protective insurance payments program is proposed to protect homeowners from precipitous foreclosures when sudden, uncontrollable reductions in income temporarily put them in default. The program will also prevent unnecessary additions to the assigned inventory due to temporary default problems.

All of these factors are expected to result in a decline in outlays for FHA mortgage credit activities from \$111 million in 1979 to \$34 million in 1980.

*Housing for the elderly or handicapped.*—In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance housing for the elderly or handicapped under the "section 202" program. The 1980 budget provides for \$800 million in new loan commitments and a continued emphasis on housing for the handicapped. Outlays for this program are estimated to rise from \$476 million in 1979 to \$700 million in 1980.

*Rural housing programs.*—The *Farmers Home Administration (FmHA)* of the Department of Agriculture provides direct and guaranteed loan housing assistance to low- and moderate-income families in rural communities of less than 20,000 population. In addition, a rural rental assistance program to assist the tenants of FmHA-financed housing was recently established. A related program of grants to repair and rehabilitate inadequate single-family



housing and grants for labor housing and self-help housing are classified in the income security function.

As a result of a recent major rural housing study, the 1980 budget proposes to continue targeting housing assistance under FmHA programs to those rural families who are most in need—low-income families and occupants of substandard housing. Legislation was proposed and enacted last year to authorize a special homeownership assistance program to assist very low-income families in those cases where home ownership is more cost effective than other FmHA low-income housing assistance programs. Partial or total recovery of Federal subsidies under this program will occur at the time a family sells its house.

For 1980, the budget proposes \$3.9 billion in new direct and guaranteed loans and almost \$1.4 billion in budget authority for housing assistance payments. This budget authority covers the life of the contracts entered into by the Federal government under the rental assistance and homeownership assistance programs. These totals represent decreases of about \$400 million in insured and guaranteed loans, and \$30 million in budget authority for housing assistance payments from the enacted levels for 1979. The decreases reflect the need for restraint to achieve the administration's anti-inflation objectives. The requested funds, which are directed primarily to the needs of lower-income families occupying inadequate housing; will provide assistance for about 144,000 rural housing units. About 77% of the total number of assisted units will receive either interest subsidies or grant assistance, and approximately 35,000 of the subsidized units will also receive rural rental and homeownership assistance payments.

Outlays for FmHA housing programs in this function are estimated to decline from \$449 million in 1978, to \$218 million in 1979, and to \$362 million in 1980. Receipts from sales of loans (asset sales), which are an offset to gross outlays, are largely responsible for the lower net outlay levels in 1979 and 1980.

*Other mortgage credit and thrift insurance.*—The *Federal Deposit Insurance Corporation* protects bank depositors and fosters sound banking practices. Receipts are expected to exceed outlays by \$1.2 billion in 1980.

The *Federal Home Loan Bank Board (FHLBB)*, which charters and regulates savings and loan institutions, recently authorized those institutions to offer graduated payment mortgages and reverse annuity mortgages. Graduated payment mortgages feature lower scheduled payments in the initial years, rising gradually to a fixed level. The FHLBB estimates that 2.5 million families now unable to purchase a home using standard, fixed-rate mortgages will be able to buy homes using graduated payment mortgages.

Reverse annuity mortgages are designed to let older homeowners draw upon the accumulated equity of their homes. These mortgages promote continued homeownership, because families are able to use accumulated equity to meet higher costs.

The *Federal Savings and Loan Insurance Corporation*, which is part of the Federal Home Loan Bank Board, protects depositors of savings and loan institutions. In 1980, receipts are expected to exceed outlays by \$506 million.

*National Credit Union Administration.*—The recently authorized Central Liquidity Facility (CLF) will begin operations on October 1, 1979, to provide for the liquidity needs of member credit unions. Credit unions, which voluntarily join the CLF, must purchase capital stock equivalent to one-half of 1% of their paid-in and unimpaired capital and surplus. The funds in the CLF may be lent to credit unions for the following liquidity needs: short-term adjustment credit, seasonal fluctuations, and extended credit in the event of emergency conditions. During 1980 the CLF expects to lend \$200 million to credit unions.

*Postal Service.*—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent establishment of the executive branch to replace the former Cabinet-level Post Office Department. The Act charged the Postal Service with providing prompt, reliable, and efficient mail services to patrons at reasonable rates and fees. Outlays for the general operations of the Postal Service are excluded from Federal budget totals, with the exception of the Federal subsidy payment. That payment covers certain liabilities of the former Post Office Department, public service costs, and revenue forgone for carrying certain classes of mail at free and reduced rates. A payment of \$1.7 billion is requested for 1980, \$0.1 billion below the amount appropriated for 1979. This decrease reflects a \$92 million reduction in the public service subsidy and a \$15 million reduction in the revenue forgone subsidy. Both of these decreases are scheduled to occur under existing law.

The budget includes an \$18 million supplemental appropriation request for 1979 to cover the costs associated with legislation that permits bulk third-class material mailed by a "qualified political committee" to be mailed at the special bulk third-class rates for qualified nonprofit organizations. Qualified political committees include national or State committees of a political party, the Republican and Democratic Senatorial campaign committees, the Democratic National Congressional Committee, and the National Republican Congressional Committee.

The request for 1980 and future-year budget projections carry on the existing policy that postal costs should be largely borne by mail

users and not by the general taxpayer. The off-budget outlays of the U.S. Postal Service reflect the difference between gross expenditures and gross receipts.

***Other advancement and regulation of commerce.***—Many Federal programs provide technical assistance to and promote the development of new businesses. Other programs provide oversight of the economy and business community to assure fair and equal practices and opportunities.

***Small business assistance.***—Net outlays for assistance to small business are estimated to total \$0.7 billion in 1980. The budget request for the Small Business Administration (SBA) provides for \$3.9 billion of new commitments for guaranteed business loans, which is equivalent to the level of assistance available to the SBA in 1979. It is anticipated that the share of the SBA's guaranteed business loans approved for minority-owned businesses in 1980 will increase by 30% over current levels. This increase is part of a larger effort to expand overall Federal assistance to minority businesses. The proposed level of Federal assistance to minority firms in 1980 is 36% above 1979. Major factors behind this expansion are more widespread use of minority participation goals in grant, loan, and procurement programs of Federal agencies, and the establishment of the proposed National Development Bank.

Funds are also requested to enhance the economic analysis capability of the SBA. Particular emphasis will be placed on improving the small business data base and further defining the role of the small business sector in the economy.

***National Consumer Cooperative Bank.***—The recently enacted National Consumer Cooperative Bank will begin operations in 1979. The Bank is authorized to make loans at market interest rates to finance cooperative food stores, pharmacies, garages, health maintenance organizations, and other cooperatively-owned businesses.

An adjunct to the Cooperative Bank, the Office of Self-Help Development and Technical Assistance, has also been created to provide new and existing cooperatives with technical assistance. This office will provide interest subsidies and capital advances to cooperatives that are not able to qualify for the Cooperative Bank loans.

The Cooperative Bank will begin with Federal funding and will repay the Federal investment as its ownership is transferred to the member cooperatives that borrow from the Bank. Eventually, the Cooperative Bank will be owned by its customers, and loans will be financed through debt issues on the private market.

*Economic and demographic statistics.*—Budget outlays for the Bureau of the Census are estimated to rise from \$212 million in 1979 to \$575 million in 1980, primarily for the 1980 decennial census. Of the \$475 million in outlays projected for the 1980 census, approximately half is for improvements to reduce the undercounting of the population in rural and urban areas, especially among minority groups.

*Other.*—The administration is requesting the elimination of the United States Travel Service (USTS) as a separate organization within the Commerce Department and its consolidation with other trade activities in the Industry and Trade Administration. No funds are requested for overseas travel promotion activities now performed by the USTS. Several factors have reduced the need for the Service's travel promotion activities: (1) discount air fares, (2) changes in the value of U.S. currency that improve foreign purchasing power for U.S. products, and (3) significant private sector tourism promotion. This proposed elimination reduces \$11 million from the 1979 spending level of \$14 million for the Travel Service. Since the Industry and Trade Administration is concerned with the entire trade deficit and the oversight of all U.S. business sectors, the transfer of Travel Service policy assessment, data, and coordination functions will help assure more consistent Federal policies for the travel sector.

The budget also includes \$14 million to carry out new administration initiatives aimed at expanding U.S. export opportunities, particularly for small- and medium-sized businesses through: (1) A new computerized matching system to provide U.S. exporters greater access to marketing opportunities abroad; (2) cost-sharing financial assistance designed to reduce a firm's risk during the startup phase of its export marketing efforts; and (3) special assistance to firms to help overcome problems commonly encountered by new or relatively inexperienced exporters.

## CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Mortgage purchase activity (GNMA):</b>			
Direct loans:			
New loans .....	1,123	2,419	2,192
Repayments, sales and adjustments (—) <sup>1</sup> .....	—1,151	—2,626	—2,114
Net credit outlays .....	—28	—207	78
Guaranteed loans: <sup>2</sup>			
New loans .....	15,194	15,000	16,500
Net credit guaranteed .....	10,032	9,836	10,500
<b>Mortgage credit (FHA):</b>			
Direct loans:			
New loans .....	246	130	86
Repayments, sales and adjustments (—) <sup>1</sup> .....	—232	—311	—340
Net credit outlays .....	14	—181	—254
Guaranteed loans: <sup>2</sup>			
New loans .....	14,292	16,450	18,601
Net credit guaranteed .....	4,377	5,978	7,074
<b>Housing for the elderly or handicapped:</b>			
Direct loans:			
New loans .....	196	516	760
Repayments, sales and adjustments (—) .....	—6	—8	—8
Net credit outlays .....	189	508	752
<b>Rural housing programs:</b>			
Direct loans:			
New loans .....	5,477	4,877	6,581
Repayments, sales and adjustments (—) <sup>1</sup> .....	—5,538	—5,152	—6,923
Net credit outlays .....	—60	—275	—342
Guaranteed loans: <sup>2</sup>			
New loans .....	4,356	4,021	5,782
Net credit guaranteed .....	2,186	2,846	2,772
<b>Central Liquidity Facility:</b>			
Direct Loans:			
New Loans .....			200
Repayments, sales and adjustments .....			—150
Net credit outlays .....			50
<b>National Consumer Cooperative Bank:</b>			
Direct loans:			
New loans .....		41	82
Repayments, sales and adjustments (—) <sup>1</sup> .....			—*
Net credit outlays .....		41	82
<b>Small Business assistance:</b>			
Direct loans:			
New loans .....	539	575	580
Repayments, sales and adjustments (—) <sup>1</sup> .....	—330	—306	—312
Net credit outlays .....	209	269	268

## CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
Guaranteed loans: <sup>a</sup>			
New loans .....	3,500	5,025	5,025
Net credit guaranteed.....	1,233	1,950	1,927
Other business assistance:			
Direct loans:			
New loans .....	30	59	234
Repayments, sales and adjustments (—) .....	—26	—21	—172
Net credit outlays .....	—4	38	62
Guaranteed loans:			
New loans .....	37	46	46
Net credit guaranteed.....	24	30	27
Off-budget Federal entity—Federal Financing Bank:			
Direct loans:			
New loans .....	15,309	13,795	16,665
Repayments, sales and adjustments (—) .....	—4,614	—2,227	—5,287
Net credit outlays .....	10,695	11,568	11,738

<sup>a</sup>500 thousand or less.<sup>1</sup> Includes sales of loan assets.<sup>2</sup> Includes loans counted as direct loans of other accounts.

**Federal Financing Bank.**—The Federal Financing Bank (FFB) provides for coordinated and efficient financing of certain types of Federal and federally assisted borrowing. The FFB acquires the direct debt of Federal agencies, obligations of government-guaranteed borrowers, and loan assets sold by Federal agencies. This consolidation of financing has reduced Federal interest costs in some programs and has made market conditions more orderly.

At the end of 1978, FFB holdings totaled \$48 billion. These holdings are estimated to total \$77 billion at the end of 1980. Further discussion of the FFB is contained in Part 6 of the Budget and Special Analyses E and F in the Special Analyses volume of the budget.

**Tax expenditures.**—The tax system provides a variety of incentives for investment in equipment, commercial and industrial structures, and residential housing.

The 10% tax credit for capital equipment generates a tax expenditure estimated at \$18.5 billion in 1980. The new credit for the rehabilitation of industrial structures will generate an additional tax expenditure of \$180 million in 1980. Rapid depreciation using asset depreciation ranges and additional first-year depreciation of equipment are estimated to result in a 1980 tax expenditure of \$3.2 billion. The depreciation of commercial structures at rates in

excess of straightline rates will produce an estimated 1980 tax expenditure of \$255 million, and expensing construction period interest and taxes produces a tax expenditure estimated to be \$700 million in 1980.

The cost of financing investment is also reduced by a number of tax preferences. The dividend exclusion produces a revenue loss estimated at \$450 million in 1980. Exclusion of interest on State and local industrial development bonds generates an estimated 1980 tax expenditure of \$585 million. Preferential treatment of capital gains produces two types of tax expenditures. Taxation of capital gains at less than the ordinary rates is estimated to reduce receipts by \$10.8 billion in 1980, and failure to tax capital gains at death is estimated to reduce receipts by another \$10 billion.

Housing investment is encouraged by permitting deduction for mortgage interest and property taxes of owner-occupied homes. These deductions generate estimated 1980 tax expenditures of \$9.3 billion and \$6.6 billion, respectively. Homeownership is also encouraged by the deferral of capital gains taxes on the sale of one's home. This treatment is estimated to reduce 1980 receipts by \$1.0 billion. Rental housing investment is encouraged by allowing depreciation in excess of straightline rates. The 1980 tax expenditure that results from this practice is estimated at \$350 million.

There are also tax expenditures for specific types of businesses. Financial institutions receive tax expenditures estimated at \$855 million in 1980 because of the favorable tax treatment accorded excess bad debt reserves. Small businesses receive a tax preference because the first \$100,000 of corporate income is taxed at less than 46%. In 1980, this provision will generate a tax expenditure of \$6.9 billion. The income of credit unions is exempt from tax, producing a tax expenditure of \$100 million.

Finally, permitting the deduction of interest on consumer debt produces an estimated tax expenditure of \$2.9 billion in 1980.

## TRANSPORTATION

***National Needs Statement:***

- Maintain a transportation system to meet the needs of commerce and the public.
- Operate that system safely, reliably, and efficiently.
- Ensure that transportation programs are consistent with the Nation's economic, energy, urban policy, environmental, and social goals.

To accomplish the national transportation needs, the Federal Government has programs for:

- highway construction, improvement, and safety;
- mass transit construction projects and operating assistance;
- railroad safety, research and development, and financial assistance;
- aviation safety, research and development;
- airway and airport development;
- marine safety, environmental protection, and financial assistance; and
- economic regulation.

Together with the efforts of private enterprise and State and local governments, these Federal programs will continue to fulfill the high expectations we have for the Nation's transportation system.

Transportation budgets and programs will exhibit the same emphasis on restraint and promoting efficiency that characterize the entire budget this year. Because transportation is a means to achieve economic progress rather than an end in itself, it is particularly important to focus on the costs and efficiency of those services. The Federal Government cannot fund all transportation projects that may benefit individual firms or individual localities; the total cost of such an undertaking would be prohibitive. We must exercise restraint and fund only those programs that are required when viewed from a national perspective. Similarly, the Federal Government cannot continue to subsidize inefficiencies within the transportation sector that lower productivity and cause a constant drain on national resources. These inefficiencies are caused in part by outdated regulations and in part by poor management or an inability to respond to changing transportation patterns. Federal operating subsidies to private firms and local governments sometimes make it too easy to continue these inefficiencies.

Not only do such Federal subsidies and regulations lead to inefficiencies that waste our resources, they also lead to an atmosphere



of increasing Federal involvement in the affairs of private industry and State and local governments. This is obvious in the case of Federal Government regulation but less obvious in the case of Federal financial assistance—including those programs financed by trust fund user taxes. Although trust funds can be entirely self-supporting, they may grow and add to the size of the Federal Government's share of total GNP. All Federal financial assistance programs, including those financed by trust funds, should be subjected to rigorous budgetary review. Controlling the size of Government's share of GNP has very real consequences for the size of the bureaucracy needed to administer the programs and the intrusion of Federal "control" that is often the corollary to Federal aid.

Throughout the transportation budget run two themes that represent the way in which the administration hopes to achieve restraint and efficiency while still meeting our national needs.

The first theme is regulatory reform. With passage of the Airline Deregulation Act of 1978, the Government took the first step toward returning to the private transportation industry—and the consumers who use it—the power to make decisions shaping the transportation system through the competitive marketplace. Early in 1979, the administration will propose legislation to reform the regulation of the railroad, truck and intercity bus industries as well. While economic regulation of transportation industries may have served a useful purpose at one time, the administration believes that the various transportation industries are now mature and largely able to function as other industries do: competing in the marketplace to satisfy the demands of their customers. Although the direct budget savings of reducing or eliminating economic regulatory programs are relatively small, significantly less regulation of the transportation industry can lead to greater efficiency and productivity for the Nation's economy, thereby combating inflation and reducing pressure for future Federal assistance.

The second theme is that the costs of Federal Government transportation programs should be equitably shared by the users who benefit from those programs. To encourage efficient use of various forms of transportation supported by Federal programs, the administration will make a number of proposals to ensure that those who benefit most pay the greatest share of the costs.

Collection of the waterway user charges authorized by the last session of Congress will be an important first step in the effort to charge the beneficiaries of the waterway system for its costs.

The administration also reassessed the expiring Airport and Airways Development Act with the objectives of focusing Federal assistance on essential safety and capacity projects and achieving a more equitable balance of costs and benefits through a restructuring of the trust fund and the taxes that maintain it.

For highway programs, the administration is undertaking a study to determine whether the current distribution of highway trust fund user taxes is equitable.

For mass transit, the administration proposes to hold Federal subsidies for operating mass transit at current levels. The administration will undertake a study of the short and long term implications of trends in mass transit operating deficits and how these costs might be shared between Federal, State and local governments, and the users themselves.

For freight railroad systems, the budget proposes various financial assistance programs for private railroads, including funds for Conrail. The administration, however, expects that railroad deregulation will decrease the need for Federal financial assistance, and the budget proposals reflect these expectations. The cost to the railroads of the regulatory system—a cost often passed on to shippers in the form of inefficient service or higher rates on other shipments or to the taxpayer in the form of government assistance to the railroads—has exceeded the benefits to the Nation.

The administration will propose a reduction in the railroad passenger routes served by Amtrak. The Nation can no longer afford the luxury of maintaining rail passenger trains that, on many routes, are little used. Based on recommendations of the final Amtrak route restructuring report of the Department of Transportation, the administration supports a reduced Amtrak system that emphasizes routes most heavily traveled by rail passengers. The budget proposes to continue improvements of the Northeast corridor where rail passenger ridership is heavy and the improvements make economic sense.

These twin themes of economic deregulation and bringing costs into line with benefits underlie the discussion of each mission that follows. With these themes, restraint and economic efficiency can be achieved while still meeting our national needs for a safe and reliable transportation system.

**Ground transportation.**—The budget proposes outlays of \$11.9 billion in 1980 to support the Nation's network of highways, railroads, and mass transit services in a safe, reliable, and efficient manner. This is \$97 million below the 1979 level.

**Highways and mass transit.**—Requested funding for traffic and highway safety continues to focus on meeting the national goals of reducing the number of deaths and injuries on the highways and improving automobile fuel efficiency. The National Highway Traffic Safety Administration will focus its regulatory activities on programs with a high potential for reducing deaths and injuries on the Nation's highways. Fuel economy activity is directed toward

## NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS

(Functional code 400; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Ground transportation:</b>					
Highway improvement and construction.....	6,510	6,964	7,139	7,353	6,527
Highway safety.....	754	1,587	1,817	2,042	1,624
Mass transit.....	551	2,416	2,473	3,712	3,827
Railroads.....	1,939	3,055	1,445	1,571	1,500
Proposed legislation.....			250	400	325
Regulation.....	65	73	81	83	83
Subtotal, ground transportation.....	9,819	14,095	13,205	15,161	13,885
<b>Air transportation:</b>					
Airways and airports.....	2,785	3,161	3,096	966	838
Proposed legislation.....				2,400	2,680
Aeronautical research and technology.....	437	529	557	505	522
Air carrier subsidies.....	74	73	76	78	82
Regulation.....	25	28	31	30	30
Subtotal, air transportation.....	3,321	3,792	3,760	3,979	4,152
<b>Water transportation:</b>					
Marine safety and transportation.....	1,417	1,534	1,598	1,672	1,740
Ocean shipping.....	494	511	487	614	627
Regulation.....	10	11	11	11	11
Subtotal, water transportation.....	1,920	2,056	2,096	2,297	2,379
<b>Other transportation.....</b>	85	91	90	95	96
<b>Deductions for offsetting receipts.....</b>	-102	-53	-50	-52	-52
<b>Total, budget authority.....</b>	<b>15,043</b>	<b>19,981</b>	<b>19,101</b>	<b>21,479</b>	<b>20,460</b>

improving fuel efficiency in automobiles, light trucks, and vans. The highway safety grant program will continue the special emphasis on enforcement of the 55 mile per hour national speed limit. Safety inspections of trucks and buses used in interstate commerce will also be increased.

Federal highway and mass transit programs will be carried out under the newly enacted, comprehensive Surface Transportation Assistance Act of 1978, which provides multi-year authorizations for Federal assistance programs for highways, highway safety, and public transit. Likewise, it extends the highway trust fund to continue financing highway programs from user tax revenues. The Act, enacted in November 1978, moves significantly toward achievement of the administration's transportation goals through:

- accelerated construction of the interstate system by the imposition of firm dates by which Interstate projects must be initiated;
- increased flexibility in the use of Federal highway and transit funds;

**NATIONAL NEED: BALANCED TRANSPORTATION SYSTEMS—Continued**

(Functional code 400; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Ground transportation:</b>					
Highway improvement and construction.....	5,640	6,160	6,083	6,475	6,849
Highway safety .....	644	969	1,394	1,760	1,853
Mass transit.....	2,177	2,376	2,539	2,702	2,952
Railroads.....	1,829	2,396	1,740	1,987	1,511
Proposed legislation.....			40	320	360
Regulation.....	65	73	81	85	86
Subtotal, ground transportation .....	10,355	11,973	11,876	13,329	13,610
<b>Air transportation:</b>					
Airways and airports.....	2,778	2,949	2,994	992	875
Proposed legislation.....				2,298	2,564
Aeronautical research and technology.....	398	476	539	534	518
Air carrier subsidies.....	77	73	72	78	82
Regulation.....	25	28	31	30	30
Subtotal, air transportation.....	3,277	3,526	3,635	3,932	4,068
<b>Water transportation:</b>					
Marine safety and transportation.....	1,273	1,411	1,484	1,586	1,660
Ocean shipping .....	571	485	562	596	592
Regulation.....	9	11	11	11	11
Subtotal, water transportation .....	1,854	1,906	2,057	2,193	2,264
<b>Other transportation .....</b>	<b>61</b>	<b>97</b>	<b>91</b>	<b>90</b>	<b>91</b>
<b>Deductions for offsetting receipts.....</b>	<b>-102</b>	<b>-53</b>	<b>-50</b>	<b>-52</b>	<b>-52</b>
<b>Total, outlays.....</b>	<b>15,444</b>	<b>17,449</b>	<b>17,609</b>	<b>19,492</b>	<b>19,981</b>
<b>ADDENDUM</b>					
<b>Off-budget Federal entity:</b>					
U.S. Railway Association:					
Budget authority .....	20	27	30	26	26
Outlays.....	66	63	27		

- a narrowing of the differences in Federal matching shares for financing highway and mass transit construction to encourage more balanced State and local government transportation decisions;
- an expanded bridge program, including rehabilitation and replacement;
- greater emphasis on reconstruction of existing roads;
- a grant program for transit in rural areas and small towns to be allocated by a set formula;
- a discretionary grant program for city transit programs focused to support the administration's urban policies; and

- consolidated planning requirements for transit and highway programs.

The authorized funding levels contained in the new act are higher than those requested by the administration. Nevertheless, with moderate appropriations restraint, the effective funding level requested for the act can be set at a level consistent with the President's budgetary goals. Restraint will also be needed to slow down the unacceptably high rate of cost increases in highway construction (21% higher in 1978 than in 1977).

The administration is seeking in 1980 to maintain major highway and transit programs that meet critical transportation needs while continuing to eliminate or reduce those programs that have been identified as lower priorities. While support for the Federal-aid highway programs (primarily interstate, primary, secondary and urban highways) is increasing—with a \$360 million outlay increase in 1980—the budget does not propose funding a series of smaller highway programs that can be funded within existing Federal-aid highway authorities or that can be supported satisfactorily by States and localities. Among the highway programs for which no funds are proposed are aid for construction of roads not listed on any Federal-aid highway system and most aid earmarked for specifically identified highway projects. Additionally, in light of recently enacted legislation that drastically reduces the scope of the highway beautification program, the budget does not request any funds for this purpose pending completion of a comprehensive Department of Transportation review of the program to determine if it can be successfully continued.

The 1980 budget recommends a program of grants for public transit assistance at levels near those originally proposed by the administration last year for 1980. This assistance will maintain the policy, begun in 1979, of allocating by formula over half of the Federal assistance for the purchase of transit buses.

The 1980 budget proposes support for substantial construction on the new rail transit systems now underway in several cities. In addition, the budget requests \$200 million of budget authority for transit-related investments intended to revitalize the central city areas of many metropolitan areas. This funding is part of the President's urban initiative announced in March, 1978. The program will be conducted in close cooperation with the Departments of Commerce, and Housing and Urban Development.

The budget, however, does not request funds for several new, narrow categories of public transportation assistance authorized in the Surface Transportation Assistance Act. These narrow grants—which include intercity bus subsidies and bus terminal construction—largely duplicate funding authority already available under more broadly based transit programs. The administration believes

that existing programs address the problems for which these special categories were created.

The administration proposes to fund Federal mass transit operating subsidy assistance in 1980 at the same level as in 1979. This level of funding continues the administration's commitment to provide an adequate level of operating assistance to the Nation's urban transportation systems.

The administration is proposing the most significant organizational streamlining of the Department of Transportation since it was created in 1967. The Department of Transportation has developed a plan to create a single Surface Transportation Administration, which would consolidate the personnel and functions currently performed by two separate agencies—the Urban Mass Transportation Administration and the Federal Highway Administration. It is expected that this will reduce the paperwork burden, improve efficiency and effectiveness at all levels of government, and encourage a more integrated approach to highway and public transportation investments.

*Railroads.*—The President's budget for various railroad financial assistance programs is an outgrowth of a broader analysis of the future of the railroad industry and its role as part of a viable national transportation system. The railroads in general are struggling for financial survival, and particular railroads are already bankrupt or on the verge of bankruptcy. Any attempt to preserve the current rail system in its entirety would require massive amounts of Federal aid. Such aid would treat only the symptoms and not the fundamental causes of the railroads' financial difficulties that include: requirements to provide services at rates that do not cover costs; a lack of flexibility to vary rates and service according to fluctuations in supply and demand; inadequate productivity improvements; increasing competition from other forms of transportation; poor service reliability; and a deteriorating physical plant structure. Failing to deal with the railroads' basic problems could become a significant threat to our efforts to control Federal spending and to limit the intrusion of the Government into the affairs of private industry.

The key assumption of the President's budget is this: We cannot continue to ask the general taxpayer to pay the cost of an uneconomic railroad system, a system largely sustained by outdated Federal regulatory policies. As a consequence, the administration regards changes in the regulatory system as crucial.

The administration believes that railroads should no longer be forced to transport freight at rates that do not yield a reasonable rate of return. The administration's regulatory reform proposals are designed to permit the railroads freedom to respond to chang-

ing market pressures and, through the actions of the marketplace, to assume their proper role in our transportation system. This will mean that each freight mode—trucks, railroads, airlines, pipelines, and barges—carries the freight traffic that it is most economically suited to handle. It also will mean the end to certain cross-subsidies in the railroad rate structure that penalize some railroad shippers to benefit others. In the long run the Nation cannot afford the cost to the economy and the taxpayer of maintaining these economic inefficiencies.

In prior years, direct Federal financial assistance to railroads (not including Conrail) was in the form of loan guarantees and the purchase of non-voting, preferred railroad stock, which is redeemable and yields a fixed dividend. This assistance was designed to preserve the industry while providing time to conduct a comprehensive analysis of the railroads and their role in the transportation system. That analysis, contained in the Department of Transportation's study, "A Prospectus for Change in the Freight Railroad Industry," concludes that the railroad industry would require massive Federal assistance to survive in its present form. Moreover, it found that the industry could become economically self-sustaining only through major structural and other changes of which regulatory reform is an essential element.

The new financial assistance programs for railroads proposed in the budget are consistent with these findings and complement the regulatory reform proposals. The purpose of Federal aid should not be the preservation of uneconomic railroad services that may be better performed by other modes. Rather, the administration proposes that Federal aid should be provided only to assist the railroads as they make the transition to a deregulated competitive environment. That environment would encourage railroads to compete for traffic and improve the productivity of both labor and capital. It would allow railroads to terminate those services for which railroads cannot profitably compete. Legislation will be proposed this spring to alter the form in which Federal financial assistance will be offered (grants, direct loans, or guarantees). The budget proposes that the total of Federal commitments should not exceed \$250 million in 1980 and \$1.2 billion during the transition to deregulation.

Conrail is a case study of the problems of the freight railroad industry and what happens when Federal aid is provided to maintain a railroad without addressing its basic problems. Unless there are fundamental changes, Conrail will need permanent Federal aid, even though it has already received a commitment of \$3.3 billion of taxpayer assistance to date. Budget authority of \$2.3 billion has already been appropriated to Conrail, and a supplemental of \$974

million is now being requested for 1979. Outlays from the supplemental are estimated to be \$239 million in 1979, \$440 million in 1980 and \$295 million in 1981. The supplemental is required because the original assumptions about the rate of financial improvement were over optimistic and Conrail has been unable to make the needed changes.

The President's budget proposes to continue funding Conrail, but constrained to the approximate rate requested in Conrail's February 1978 business plan. This rate of funding will not allow ConRail to continue all of its unprofitable operations. The administration believes ConRail needs to trim away its unprofitable operations and improve its services. As discussed above, the proposals to change the regulatory system will facilitate this process.

Assistance to rail passenger service takes the form of a subsidy to the National Railroad Passenger Corporation (Amtrak), and financing capital improvements through the Northeast corridor improvement project. The 1980 Amtrak request is sufficient to operate a reduced route system as recommended in the final Amtrak route restructuring study. The reduced system has fewer long-haul routes and places greater emphasis on trains that average more passengers. The Northeast corridor improvements are designed to make rail passenger travel in the Northeast more attractive and, therefore, increase the number of passengers and the revenues received by Amtrak. These improvements will provide the best opportunity for rail passenger service in the Northeast to become self-supporting.

*Regulation.*—In addition to its regulatory reform initiatives for railroads, the administration will propose intercity bus deregulation legislation to Congress early this session. Intercity bus deregulation will complement airline deregulation and extend the benefits of more competition to people who travel by bus and not by plane. The administration also supports reforming truck industry regulations. It would be a logical complement to railroad deregulation, since competition between modes of transportation would be increased. It also should lead to reduced shipping costs, less inefficiency and wasted fuel, less paperwork, and more opportunities for small and minority businessmen.

*Air transportation.*—To provide a safe and reliable air transportation system, the Federal Government will spend an estimated \$3.1 billion in 1980, compared to \$3.5 billion in 1979.

*Airways and airports.*—The primary mission of the Federal Aviation Administration (FAA) is the safe and expeditious movement of air traffic. This budget allows the FAA to expand further its air traffic controller staffing levels in airport towers and terminals



where airline and general aviation traffic has placed additional demands upon the air traffic control system. As was the case last year, the FAA will continue to improve its management so as to reduce staffing for functions other than air traffic control. The budget also reflects the initial productivity gains in systems maintenance resulting from the agency's program to replace obsolete equipment and to install remote monitoring systems, which will reduce the frequency of on-site maintenance visits.

In recent months the FAA has conducted a thorough review of its activities aimed at reducing the risk of mid-air collisions and near misses. As a result of this review, additional funds are requested for both 1979 and 1980: (1) to increase air traffic control oversight at 62 locations; (2) to install instrument landing systems primarily for training purposes at 24 "reliever" airports (airports that can relieve traffic levels at more congested nearby airports); and (3) to expedite research and development on collision avoidance systems and expanded computer systems.

The budget proposes to continue the growth in fire safety research so that a well-defined information base can be developed for subsequent rulemaking proceedings. All high-priority facilities and equipment projects related to aviation safety are proposed for funding. However, many projects for refurbishing and enhancing facilities have been deferred. The budget proposes a 1-year reduction of the discretionary portion of the airport development grants program.

The administration will offer legislation to extend the airport and airway trust fund. The programs financed by this fund will expand the capacity and safety of the airport and traffic control system to handle the expected rapid growth in air transportation—growth that is partly attributable to the deregulation of the airline industry and the expected surge in airline passenger traffic. Funding levels for 1981–85 total \$14.6 billion. This includes \$4.0 billion for airport grants and planning, \$2.1 billion for facilities and equipment, \$0.5 billion for research and development, and \$8.0 billion to cover an increasing share of the cost of operating the airway system. These amounts will provide steadily increasing program levels commensurate with the growth of aviation. Revenues plus interest on the unspent trust fund balance are estimated to be \$13.2 billion over the same period. The uncommitted trust fund balance would therefore be reduced from \$3.2 billion at the beginning of 1981 to \$1.8 billion by the end of 1985. At the same time, changes will be made in the user taxes that sustain the trust fund to provide a better balance between the sources of revenue and the groups that benefit from the various trust fund programs. Specific changes to be reflected in the proposal are: (1) an *ad valorem* fuel tax on aviation gasoline plus an excise tax on new aircraft and

aircraft equipment; (2) beginning in 1981, a substantial increase in funding levels for airport grants, airway facilities and equipment; and (3) more extensive coverage of FAA operational expenses by trust fund revenues. A discussion of these proposals is included in Part 4, "Budget Receipts."

*Aeronautical research and technology.*—NASA's aeronautical research and technology activities will continue to provide a sound technology base for increasing the safety, efficiency, and performance of air transportation systems, supporting the Department of Defense in maintaining the superiority of the Nation's military aircraft, and maintaining our strong competitive position in the international market for aviation equipment. The 1980 budget continues to emphasize the current energy efficiency program, which should lead to more efficient aircraft needing less fuel.

*Air carrier subsidies.*—Under the terms of the Airline Deregulation Act, the Civil Aeronautics Board will continue the current subsidy program. This program, which provides Federal funds to certified carriers that operate routes eligible for subsidies, will end after 7 years. The Board is also beginning a new subsidy program that is designed to guarantee essential air services to small communities now served by certified carriers. Commuter airlines will be eligible to receive funds under the new subsidy program, and will also be eligible to receive loan guarantees for the purchase of aircraft. The administration believes commuter airlines can replace larger airlines in serving small communities and provide even more frequent and convenient service.

*Regulation.*—The administration's commitment to reform of domestic commercial aviation contributed to the enactment of legislation deregulating airline passenger and cargo operations. Already, deregulation and prior support of regulatory reform have led to drastically reduced fares for passengers. Lower fares have, in turn, generated increased airline traffic and higher industry profits. Air cargo service is also improving in a deregulated environment. The administration believes deregulation will lead to even more benefits as airline competition to serve the traveler and shipper expands further.

*Water transportation.*—To meet the need for a competitive U.S. merchant marine and to maintain a safe, reliable, and efficient marine transportation system, the budget proposes \$2.1 billion in outlays for water transportation programs in 1980, compared to \$1.9 billion in 1979.

*Marine safety and transportation.*—The Coast Guard provides a variety of services to the mariner and general boating public that enhance the safe, efficient, and enjoyable use of the Nation's waterways. These services range from search and rescue of persons in distress, to maintenance of navigation aids, to prevention and cleanup of marine pollution. The budget recommends a continuing emphasis on improving maritime safety and environmental protection through such high-priority activities as the oil tanker inspection and examination programs, the upgrading of tanker construction and operations standards, and implementation of the recently enacted Outer Continental Shelf legislation. Legislation to implement the International Convention for the Prevention of Pollution from Ships, 1973, will again be proposed as part of the administration's efforts to control oil pollution in the oceans. To accomplish the Coast Guard's many missions, the budget continues the renovation and replacement of over age, inadequate operating equipment.

The budget proposes termination of the boating safety grant program. This program has achieved its objective of stimulating increased State and local effort in the area of recreational boating safety.

*Ocean shipping.*—Direct subsidies are provided to the U.S. merchant marine and shipbuilding industry to offset higher American costs that otherwise would encourage ship operators to build their vessels in foreign shipyards and operate them under foreign registry. The total 1980 outlays for this program are estimated to be \$549 million. Other indirect support is provided to the maritime industry in the form of loan guarantees and government cargo preference rules. (These rules require that half of all ocean shipments of Government-sponsored cargoes be made aboard U.S. flag vessels except for military shipments, which must be moved exclusively on American ships.) In 1980, an estimated \$1 billion in new ship construction loan commitments will be guaranteed by the Federal Government. The cost to the Federal Government of the cargo preference rules is estimated to be approximately \$150 million in 1980 outlays.

The administration will propose legislation to reorient the subsidy programs toward the growing market in bulk carriage and to more effectively promote the U.S. maritime industry. As with the truck and rail industries, the regulated ocean liner shipping industry will be the subject of legislative proposals designed to reform the shipping statutes administered by the Federal Maritime Commission.

A new Federal agency will begin operating the Panama Canal in 1980. Under legislation to be proposed by the administration to implement the Panama Canal Treaty of 1977, the Panama Canal

Commission, a new agency, will be self-financing and will be governed by a Board of Directors composed of 5 U.S. and 4 Panamanian members. The U.S. members will represent the Departments of Defense, State, Transportation, Commerce, and Treasury. The Defense representative will serve as Chairman of the Board. The new Commission will operate the Canal but, unlike the predecessor Panama Canal Company, will not provide related commercial services to Canal users and employees. Commercial services will be provided largely by the government and private businesses of Panama.

## CREDIT PROGRAMS—TRANSPORTATION

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Highways and mass transit:</b>			
Direct loans:			
New loans .....	-17		
Repayments, sales and adjustments (—) .....	-56	-101	—*
Net credit outlays .....	-73	-101	—*
Net credit guaranteed .....	-3		
<b>Railroads:</b>			
Direct loans:			
New loans .....	801	1,006	521
Repayments, sales and adjustments (—) .....			
Net credit outlays .....	801	1,006	521
Guaranteed loans:			
New loans .....	67	402	15
Net credit guaranteed .....	25	433	-92
<b>Assistance to ocean shipping:</b>			
Direct loans:			
New loans .....	108	6	4
Repayments, sales and adjustments (—) .....	-36	-2	-1
Net credit outlays .....	72	5	2
Guaranteed loans:			
New loans .....	900	937	888
Net credit guaranteed .....	451	730	661
<b>Aircraft loan guarantees:</b>			
Guaranteed loans:			
New loans .....	41	50	100
Net credit guaranteed .....	27	29	70
<b>Off-budget Federal entity—U.S. Railway Association:</b>			
Direct loans:			
New loans .....	79	90	58
Repayments, sales and adjustments (—) .....	-10	-22	-23
Net credit outlays .....	69	68	35

## COMMUNITY AND REGIONAL DEVELOPMENT

### *National Needs Statement:*

- Promote the development, maintenance, or redevelopment of economically and socially viable neighborhoods in urban, suburban, and rural areas.
- Develop a partnership among Federal, State, and local governments and the private sector to assist in the stabilization of and revitalization of economically depressed and declining areas.
- Provide relief to areas that suffer from natural disasters.

In announcing the urban initiative last spring, the President emphasized the need to develop a viable and continuing partnership among the Federal, State, and local governments and the private sector to assure the revitalization of economically depressed and declining areas. This partnership concept was an essential ingredient in the urban policy. It acknowledged that Federal resources alone could not begin to achieve the task of revitalizing economically depressed urban areas.

The current austere budget has forced a thorough reexamination of the array of Federal programs providing direct and indirect community and regional development assistance to States and local communities, including the program increases and initiatives contained in the President's urban policy. This effort has reaffirmed the need to develop an effective partnership among Federal, State and local governments and the private sector.

Proposed resources allocated for community and regional development are increased substantially, despite overall budget austerity. Total proposed budget authority increases from \$8.1 billion in 1979 to \$11.3 billion in 1980. This 39% increase reflects the high priority placed on meeting essential community and regional development needs and fulfilling the Federal Government's commitment to developing a meaningful and effective partnership. The decline in 1980 outlays reflects the higher level of outlays in 1978 and 1979 for antirecession and disaster assistance programs. These programs are phasing down in 1980 due to improved economic conditions, a return to normal levels of disaster relief and emergency loan assistance, and more effective management of those disaster assistance programs.

Federal programs in this area have not been uniformly increased, however. This budget proposes increases for those programs that advance the partnership with State and local governments and the private sector, and that target Federal resources to

areas with the greatest need and the greatest potential for improvement. Federal resources for community and regional development will focus more explicitly on two key objectives:

- increasing the capability of local governments to provide those public services essential to the revitalization of their neighborhoods and communities; and
- more effective support for private sector economic development to increase the competitiveness of the U.S. economy and the economic vitality of local areas.

For those programs considered most effective in meeting these objectives, this budget proposes:

- an increase of \$150 million in HUD's community development block grant program;
- maintaining HUD's urban development action grant program at its 1979 funding level of \$400 million;
- a National Development Bank (NDB) to provide \$3.5 billion in budget authority for grants, loan guarantees, interest subsidies, and other financial assistance to business firms willing to locate or remain in economically depressed areas;
- increased funding for neighborhood-oriented programs, including neighborhood self-help development grants, the livable cities programs, and the housing rehabilitation activities of the recently established Neighborhood Reinvestment Corporation;
- additional adjustment assistance for communities adversely affected by energy resource development activities; and
- a revised framework of regional commissions to spur economic development.

The proposed NDB is a major part of the administration's increased efforts in the community and regional development area. Although it is currently shown as an independent agency, the administration is considering several options for locating the Bank within an existing department.

The substantial increases in proposed budget authority for community and regional development activities more than offset the proposed reduction or elimination of a number of lower priority programs in this area. Prime examples of these proposed program reductions are the \$13 million decrease in HUD's comprehensive planning grant program; the elimination of the \$200 million HUD State incentive grants program proposed last year; and the \$323 million reduction in Department of Agriculture grants and insured loans for water, sewer, and community facility development in rural areas.

## NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Community development:</b>					
Department of Housing and Urban development:					
Community development block grants .....	3,600	3,750	3,900	3,800	3,800
Urban development action grants .....	400	400	400	400	400
Expiring categorical programs .....	3	3	14	16	15
Rehabilitation loans .....		230	130	140	135
Research and planning .....	109	110	93	93	93
Neighborhood self-help .....		15	15	15	15
Other programs .....	111	47	40	62	67
Departmental management .....	157	171	192	194	194
Neighborhood Reinvestment Corporation .....			10	10	10
Pennsylvania Avenue development .....	21	65	39	40	44
Other .....	2	2	2	2	2
Subtotal, community development .....	4,403	4,794	4,834	4,772	4,776
<b>Area and regional development:</b>					
National Development Bank (proposed) .....		4	3,530	2,563	2,574
Rural development and business assistance .....	966	989	605	783	812
Economic development assistance .....	522	538	609	607	607
Local public works .....	4	11			
Inland energy impact .....			150	150	150
Coastal energy impact .....	115		4	4	4
Indian programs .....	799	970	885	893	895
Regional commissions .....	430	481	484	484	528
Other programs .....	139	155	134	120	108
Offsetting receipts .....	-295	-350	-353	-343	-368
Subtotal, area and regional development .....	2,679	2,797	6,049	5,262	5,309
<b>Disaster relief and insurance:</b>					
Disaster loans .....	2,641	218	61	76	91
Federal emergency management activities .....	576	325	313	739	289
Drought assistance and other .....	30	10	20	20	20
Subtotal, disaster relief and insurance .....	3,246	553	394	835	400
Deductions for offsetting receipts .....	-23	-19	-19	-19	-19
Total, budget authority .....	10,306	8,126	11,259	10,850	10,467

**NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued**

(Functional code 450; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Community development:</b>					
Department of Housing and Urban development:					
Community development block grants .....	2,464	2,875	3,272	3,687	3,760
Urban development action grants .....	.....	44	162	267	395
Expiring categorical programs .....	395	307	315	85	12
Rehabilitation loans .....	47	91	125	160	135
Research and planning .....	118	112	110	96	93
Neighborhood self-help .....	.....	3	14	15	15
Other programs .....	100	51	59	66	66
Departmental management .....	145	166	191	194	194
Neighborhood Reinvestment Corporation .....	.....	.....	10	10	10
Pennsylvania Avenue development .....	20	52	42	53	42
Other .....	12	13	16	21	25
Subtotal, community development .....	3,302	3,715	4,316	4,654	4,748
<b>Area and regional development:</b>					
National Development Bank (proposed) .....	.....	4	195	756	971
Rural development and business assistance .....	516	666	475	777	829
Economic development assistance .....	326	348	431	476	519
Local public works .....	3,057	2,051	319	.....	.....
Inland energy impact .....	.....	.....	76	150	150
Coastal energy impact .....	*	11	54	55	55
Indian programs .....	746	782	730	795	816
Regional commissions .....	372	400	412	471	516
Other programs .....	127	150	134	122	110
Offsetting receipts .....	-295	-350	-353	-343	-368
Subtotal, area and regional development .....	4,850	4,062	2,473	3,259	3,597
<b>Disaster relief and insurance:</b>					
Disaster loans .....	2,105	793	20	35	50
Federal emergency management activities .....	618	470	460	405	414
Drought assistance and other .....	148	42	30	20	20
Subtotal, disaster relief and insurance .....	2,871	1,305	510	460	484
Deductions for offsetting receipts .....	-23	-19	-19	-19	-19
Total, outlays .....	11,000	9,063	7,281	8,354	8,810
<b>ADDENDUM</b>					
Off-budget Federal entity—Rural Telephone Bank:					
Budget authority .....	135	156	150	146	144
Outlays .....	113	124	143	140	135

\*\$500 thousand or less.

**Community development.**—A variety of Federal programs, administered by several agencies, support the mission of community development by providing Federal grants, loans, and technical assist-



ance to States and localities. Outlays for this mission are estimated to rise from \$3.5 billion in 1979 to \$4.2 billion in 1980.

*Department of Housing and Urban Development.*—The Housing and Community Development Act of 1974 consolidated a number of separately funded HUD community development programs into the community development block grant program. This program substantially improved and simplified Federal community development assistance to local governments by offering a single flexible source of Federal assistance to support a wide range of activities based on local priorities. Activities funded under this program include property acquisition, the construction of public facilities, the rehabilitation of buildings, the provision of social services, and planning and management. Funds are allocated by formula on the basis of objective measures of need. The Housing and Community Development Act of 1977 made the community development block grants more responsive to the needs of distressed urban areas. It provided metropolitan cities and urban counties the choice of receiving allotments under either of two formulas:

- the original formula, composed of poverty (50%), population (25%), and overcrowded housing (25%); or
- an alternative formula, composed of poverty (30%), population growth lag, as represented by below average growth rates since 1960 (20%) , and age of housing stock (50%).

The alternative formula addressed the physical deterioration in older urban areas and has increased entitlement grants for these communities.

The proposed level of new commitments for block grants in 1980 is \$3.8 billion, \$150 million above the 1979 level. This increase will go primarily to metropolitan cities and urban counties. Outlays reflect the rate at which State and local governments carry out their projects and are expected to increase from \$2.8 billion in 1979 to \$3.2 billion in 1980.

The Housing and Community Development Act of 1977 also established *urban development action grants*. Under this program, severely distressed cities and urban counties receive discretionary grants to supplement local government and private sector financing for major urban rehabilitation projects. The 1980 budget requests \$400 million in budget authority for the action grants. Outlays for the urban development action grant fund are estimated to rise from \$44 million in 1979 to \$162 million in 1980.

Outlays for categorical programs replaced by block grants will continue to decrease as previously approved projects are completed. To help communities settle these old commitments, the budget requests \$100 million in budget authority for the categorical projects financial settlements fund, which is in the community develop-

ment block grant program. By using these funds, plus funds from the block grant program, and their own resources, local communities should be able to meet their remaining financial commitments under these old categorical community development programs.

*Comprehensive planning grants*, established by the Housing Act of 1954, provide funds to States, local governments, and areawide organizations for planning and management. The budget authority proposed for this program in 1980 is \$40 million, about 25% less than the \$53 million appropriated in 1979. This reduction recognizes that the program has achieved many of its original purposes — the development of comprehensive planning and management capability in many State and local governments. It also reflects the availability of other Federal funds to support planning activities and independent efforts to improve the regional commissions (described in the area and regional development mission).

The *rehabilitation loan program* provides subsidized loans to rehabilitate residential and commercial structures in specified areas. A program level of \$185 million is proposed for 1980 compared to \$260 million in 1979. The 1980 request would finance the rehabilitation of 12,800 single-family dwellings and 4,500 multi-family units. Outlays are estimated to increase from \$91 million in 1979 to \$125 million in 1980.

The budget continues the emphasis on neighborhood-oriented programs established in the administration's urban initiative. Budget authority of \$15 million for the neighborhood self-help development program is requested for both 1979 and 1980. This program provides Federal grants to voluntary, non-profit neighborhood organizations to assist them in carrying out revitalization projects in declining urban neighborhoods. The budget also provides budget authority of \$5 million in both 1979 and 1980 for HUD's livable cities program. This program is expected to help revitalize low- and moderate-income urban neighborhoods by supporting projects with cultural, artistic, and historical merit. In addition, the programs of the newly established Neighborhood Reinvestment Corporation will be supported in 1980 by a request of \$9.5 million in budget authority. This corporation replaces the Urban Reinvestment Task Force which received \$8.5 million in 1979 from HUD research and demonstration funds for neighborhood housing rehabilitation projects.

*Pennsylvania Avenue development.*—The budget requests \$39 million in budget authority for 1980 to continue the revitalization of downtown Washington, D.C., as envisioned in the Pennsylvania Avenue development plan. The first two major projects are scheduled to begin in 1979. Development will continue under the direction of the Pennsylvania Avenue Development Corporation in coop-

eration with private enterprise. Outlays for land acquisition and development and public development activities are estimated to decline from \$52 million in 1979 to \$42 million in 1980 as the need for Federal support declines.

***Related programs for urban assistance.***—On March 27, 1978, the President presented his urban policy “a new partnership to conserve America’s communities.” The policy committed the Federal Government to a comprehensive effort to make Federal programs more sensitive to the needs of urban areas. This effort included improvements in existing Federal programs as well as major legislative initiatives. While a large portion of urban assistance is included in the national needs category of community and regional development, significant portions of it are classified elsewhere. Included in these initiatives as part of community development are:

- the livable cities program;
- the neighborhood self-help and development program;
- additional funding for the section 312 housing rehabilitation program emphasizing multi-family rehabilitation; and
- the National Development Bank (discussed under regional development below) to help both urban and rural areas.

Classified as meeting national needs other than community and regional development are the following:

- An urban parks and recreation program, which provides matching grants to local governments to encourage revitalization and rehabilitation of urban parks and recreation systems.
- The creation of a National Consumer Cooperative Bank, which will provide credit, equity, and technical assistance to consumer cooperatives.
- An urban intermodal transit program, which provides assistance to urban areas for intermodal transportation and economic development projects.
- A private sector initiative to encourage private employers to hire and train unemployed and low-income individuals.
- New efforts to improve the health care of inner-city residents in selected cities across the country.
- The provision of additional assistance for school districts with high concentrations of low-income students.
- A program permitting the Secretary of Treasury to guarantee loans to New York City.

In addition, improvements in the employment tax credit and an extension of the investment tax credit for rehabilitation of existing plant and equipment will provide support to urban areas. Legislation to be proposed for the reauthorization of the Law Enforcement Assistance Administration will include an expansion of urban community anti-crime programs.

The budget also reflects a transition program of targeted fiscal assistance. This program, discussed in the section on general purpose fiscal assistance, will provide aid to local governments continuing to experience high unemployment and fiscal strain. Also discussed in that section is the proposal for a standby countercyclical fiscal assistance program to be activated in the event of an economic decline.

A precise accounting of the amount of Federal resources currently allocated to urban areas is difficult. Approximate data do exist, however, on the portion of Federal grants to State and local governments that go to standard metropolitan areas (SMSA's). These areas are essentially urban in character, but include suburbs as well as central cities. To make a meaningful comparison of the year-to-year changes in resources flowing into SMSA's, it is useful to adjust for the effects of the business cycle and therefore exclude from the figures the amounts attributable purely to antirecession programs, which are expected to be phased down in response to improved economic conditions. Deleting these amounts yields estimated total grant outlays going into SMSA's of \$46 billion, \$51 billion, and \$54 billion for 1978, 1979, and 1980, respectively, or an annual rate of increase between 1978 and 1980 of approximately 7.7%. Total Federal grant outlays for SMSA's in 1980 are estimated to be \$55 billion.

***Area and regional development.***—Programs in this mission support rural and urban development, American Indian tribal governments, and multistate regional development through the Appalachian Regional Commission and other regional commissions. The administration is proposing a significant shift in emphasis toward direct support for private sector economic development efforts. The proposed National Development Bank is the key element in this shift.

***National Development Bank.***—The National Development Bank is the major new initiative in the area of community and regional economic development. The mission of the Bank is to stimulate private investment and increase private sector employment in rural and urban areas experiencing lagging growth and persistent or increasing unemployment.

The Bank will be the nucleus for the consolidation of new and existing Federal business credit assistance targeted on economic development. Direct and guaranteed loan programs in the Economic Development Administration, Farmers Home Administration, the Small Business Administration, and the Department of Housing and Urban Development will be among those considered for incorporation within the Bank. In addition to consolidating business

## URBAN INITIATIVES

(In millions of dollars)

National needs	Budget Authority			Outlays		
	1979 estimate	1980 estimate	1981 estimate	1979 estimate	1980 estimate	1981 estimate
<b>Community and regional development:</b>						
HUD: Livable cities.....	5	5	5	2	5	5
HUD: Self-help development program.....	15	15	15	3	14	15
HUD: Housing rehabilitation loans	135	36	47	6	25	53
National Development Bank .....	4	3,126	3,208	4	695	1,755
<b>Natural resources and environment:</b>						
Solid waste recovery planning grants.....	15	15	15	10	15	15
Urban parks and recreation facilities.....	38	150	150	2	20	71
<b>Commerce and housing credit:</b>						
National Consumer Cooperative Bank.....	54	89	128	50	90	126
<b>Transportation:</b>						
Multi-modal transportation demonstration grants.....	200	200	200	20	60	120
<b>Education, training, employment, and social services:</b>						
Private sector initiatives.....	400	.....	.....	50	150	150
Community Development Credit Union (CSA) .....	.....	12	.....	.....	9	3
Urban Volunteer Corp (ACTION) ...	5	25	25	1	8	21
Assistance to troubled schools (HEW) .....	3	4	4	1	4	4
<b>Health:</b>						
Increased funds for community health services.....	50	50	50	10	20	30
<b>General purpose fiscal assistance:</b>						
Targeted fiscal assistance .....	250	150	.....	250	150	.....
<b>Total .....</b>	<b>1,174</b>	<b>3,877</b>	<b>3,847</b>	<b>409</b>	<b>1,265</b>	<b>2,368</b>

credit within the Bank, the Administration in considering alternatives to locate the Bank within an existing department.

The Bank will add a variety of new inducements to promote economic development including:

- capital grants to firms of up to 15% of the capital costs of a project, with a \$3 million limit on any single project;
- guarantees of private loans for job-producing plant and equipment: up to 75% of the long-term debt with a maximum of \$15 million on a specific project;

- interest subsidies for the long-term debt guaranteed by the Bank, which could bring a firm's cost of funds on the guaranteed loan to a rate as low as 2.5%;
- a 40% interest subsidy for up to \$20 million of taxable development bonds to finance the capital costs of a project as an alternative to the guarantee; and
- a financial intermediary to buy long-term private loans made to businesses in distressed areas to encourage the flow of capital in those areas.

The variety of inducements could be tailored to address specific local needs and would, in turn, result in maximum benefits per Federal dollar invested.

*Rural development and business assistance.*—The Department of Agriculture administers a variety of development programs. The budget provides for \$950 million in water and sewer and community facility insured loans during 1980, a decrease of \$200 million from the 1979 level, and for insured and guaranteed loans of \$1.0 billion for industrial development, a decrease of \$100 million from the 1979 level. It also proposes that \$275 million in budget authority be made available for water and sewer and rural development grants, \$18 million less than the 1979 level. No funds are requested for comprehensive planning grants, or for rural community fire protection grants. Total funding for these programs in 1979 was \$8.5 million.

The water and sewer and the community facility loan and grant programs are intended to augment and complement the community development block grant program and the Environmental Protection Agency waste treatment grant program in rural areas. The Department of Agriculture community facility programs are limited to communities with a population of less than 10,000; industrial development loan guarantees are available in communities of less than 50,000 population.

While the program decreases reflect the need for restraint to achieve the administration's anti-inflation objectives, the funds provided are directed at meeting the needs of lower income communities. Comprehensive planning is assisted under a number of Federal programs including HUD's community development block grants program.

Outlays for these rural programs are estimated to increase from \$516 million in 1978 to \$666 million in 1979 and decline to \$475 million in 1980, because of disbursements from prior-year loan and grant commitments in 1978 and 1979, and because of asset sales in 1980.

*Economic development.*—The Economic Development Administration (EDA) assists States, rural and urban communities, and Indian

tribes to help them deal with problems of economic distress through grants and loans for public works and business development loans and loan guarantees. Budget authority of \$609 million is requested for 1980, an increase of \$71 million over the 1979 appropriation. Outlays for economic development assistance are estimated to increase from \$348 million in 1979 to \$431 million in 1980.

Outlays for local public works are estimated to decline from \$2.1 billion in 1979 to \$0.3 billion in 1980 as spending for the countercyclical program is completed. No funding is requested for the labor intensive public works program announced last year as part of the President's urban initiative.

*Inland energy impact assistance.*—This program would provide funds for non-coastal States, communities, and Indian tribes to develop and carry out plans for mitigating the adverse effects of rapid population growth due to the development of energy resources. For each of 5 years, beginning in 1980, the program would provide \$15 million for planning grants and \$135 million for implementation grants, primarily to capitalize State revolving funds that would make grants and loans to local areas for infrastructure improvements. Matching contributions of State and tribal funds for the implementation of impact mitigation strategies would be required.

*Coastal energy impact.*—This program provides planning grants and major loans and loan guarantees to States and local governments to assist them in planning and financing public facilities and services required as a result of energy development activities in or near coastal areas, such as Outer Continental Shelf oil development. No 1980 funding for the loan program is requested because an estimated \$130 million will be available in 1980 for loans and loan guarantees from prior-year appropriations. For 1979 and 1980 an estimated total of \$98 million will be obligated for Federal grants, loans, and loan guarantees. Outlays are estimated to rise from \$11 million in 1979 to \$54 million in 1980.

*Indian programs.*—The major objectives of Federal Indian policy are to meet the trusteeship responsibilities of the U.S. Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations. To further these objectives, the Indian Self-Determination and Education Assistance Act of 1975 enables Indian communities to administer Federal programs serving them, pursuant to contracts with the Bureau of Indian Affairs (BIA). Approximately \$180 million of BIA programs are covered by such contracts.

The Federal Government provides grants, training, and technical assistance to strengthen tribal management and planning abilities. It also encourages economic development through business development assistance, direct Federal loans, loan guarantees, and interest subsidies. The Federal Government funds community development activities, such as construction of roads, schools, and irrigation systems. Outlays for the Indian programs whose primary mission is regional development are estimated to be \$763 million in 1980 compared to \$822 million in 1979 reflecting a reduced construction program. Additional assistance to Indian tribes is classified in the health, education, natural resources and environment, and general government functions.

*Regional commission programs.*—The regional commissions seek to encourage community and economic development within their boundaries. The administration will propose legislation to reauthorize and improve the Appalachian Regional Commission and to strengthen and modernize the other regional commissions consistent with the following objectives:

- to provide a nationwide system of compatible multistate regional commissions to assist areas experiencing rapid economic growth, as well as those areas suffering from economic decline;
- to upgrade regional planning by ensuring that State and, where appropriate, substate development plans are used as “building blocks” leading to coordinated and compatible multistate development plans;
- to encourage the use of development grants to resolve multistate, rather than strictly local problems;
- to broaden the commissions’ scope to permit work on subjects such as energy, urban policy, human and natural resources—subjects that go beyond the commissions’ traditional “economic development” focus;
- to increase coordination with Federal Regional Councils to facilitate the execution of interagency agreements for implementing multistate strategies; and
- to facilitate an evolutionary shift of regional commission boundaries to a more rational framework, with no State belonging to more than one commission.

Taken together, these changes will revive the regional commissions and will significantly improve the Federal-State partnership in promoting regional development.

*Disaster relief and insurance.*—Insurance against losses from such natural disasters as floods, hurricanes, and tornadoes is the responsibility of individuals and businesses, with State and local



governments primarily responsible for aiding recovery. Federal insurance and disaster relief are available to supplement these resources when they are insufficient. Beginning in 1979, responsibility for administering the disaster relief programs authorized by the Disaster Relief Act of 1974 and the flood insurance program will be vested in the new Federal Emergency Management Agency.

Outlays for disaster relief and insurance are estimated to be \$1.3 billion in 1979 and \$0.5 billion in 1980.

*Disaster loans.*—Under current law, both the Farmers Home Administration in the Department of Agriculture and the Small Business Administration have the authority to make emergency farm disaster loans. To remedy the difficulties caused by this overlap in responsibility, the administration is again proposing to limit such authority to the Farmers Home Administration. The administration will also propose that firms seeking disaster loan assistance from the Small Business Administration must first be denied loan assistance by private lenders. The Farmers Home Administration is better equipped, through its long experience in dealing with farmers, to handle disaster loans for farmers more effectively, and will assure that loan assistance is extended only to those who can demonstrate a real need and who cannot obtain private loans. Farmers Home Administration programs are discussed more fully in the agriculture and commerce and housing credit functions.

*Federal Emergency Management Activities.*—The Federal Emergency Management Agency (FEMA) will be established in 1979 to bring together, in a single agency the major Federal programs for civil defense, emergency preparedness, flood insurance, disaster relief assistance and hazard mitigation. The objectives prompting consolidation of these programs are: (1) better coordination of Federal responsibilities for civil and natural disasters and (2) establishing a single Federal contact for State and local disaster preparedness agencies.

Disaster relief is provided in the form of grants to individual victims and block grants for the restoration of public facilities. Outlays depend upon the incidence and severity of uninsured losses from natural disasters, and are estimated to be \$241 million in 1980, compared to \$276 million in 1979.

The national flood insurance program, included in FEMA, is designed to reduce the economic hardship resulting from floods. Flood insurance is available at federally subsidized rates for structures located in flood hazard areas in communities that are willing

to adopt flood plain management plans. By the end of 1980, 16,322 communities — representing 90% of the total population that resides in the Nation's flood hazard areas — will be participating in the program. Most of the estimated \$162 million in outlays in 1980 will result from the payment of insurance claims.

Hazard mitigation programs will work to reduce the occurrence of preventable disasters and reduce the damage caused by disasters that do occur. These programs will concentrate on fires, flood plain management, earthquakes, dam safety, weather-related disasters, and the consequences of terrorist activities. The U.S. Fire Agency will continue its work on fire prevention and control in the new agency, including training local fire personnel in management and fire-fighting techniques at a new National Fire Academy. Flood plain studies conducted by FEMA will assist local governments in land use planning in these areas, in order to minimize the adverse effects of flooding. In the remaining areas, FEMA will carry out programs of its own and will coordinate the related programs of other Federal agencies.

#### CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

[In millions of dollars]

Program	1978 actual	1979 estimate	1980 estimate
<b>Housing and Urban Development programs:</b>			
Direct loans:			
New loans .....	386	266	348
Repayments, sales and adjustments (—) <sup>1</sup> ....	—277	—187	—167
Net credit outlays .....	108	79	181
Guaranteed loans:			
New loans .....	46	52	27
Net credit guaranteed .....	—515	—223	—286
<b>National Development Bank:</b>			
Direct loans:			
New loans .....			532
Repayments, sales and adjustments (—) <sup>1</sup> ....			—501
Net credit outlays .....			31
Guaranteed loans:			
New loans .....			1,832
Net credit guaranteed .....			1,777
<b>Farmers Home Administration programs:</b>			
Direct loans:			
New loans .....	990	1,141	1,404
Repayments, sales and adjustments (—) <sup>1</sup> ....	—948	—1,111	—1,551
Net credit outlays .....	42	31	—147
Guaranteed loans: <sup>2</sup>			
New loans .....	1,473	1,946	2,475
Net credit guaranteed .....	1,064	1,503	1,748

## CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT—Continued

[In millions of dollars]

Program	1978 actual	1979 estimate	1980 estimate
<b>Other community and regional development programs:</b>			
Direct loans:			
New loans .....	247	204	242
Repayments, sales and adjustments .....	—33	—34	—36
Net credit outlays .....	213	170	207
Guaranteed loans:			
New loans .....	113	395	433
Net credit guaranteed .....	78	350	387
<b>Small Business Administration disaster loans:</b>			
Direct loans:			
New loans .....	2,211	953	237
Repayments, sales and adjustments .....	—181	—330	—412
Net credit outlays .....	2,030	623	—175
Guaranteed loans:			
New loans .....	1	1	.....
Net credit guaranteed .....	—1	—*	—1
<b>Off-budget Federal entity—Rural Telephone Bank:</b>			
Direct loans:			
New loans .....	142	160	185
Repayments, sales and adjustments <sup>1</sup> .....	—4	—11	—14
Net credit outlays .....	138	149	171

\* \$500 thousand or less.

<sup>1</sup> Includes sale of loan assets.<sup>2</sup> Includes loans counted as direct loans of other accounts.

**Related programs.**—Many programs whose primary purpose is to fulfill other national needs also promote community and regional development. Federal outlays for civil public works, shown on the table below, support community development. In addition, grants for local health, education, crime prevention, employment training, transportation and general revenue sharing assist State and local development. Other direct Federal activities, such as housing credit, defense contracting, management of public forests and parks, and the operation of Federal facilities (for example, Veterans Administration hospitals, naval shipyards, and NASA research facilities) also significantly affect community development.

**FEDERAL OUTLAYS FOR CIVIL PUBLIC WORKS AND CONSTRUCTION<sup>1</sup>**

(In billions of dollars)

Function or Program	1978 actual	1979 estimate	1980 estimate
<b>Federal public works:<sup>1</sup></b>			
Community and regional development .....	238	261	171
Water resources projects .....	2,032	1,975	1,934
Other natural resources and environment .....	601	688	663
Energy .....	2,054	2,188	1,943
Transportation .....	297	348	377
Veterans hospitals .....	243	284	318
Health .....	167	217	212
Other functions .....	319	423	475
<b>Total, Federal public works .....</b>	<b>5,952</b>	<b>6,385</b>	<b>6,092</b>
<b>Grants to State and local governments:</b>			
Community and regional development:			
Community development block grants .....	2,464	2,875	3,272
Local public works .....	3,057	2,051	319
Other .....	1,083	1,133	1,249
<b>Subtotal, community and regional develop-</b>			
<b>ment .....</b>	<b>6,605</b>	<b>6,059</b>	<b>4,841</b>
Highways and mass transit .....	7,200	8,151	8,425
Other transportation .....	660	653	602
Pollution control and abatement .....	3,187	3,100	3,600
Other natural resources and environment .....	233	261	213
Other .....	138	196	168
<b>Total, grants to State and local govern-</b>			
<b>ments .....</b>	<b>18,022</b>	<b>18,420</b>	<b>17,849</b>
<b>Total, public works .....</b>	<b>23,974</b>	<b>24,804</b>	<b>23,941</b>

<sup>1</sup> Outlays for the construction and rehabilitation of physical assets, including privately owned assets.

## EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

### *National Needs Statement:*

- Assist the disadvantaged and the disabled to be self-sufficient and self-supporting.
- Assist State and local governments in providing equal elementary and secondary educational opportunities to students of special national concern, particularly the disadvantaged and the handicapped.
- Ensure that no one is denied access to higher education because of financial barriers.
- Promote the development and dissemination of knowledge concerning education theory and practice.
- Promote the development of, and access to, the arts and humanities.
- Provide work skills needed for full and equal access to jobs.
- Provide transitional employment opportunities for the disadvantaged where regular labor markets do not provide sufficient jobs for them.
- Enhance the quality of the workplace and the stability of labor-management relations.

To help meet our national needs in education, training, employment, and social services in 1980, the budget proposes Federal spending of \$30.2 billion and requests \$30.9 billion in budget authority. The 1980 outlay estimate is \$446 million below the 1979 level and the budget authority request is \$2.1 billion below 1979, reflecting the fiscal restraint that is one of the dominant principles of this year's budget.

Notwithstanding these decreases, the proposed spending to support education, training, employment, and social services is nearly 50% above the 1977 level. Available resources have been directed toward programs that serve the disadvantaged. For example, although the total budget authority request is below the 1979 level, the budget includes increases for education services for low-income, low-achieving students, education of the handicapped, and bilingual and Indian education. Similarly, although the total level of public service employment proposed for 1980 is below the 1979 level, no reduction is proposed in the programs directed at structural unemployment, which serve the neediest of the unemployed. Moreover, a 1979 supplemental of \$400 million in budget authority would provide additional outlays in both 1979 and 1980 for a new program to

improve private sector employment opportunities for the disadvantaged. The major budget proposals in this area would:

- provide increased assistance to localities for compensatory education in areas with high concentrations of low-income children;
- assist States in improving the basic skills of school children;
- provide training and employment assistance for individuals in greatest need, emphasizing long-term job skill development and private sector job creation;
- safeguard the rights and improve the status of children in foster care, and provide assistance for family reunification or adoption as alternatives to long-term foster care;
- develop new strategies to improve the welfare system, with special emphasis on employment and training; and
- assist in maintaining older Americans with the greatest economic and social needs in a home environment through the provision of necessary supportive services.

#### NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[Functional code 500; in millions of dollars]

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Education:</b>					
<b>Elementary, secondary, and vocational education:</b>					
Aid to education agencies:					
Elementary and secondary education ..	3,191	3,779	3,953	3,953	3,953
Indian education .....	318	335	339	328	328
Impact aid .....	805	816	528	528	528
Education for the handicapped .....	661	977	1,028	1,028	1,028
Occupational, vocational and adult education .....	733	782	772	772	772
Other .....	339	345	358	358	358
Child development .....	676	731	751	751	751
Subtotal, elementary, secondary, and vocational education .....	6,721	7,765	7,730	7,719	7,719
<b>Higher education:</b>					
Student aid and institutional support .....	4,141	5,332	5,013	5,118	5,224
Special institutions .....	160	175	188	188	188
Subtotal, higher education .....	4,300	5,507	5,200	5,305	5,411
<b>Research and general education aids:</b>					
Special projects and training .....	101	113	118	118	118
Educational research:					
National Institute of Education .....	90	92	98	98	98
Other .....	28	33	33	33	33
Cultural activities .....	492	559	638	635	648
Other .....	517	541	518	523	530
Subtotal, research and general education aids .....	1,228	1,339	1,405	1,407	1,426

**NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued**

[Functional code 500; in millions of dollars]

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Subtotal, education .....	12,249	14,611	14,335	14,431	14,556
<b>Training, employment, and labor services:</b>					
<b>Training and employment:</b>					
General training and employment programs .....	2,359	2,384	2,466	2,526	2,540
Private sector program .....	.....	400	.....	.....	.....
Public service employment .....	.....	5,992	4,727	4,570	4,707
Youth programs .....	1,173	1,967	2,047	2,276	2,276
Older workers .....	212	221	235	243	243
Work incentive program .....	365	385	385	385	385
Federal-State employment service .....	694	745	762	800	839
Subtotal, training and employment .....	4,802	12,094	10,623	10,800	10,989
<b>Other labor services .....</b>	440	530	543	548	553
Subtotal, training, employment, and labor services .....	5,242	12,624	11,166	11,348	11,542
<b>Social services:</b>					
Grants to States for social and child welfare services .....	2,614	2,965	2,632	2,651	2,668
Proposed legislation .....	.....	.....	434	480	504
Retroactive claims .....	.....	543	.....	.....	.....
Services for the disabled, the elderly and other special groups .....	1,553	1,623	1,658	1,655	1,655
Community service programs .....	598	543	505	505	505
Domestic volunteer programs .....	118	135	170	170	170
Other social services .....	7	15	15	15	15
Subtotal, social services .....	4,891	5,823	5,414	5,475	5,517
<b>Deductions for offsetting receipts .....</b>	-12	-12	-12	-13	-13
<b>Total, budget authority .....</b>	<b>22,370</b>	<b>33,046</b>	<b>30,903</b>	<b>31,241</b>	<b>31,603</b>

**OUTLAYS****Education:****Elementary, secondary, and vocational education:****Aid to education agencies:**

Elementary and secondary education ..	2,815	3,034	3,447	4,006	3,948
Indian education .....	289	302	301	284	309
Impact aid .....	766	800	619	537	528
Education for the handicapped .....	327	525	814	982	1,011
Occupational, vocational and adult education .....	693	808	840	784	775
Other .....	235	349	326	349	356
Child development .....	561	699	758	756	751

**Subtotal, elementary, secondary, and vocational education .....**

5,686	6,517	7,106	7,698	7,679
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**Higher education:**

Student aid and institutional support .....	3,337	4,696	4,702	4,800	5,168
Special institutions .....	148	177	185	190	191

**NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued**

[Functional code 500; in millions of dollars]

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Subtotal, higher education .....	3,486	4,873	4,887	4,990	5,359
<b>Research and general education aids:</b>					
Special projects and training .....	60	101	104	105	117
Educational research:					
National Institute of Education .....	64	89	90	95	95
Other .....	14	29	26	36	33
Cultural activities .....	490	530	592	623	643
Other .....	454	523	519	514	525
Subtotal, research and general education aids .....	1,082	1,272	1,330	1,373	1,413
Subtotal, education .....	10,254	12,662	13,323	14,061	14,451
<b>Training, employment and labor services:</b>					
<b>Training and employment:</b>					
General training and employment programs .....	2,393	2,644	2,432	2,582	2,540
Private sector program .....		50	150	150	50
Public service employment .....	5,764	5,465	4,930	4,570	4,707
Youth programs .....	1,475	2,242	2,131	2,261	2,275
Older workers .....	134	210	219	239	243
Work incentive program .....	364	372	378	385	385
Federal-State employment service .....	653	745	762	800	839
Subtotal, training and employment .....	10,784	11,729	11,002	10,986	11,038
<b>Other labor services .....</b>	<b>410</b>	<b>520</b>	<b>525</b>	<b>540</b>	<b>551</b>
Subtotal, training, employment, and labor services .....	11,194	12,249	11,527	11,526	11,589
<b>Social services:</b>					
Grants to States for social and child welfare services .....	2,809	2,965	2,586	2,651	2,668
Proposed legislation .....			434	480	504
Retroactive claims .....		543			
Services for the disabled, the elderly and other special groups .....	1,517	1,499	1,680	1,650	1,655
Community service programs .....	575	597	506	505	505
Domestic volunteer programs .....	113	128	151	168	170
Other social services .....	14	25	15	15	15
Subtotal, social services .....	5,027	5,757	5,372	5,469	5,517
<b>Deductions for offsetting receipts .....</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-13</b>	<b>-13</b>
<b>Total, outlays .....</b>	<b>26,463</b>	<b>30,656</b>	<b>30,210</b>	<b>31,043</b>	<b>31,544</b>

**EDUCATION**

The primary mission of Federal education programs is to assure that all Americans have equal access to a good education. This mission is carried out by giving State and local education agencies



funds to enhance their education systems and to provide enriched education for the disadvantaged and the handicapped; by providing Federal assistance to support higher education; and by promoting research and the dissemination of information in the field of education.

Total budget authority for Federal education programs for 1979 is \$14.6 billion. That is \$2.4 billion more than was provided in the preceding year—the largest 1-year increase in the history of education programs. This budget proposes \$14.3 billion in budget authority for 1980, \$276 million less than for 1979.

Over half of this \$276 million decrease is accounted for by a reduction in the budget authority needed to continue current policies in the basic educational opportunities grants program.

Consistent with the restraint that characterizes this budget, total 1980 budget authority proposed for other education programs is approximately the same as the 1979 level. However, in developing this budget, the purposes and effectiveness of each of these education programs was rigorously examined. As a result, program objectives have been refined and priorities have been adjusted. Although aggregate budget authority for these education programs is close to last year's level, some programs have been reduced or terminated, while some new initiatives and increases in other programs are proposed.

*Elementary, secondary, and vocational education.*—These programs provide assistance to State and local education agencies through formula and discretionary project grants.

Most of the assistance is to improve the quality of educational services offered to students of special national concern to the Federal Government—those in low-income families, the handicapped, Indians, and students with limited English language skills. Funds are also provided to support vocational education, and to compensate school districts for the economic burden placed on them by the presence of federally related activities.

*Elementary and secondary education.*—The largest share of the funds for elementary and secondary education goes to State and local education agencies for supplementary services to low-income, low-achieving students under Title I of the Elementary and Secondary Education Act (ESEA). Budget authority of \$3.1 billion is requested for the basic ESEA State grant program in 1980, which is expected to aid an estimated 6.4 million students at an average per-pupil expenditure of \$454. While the budget request provides funds for basic grants at the same level as in 1979, increases are proposed for several other elementary and secondary education programs.

The administration requests funding for a new initiative under Title I—ESEA authorized by the education amendments of 1978. This new authority targets compensatory education funding to areas with high concentrations of low-income students. A supplemental appropriation of \$258 million for 1979 and \$400 million of budget authority in 1980 is requested for this initiative to help urban areas cope with the severe problems of educating their economically disadvantaged youth.

The 1978 amendments also expanded the Right to Read program from one of reading improvement to a program aimed at assisting States and local education agencies to teach the basic skills of reading, writing, and mathematics more effectively. In addition, funds will be spent to assist States in developing and using achievement tests. Budget authority of \$37 million is requested for these expanded programs in 1980.

Budget authority of \$174 million, compared to \$150 million in 1979, is requested for grants to States and local schools to help 340,000 children with limited English language skills. These funds will establish bilingual education programs and promote teacher and curriculum development to meet the needs of bilingual children.

*Indian education.*—Budget authority of \$339 million is recommended for 1980 to advance the education of Indians and Alaskan Natives, \$4 million more than was provided in 1979. The Department of the Interior's Bureau of Indian Affairs operates 220 schools serving approximately 52,000 elementary and secondary students. An estimated 7,700 handicapped Indian students will receive special services, and four tribally controlled Indian community colleges will be supported. In addition, the Department of Health, Education, and Welfare will provide grants of \$160 per child to 1,200 public school districts serving 300,000 Indian students. Special projects will increase the number of Indian professionals in medicine, law, business, forestry, and engineering. Over 16,000 adult Indians will receive assistance in reading and mathematics.

*Impact aid.*—This program is intended to compensate local school districts for the loss of property tax revenue caused by tax-exempt Federal land or federally-related activities. However, much of the aid now goes to school districts where Federal activity does not place a special burden on the tax base of local communities.

The administration is proposing to provide Federal impact aid to school districts only on behalf of children whose parents both live and work on Federal property. Since Federal property is exempt from local taxes, these families do not contribute to the cost of education—as other families do. Therefore, Federal contributions to

support public education for the children of these families are appropriate. Budget authority of \$528 million is requested for 1980, compared to \$816 million in 1979.

*Education for the handicapped.*—The budget requests budget authority of \$862 million in 1980 for grants to assist State and local education agencies in educating handicapped children, \$58 million more than the 1979 appropriation. The funds will pay approximately 12% of the extra costs incurred by school districts in meeting the special needs of 4 million handicapped children, the same percentage as in 1979. The budget requests a total of \$1.03 billion in budget authority to support education for the handicapped.

*Occupational, vocational, and adult education.*—Budget authority of \$772 million is proposed to support occupational, vocational, and adult education. The request for occupational and vocational education, \$682 million, is the same as the 1979 appropriation. The request for adult education programs is the same as the request for 1979 and \$10 million below the appropriation for that year. Most of the funds go to the States for general support of vocational education. Some funds are allocated separately for special programs for the disadvantaged.

*Other aid to education agencies.*—Budget authority of \$354 million is requested for the Emergency School Aid Act and for civil rights advisory activities to aid school districts engaged in desegregation, an increase of \$13 million over the 1979 program level.

*Child development.*—Federal funds foster research, demonstration, and service programs that aid in the social and cognitive development of preschool children. A supplemental appropriation of \$55 million is requested for 1979 to bring total funding for the preschool Head Start program in this year to \$680 million. For 1980, the budget requests \$700 million in budget authority. This funding will allow Head Start to serve 414,000 children in 1980. The 1980 budget also requests continued support for programs aimed at preventing child abuse and neglect.

*Higher education.*—The primary mission of Federal higher education programs is to assure that students are not denied the opportunity to receive post-secondary education because of inadequate financial resources.

*Student aid.*—Student aid in the form of grants, loans, and work-study assistance enables several million students annually to go to college who otherwise might not be able to afford the cost. The budget includes \$2.4 billion in 1980 budget authority to assist families with incomes of up to \$25,000 under the basic educational

opportunity grant program. This request fully funds the program and provides grants of up to \$1,800 to 2.6 million undergraduate students in school year 1980-81, a decrease of 100,000 from the prior school year, but 800,000 more than the 1978-79 school year. The decrease is the result of anticipated increases in family incomes, which will reduce the number of students eligible to receive an award.

The budget also requests funding for three other student grant programs in 1980 at the same levels as in 1979. Budget authority of \$340 million is requested for supplemental educational opportunity grants to 573,000 post-secondary students. Budget authority of \$77 million is recommended for State student incentive grants to provide aid to 307,000 students in financial need. In addition, \$550 million of budget authority is recommended to maintain the same number of part-time jobs under the college work-study program as in 1979. Legislation will be proposed to eliminate the requirement that these three programs be funded at specified levels, some of which are not met by the 1980 budget request, before the basic educational opportunity grant program is funded.

Budget authority of \$960 million is requested to provide \$2.5 billion in loans in 1980 to 1.5 million students under the guaranteed student loan program. The request includes funds to cover the costs of providing Federal interest payments under the guaranteed student loan program to all students regardless of family income while they are in school and for up to 1 year thereafter. The Middle Income Student Assistance Act authorizing these payments was enacted in 1978, reflecting the administration's recognition that the substantial cost of higher education is a problem that confronts middle-income as well as low-income families. In addition to the continued growth of the guaranteed student loan program, budget authority of \$220 million is requested to provide Federal capital contributions to institutional student loan funds in 1980 under the national direct student loan program.

#### CREDIT PROGRAMS—HIGHER EDUCATION

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
Direct loans:			
New loans.....	564	638	496
Repayments, sales and adjustments (—) <sup>1</sup> .....	—115	—149	—94
Net credit outlays.....	449	489	402
Guaranteed loans <sup>2</sup> :			
New loans.....	4,284	4,857	5,300
Net credit guaranteed.....	848	1,001	1,200

<sup>1</sup> Includes sale of loan assets.

<sup>2</sup> Includes loans counted as direct loans of other accounts.

Budget authority of \$130 million is requested for the special higher education (TRIO) programs for the disadvantaged in 1980. These programs identify and help prepare potential college students at the secondary school level, and assure that placement, career counseling, and other services will be provided once they are enrolled in postsecondary courses. Budget authority of \$18 million is requested to assist minority students under the biomedical sciences and the graduate professions opportunities programs. The total 1980 budget authority request for these three programs, \$148 million, is the same as the 1979 level. The distribution among the three programs, however, is somewhat different. The budget also requests that funding to assist developing institutions be continued at the 1979 level of \$120 million. This funding is the full amount authorized for appropriation.

*Special institutions.*—Budget authority of \$192 million is recommended to fund the American Printing House for the Blind, Gallaudet College, the National Technical Institute for the Deaf, and Howard University in 1980. This budget authority is an increase of \$13 million over 1979. These institutions will serve an estimated 55,000 students in 1980.

*Research and general education aids.*—These funds provide support for educational research and development, cultural activities, special projects that focus on national needs in education, and program administration. Budget authority of \$98 million is requested for the National Institute of Education for 1980, compared to \$92 million in 1979. The Institute will focus on increasing educational equity and improving educational practice. In addition, the Institute will conduct research on testing proficiencies in the basic skills.

Budget authority requested for 1980 for the National Endowments for the Arts and the Humanities is \$154 million and \$150 million, respectively. Federal support for the Endowments is partially matched by contributions from non-Federal sources. Funds for the Corporation for Public Broadcasting are provided two years in advance, and the budget includes \$172 million in budget authority for the Corporation for Public Broadcasting for 1982. An appropriation of \$171 million is requested for the Smithsonian Institution in 1980.

*Department of Education.*—The administration will resubmit to the Congress a proposal to establish a Cabinet-level Department of Education. The basic purposes of the new Department will be to continue and strengthen the Federal commitment to ensuring equal education opportunity, to promote and support efforts to

improve the quality of education, to improve the management, efficiency and accountability of Federal education activities, and to promote an effective partnership among Federal, State and local governments, and private and public institutions in education matters.

***Related programs.***—A number of Federal programs are related to education, although their primary purpose is to meet other national needs and to serve other major missions. For example, veterans readjustment benefits provide assistance to eligible veterans attending school, and the health programs of the Federal Government support substantial levels of training in the biomedical field. Comprehensive Employment and Training Act (CETA) training activities are frequently conducted through State and local education agencies, and some CETA public service employment participants are employed in education agencies. CETA also provides special grant set-asides to be used by, or with the cooperation of, education agencies, primarily to increase coordination between the education and the training and employment systems. The accompanying table shows major education-related programs that support other major missions.

## FEDERAL OUTLAYS FOR EDUCATION AND RELATED PURPOSES

(In millions of dollars)

Level and program	1978 actual	1979 estimate	1980 estimate
<b>Education outlays<sup>1</sup>.....</b>	<b>10,254</b>	<b>12,662</b>	<b>13,323</b>
<b>Related outlays supporting other major mis-</b>			
<b>sions:</b>			
<b>Elementary and secondary:</b>			
Child nutrition.....	2,665	2,809	2,658
Student grants, Social Security Administration.	335	360	390
U.S. Forest Service, Agriculture.....	112	120	141
Military personnel.....	33	40	42
Veterans readjustment.....	379	296	252
Other.....	60	62	66
Subtotal, elementary and secondary .....	<u>3,584</u>	<u>3,687</u>	<u>3,549</u>
<b>Higher education:</b>			
Veterans readjustment benefits .....	2,697	2,214	1,892
Student grants, Social Security Administration.	1,277	1,378	1,509
Defense service academies and ROTC.....	624	670	679
Health professions training.....	624	395	270
Research training, National Institutes of			
Health.....	145	156	160
Alcohol, Drug, and Mental Health Administra-			
tion.....	73	73	74
Other.....	180	207	161
Subtotal, higher education .....	<u>5,620</u>	<u>5,093</u>	<u>4,745</u>
<b>Adult and continuing education:</b>			
Agriculture Extension Service .....	240	239	232
Veterans readjustment benefits .....	119	96	23
Student grants, Social Security Administration.	128	137	151
Other.....	43	56	63
Subtotal, adult and continuing education .....	<u>530</u>	<u>528</u>	<u>469</u>
<b>Training of Federal military employees:</b>			
Defense and Coast Guard.....	<u>338</u>	<u>353</u>	<u>364</u>
<b>Other:</b>			
Comprehensive Employment and Training Act...	1,104	1,126	1,052
International development assistance.....	23	37	44
Other.....	162	173	170
Subtotal, other .....	<u>1,289</u>	<u>1,336</u>	<u>1,265</u>
<b>Total related outlays .....</b>	<b><u>11,361</u></b>	<b><u>10,997</u></b>	<b><u>10,392</u></b>
<b>Grant Total .....</b>	<b>21,615</b>	<b>23,659</b>	<b>23,715</b>

<sup>1</sup> See national needs table at the beginning of this section.

### TRAINING, EMPLOYMENT, AND OTHER LABOR SERVICES

Programs that carry out the training and employment mission are designed to improve employment opportunities, mainly for the disadvantaged, and increase long-term employment and earnings prospects. These programs develop work skills, provide employment, and improve the operation of labor markets. Other labor services include regulation of employer-employee relations and the publication of labor statistics.

**Training and employment.**—Funding for the training and employment mission has grown steadily over the years, with large temporary increases in 1977 and 1978 as part of the President's economic stimulus effort. Because of continued improvement in the economy, employment has increased substantially, by more than 7.4 million jobs since December 1976. For 1980, funding for training and employment programs would be directed toward the economically disadvantaged and the long-term unemployed. In addition, greater emphasis will be placed on improvements in management and in minimizing fraud and abuse.

The following tables and charts provide information on trends in the level of training and employment services, on the distribution of services by type of service provided, and on the characteristics of participants in training and employment programs, compared both to the unemployed and to the poor. These data cover all programs that are functionally classified as training and employment services, as well as programs with similar objectives in other classifications. Outlays for these other programs are shown in the table at the end of this section.

#### DISTRIBUTION OF TRAINING AND EMPLOYMENT SERVICES BY TYPE OF SERVICE

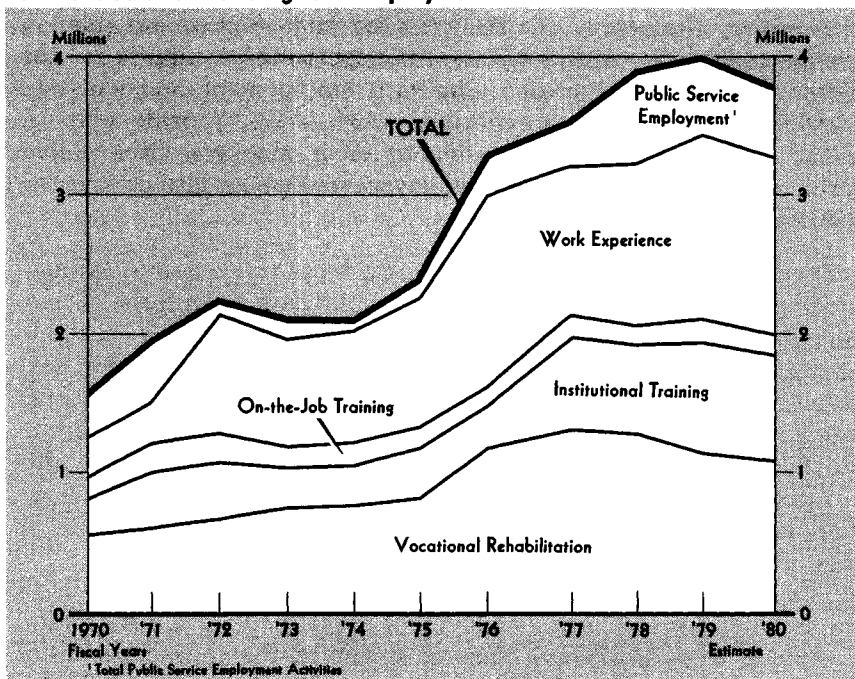
(In percent)

Service	Outlays			Years of service		
	1978	1979	1980	1978	1979	1980
Public service employment.....	40	31	30	17	14	13
Work experience.....	19	21	22	30	33	34
On-the-job training.....	3	4	5	3	4	4
Institutional training.....	16	21	21	17	20	20
Vocational rehabilitation.....	7	7	8	33	28	28
Labor market services.....	14	15	15	n.a.	n.a.	n.a.

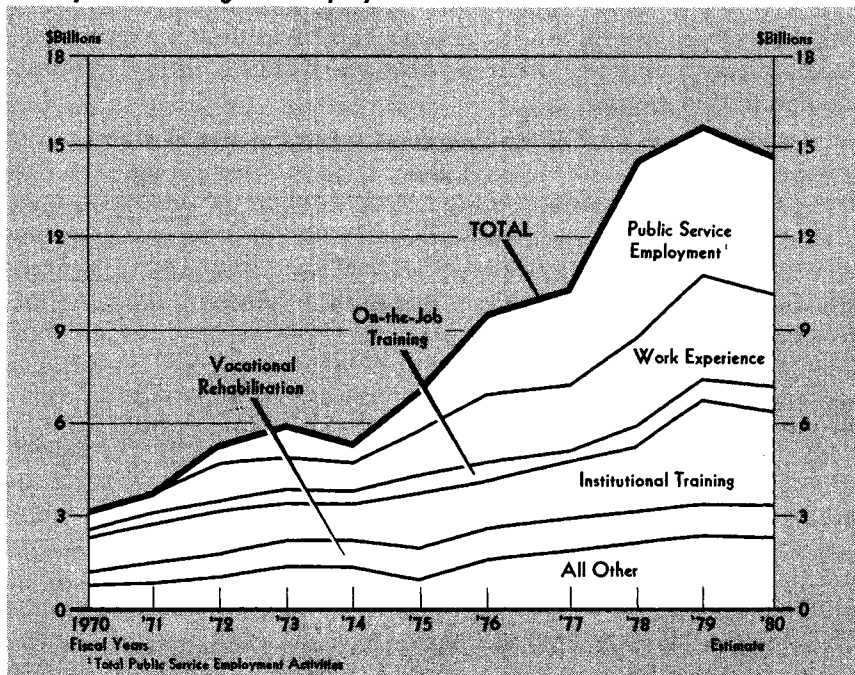
n.a. = Not applicable.



### Service Years for Training and Employment Activities



### Outlays for Training and Employment Activities



**CHARACTERISTICS OF THE UNEMPLOYED, THE POOR, AND TRAINING AND EMPLOYMENT  
PROGRAM PARTICIPANTS<sup>1</sup>**

	Unemployed workers			Poverty population <sup>2</sup>			Program participants		
	1974	1976	1978	1974	1976	1978	1974	1976	1978
Average number (millions) .....	5.1	7.3	6.0	15.4	17.3	16.9	2.1	3.3	3.9
Percent:									
Age 21 or less .....	39	34	40	25	27	26	31	40	34
Female .....	47	46	49	63	62	62	56	47	52
Less than high school education ...	47	42	49	67	68	65	43	41	46
Low income .....	<sup>a</sup> 20	<sup>a</sup> 21	<sup>a</sup> 23	100	100	100	67	65	<sup>a</sup> 86
Public assistance recipient .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	42	23	35
Minority .....	20	20	24	30	28	31	35	43	35

<sup>1</sup> Unemployed and poor reported on a calendar year basis; program participants reported on a fiscal year basis.

<sup>2</sup> Data collected in March of year shown here; represents income of prior year. Source: Bureau of the Census data from the Current Population Survey.

<sup>a</sup> Represents individuals living in poverty areas.

\* Reflects increase in income eligibility limits in many CETA programs to about 20% above the poverty level.

n.a. = Not available.

*General training and employment programs.*—Most training and employment programs are operated by State and local prime sponsors through grants under the Comprehensive Employment and Training Act (CETA). Legislation enacted last year provided new authority which increased CETA emphasis on permanent private sector jobs and substantially redesigned most existing programs to increase their targeting on the disadvantaged and the long-term unemployed. The law also introduced new requirements aimed at decreasing fraud and abuse.

The 1980 budget would continue general purpose grants at 1979 levels, providing an average of 424,000 years of service during the year. The services provided under this program include classroom and on-the-job training, work experience, and retraining for individuals who have the ability to move to jobs requiring greater skill, or who are about to lose their current jobs. Early studies of the impact of the programs indicate that these services tend to improve the subsequent employment and earnings of participants. An evaluation program started after the enactment of CETA in 1973 will produce data in 1979 that will allow a comparison of the employment and earnings of training program participants with the employment and earnings of similar people not in the programs. This comparison will make possible more accurate calculations of the benefits of various programs to participants.

The Federal Government also provides training and employment services outside of the State and local prime sponsor system to migrant and seasonal farmworkers because their mobility makes it difficult for States and localities to serve them. Services are also provided directly to Indians, primarily because of their special Federal relationship. A portion of CETA general grant, youth, and

public service employment funds are set aside for these two groups. Outlays are estimated to reach \$164 million by 1980.

*Private sector program.*—In response to administration proposals, the CETA reauthorization and the Revenue Act of 1978 place increased emphasis on assisting disadvantaged persons, including youth, to secure unsubsidized private sector jobs. Under the new private sector program, for which a 1979 supplemental appropriation of \$400 million is requested, funds will be provided through States and localities for training, placement, implementation of the new targeted employment tax credit (described in the tax expenditure section), and other services, such as on-the-job training, designed jointly with Private Industry Councils. Planning and initial development work is already underway. As required by law, an assessment of the initiative will be made in 1980 to allow the development of recommendations for future activities in this area, for which provision has been made in the contingency allowance.

*Public service employment (PSE).*—PSE programs provide temporary, federally subsidized employment in public or nonprofit agencies principally through grants to State and local governments. The 1978 amendments to CETA restructured PSE into two new programs: (1) Title II-D authorizes PSE for the low-income, long-term unemployed—the structurally unemployed—to help them obtain the skills, work experience, and placement aid that they need to find and retain permanent, unsubsidized jobs; and (2) Title VI of CETA authorizes PSE for individuals who are out of work primarily because of cyclical changes in the economy.

Estimated outlays for PSE in the 1980 budget are \$4.9 billion, with increased emphasis on PSE for those most in need.

Under the restructured public service employment program, appropriations in 1979 provided for 267,000 jobs in Title II-D for the low-income, long-term unemployed. The application of more targeted income and duration of unemployment criteria, lower wage rates, and the formula for distributing grants among the States and localities directs job opportunities toward the most needy. Comparable targeting applies to the training programs under Title II-A, B, and C of CETA. The \$400 million in budget authority for the private sector program in Title VII (described elsewhere in this section) is similarly aimed at structural unemployment. Together, these targeted programs comprise a major employment policy initiative in the 1978 amendments. The 1980 budget continues the 1979 level of 267,000 public service jobs with outlays of \$2.4 billion.

The countercyclical PSE program in Title VI under the 1978 amendments serves workers with up to 40% higher incomes and with shorter periods of unemployment than the public service em-

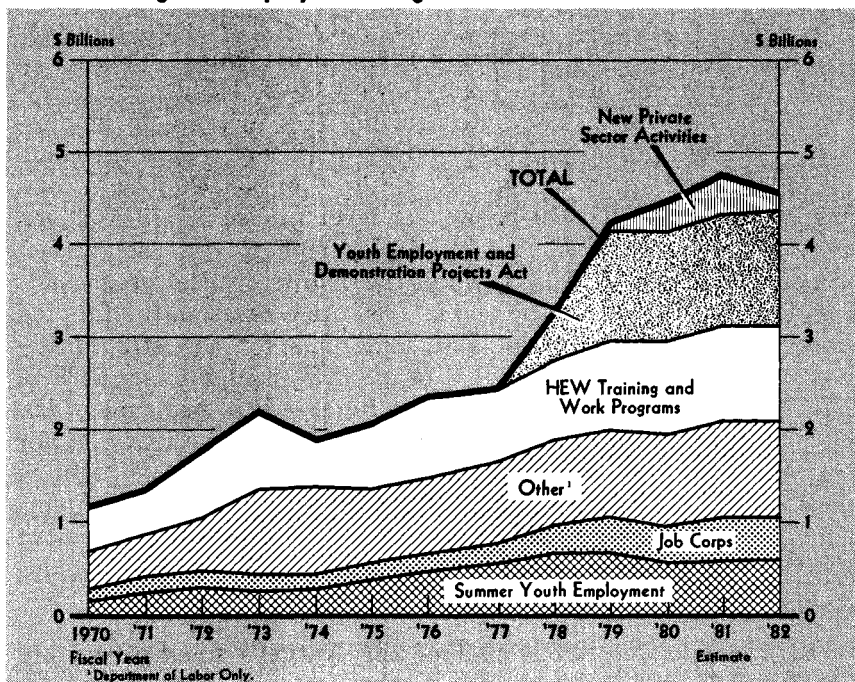
ployment program aimed at the structurally unemployed. This program was created in 1974 as a response to rising unemployment. As part of the 1977 economic stimulus program required by the extremely high unemployment at that time, the President sought and Congress provided an additional 415,000 PSE jobs. Improvements in the economy, especially the unprecedented increases in employment in the last two years, have made so large a countercyclical program unnecessary. Recognizing this increase in employment, Congress provided appropriations in 1979 to reduce the countercyclical program to an end of year level of 358,000 jobs, a total PSE reduction of 100,000 below the level funded in 1978. Given continued economic health and employment growth, the budget proposes a further phasing down of the countercyclical program to a level of 200,000 jobs at the end of 1980. As a result of the funding proposed for the two titles, PSE programs for the structurally unemployed will expand to 57% of all PSE, compared to 43% in 1979. This shift in emphasis reflects a fundamental principle of the 1980 budget: concentration of resources on the most needy. Major progress in the reduction of unemployment in future years requires more effective attacks on the problems of structural unemployment. Most of the new CETA provisions, the targeted employment tax credit, and the expanded work incentive (WIN) tax credit move in this direction.

*Youth programs.*—About half of the Nation's unemployed are under age 25 and about one-quarter are between ages 16 and 19. Developing strategies to reduce this level of unemployment continues to be a major administration objective. Continued expansion of the Job Corps training program to 44,000 training opportunities for youth—double the 1977 level—is proposed. Under the budget request, the summer youth employment program would be maintained in 1979 at the 1 million part-time jobs actually filled in 1978, requiring a deferral of \$122 million in 1979 summer youth employment funds to 1980. The program would be reduced to 750,000 jobs in 1980, and regulations would be changed to remove 14-year-olds from eligibility. Total outlays would be continued in 1980 at the 1979 level of \$1.2 billion for the four experimental programs authorized by the Youth Employment and Demonstration Projects Act (YEDPA) as part of the economic stimulus program. The four experimental programs are (1) the young adult conservation corps; (2) youth incentive entitlement pilot projects; (3) youth community conservation and improvement projects; and (4) youth employment and training programs.

The private sector program and the new targeted employment tax credit will provide additional resources aimed at increasing the employment of youth in the private sector.

The accompanying chart covers these youth programs as well as other major related youth training and employment programs.

### Youth Training and Employment Programs



The causes and long-term effects of youth unemployment are not clear. A number of causes are probably involved: insufficient numbers of jobs; inefficient efforts by youth to find employment, especially when they first enter the labor market; employers finding it unprofitable to employ inexperienced youth at current labor costs; high turnover as youth engage in job sampling or move in and out of the labor force to earn pocket money; and general employer reluctance to hire young workers because they are perceived as unskilled, undisciplined, and unproductive. The range of research and demonstration efforts being undertaken in conjunction with the YEDPA programs should significantly advance our understanding of this problem.

**Older workers.**—Funding is requested for the community service employment program for older Americans to continue to provide 47,500 job opportunities for low-income persons aged 55 and over in 1980.

**Work incentive (WIN) program.**—This program helps persons receiving aid to families with dependent children (AFDC) find and

retain jobs by providing training, work experience, subsidized jobs, intensive employment services, child care, and other supportive services. Private employers are encouraged to hire recipients through the WIN tax credit. Estimated WIN outlays for 1980 are \$378 million, a slight increase over 1979. An estimated 286,000 individuals will be hired in unsubsidized jobs. Increased resources in 1979 and 1980 are being used to develop special initiatives, including some welfare reform models, to improve training and employment strategies for welfare recipients in the WIN program and to support planning for welfare reform.

*Welfare reform employment program.*—The administration will propose a new welfare reform initiative that provides a carefully designed, phased implementation of essential reforms in the level and delivery of cash assistance integrated closely with an employment and training strategy, the new employment tax credit, and revisions in the earned income tax credit (see the section of Part 5 on income security). The proposal will ensure that individuals receiving public assistance have strong incentives to seek and retain permanent unsubsidized employment, and would provide work and training for principal earners in eligible families. The 1980 budget request includes almost 700,000 training and employment opportunities in CETA general grants and PSE for the structurally unemployed, many of whom are or will be eligible for cash assistance. The work incentive program, including tax credits for employment, also provides employment and training services to welfare recipients. These resources, coupled with carefully designed research and demonstration efforts in both CETA and WIN, form the initial phase of the new welfare reform strategy in 1979 and 1980. In later years, as the effectiveness of these services is determined, necessary additional resources will be requested. Provision has been made in the contingency allowance for such a request.

*Federal-State employment service.*—Job-matching services for workers and employers are provided free of charge by 2,400 State offices financed by Federal funds. The 1980 budget maintains employment service operations at the 1979 level. An assessment of the results of computerized job-matching and redesign of automated procedures, begun in 1979, will continue in 1980.

*Other labor services.*—The Federal Government establishes and enforces standards affecting the relationship between employer and employees and between unions and their members. The activities include enforcement of the minimum wage and related laws, regulation of welfare and pension plans, supervision of labor-management relations, and regulation of the equal employment practices of Federal contractors. In addition, labor statistics and related

information in the areas of employment and unemployment, wages and prices, and productivity are collected and disseminated. Outlays for these services are estimated at \$525 million in 1980. (Enforcement efforts for job safety and health are included in the health function, while those relating to job discrimination on the basis of race, age, or sex are covered in the administration of justice function.)

***Training and employment-related programs.***—A number of Federal programs are related to training and employment efforts, although their primary purpose is to meet other national needs and serve other major missions. The following table shows major training and employment-related programs that support other major missions. The table does not include programs that finance economic development activities.

#### TRAINING AND EMPLOYMENT OUTLAYS FOR OTHER MAJOR MISSIONS

(in millions of dollars)

Functional code	Agency	1978 actual	1979 estimate	1980 estimate
350	Agriculture .....	63	70	6
450	Housing and Urban Development.....	17	18	20
450	Interior .....	52	54	51
500-503	Health, Education, and Welfare .....	1,611	1,755	1,711
506	Health, Education, and Welfare .....	754	838	768
600	Health, Education, and Welfare .....	135	144	152
700	Veterans Administration .....	686	601	545
750	Equal Employment Opportunity Commission .....	74	114	124
750	Justice.....	2	4	5
999	Various agencies .....	219	189	189
	<b>Total .....</b>	<b>3,613</b>	<b>3,786</b>	<b>3,571</b>

#### SOCIAL SERVICES

The Federal Government provides grants to States for a variety of social services. These services are primarily for the poor and other groups with special needs.

***Grants to States for social and child welfare services.***—Under Title XX of the Social Security Act, assistance is given to States for services to individuals and families to promote their independence and self-support and to reduce institutionalization. Through this program, States provide a broad array of services including family planning, preparation and delivery of meals, transportation, counseling, child care, and services to meet the special needs of the low-income, aged, handicapped, mentally retarded, alcoholics, and drug addicts. State and local government training of personnel for the social service fields is also provided under Title XX. Legislation

will be proposed to increase the limit on Federal payments under Title XX to a total of \$2.9 billion, beginning in 1980. This proposal would make permanent the \$200 million increase in the regular ceiling enacted for 1979, and would also encompass the \$200 million provided for the special child day care set-aside enacted for 1979. The proposal will include an emphasis on services to areas of special need, as set forth in the President's urban initiatives. Specific appropriation authority is also requested for the territories of Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands. In addition, legislation will be proposed to phase in a ceiling on State and local government training at 3% of the Title XX social services funding. Special efforts will be made to improve the management and operations of this rapidly growing program.

Under Title IV-B of the Social Security Act, child welfare grants are made to the States for the care and protection of neglected, homeless, and abused children. The administration is proposing legislation to significantly improve the scope and quality of services provided to children by the States, and to develop stronger procedural safeguards to protect the rights of children and their parents. This proposal is designed to:

- aid in reuniting children with their natural families whenever possible;
- require more frequent monitoring of the status of children in foster care to ensure that they are permanently placed as rapidly as possible;
- encourage the adoption of children who might otherwise remain in foster care for an extended period; and
- subsidize low-income families who want to adopt children.

Under these proposals, outlays for child welfare services rise from \$57 million in 1979 to \$141 million in 1980.

*Services for the disabled, elderly, and other special groups.*—Outlays for programs providing rehabilitation and related services to the disabled are estimated to be \$978 million in 1980, and will aid approximately 1.8 million persons who have physical and mental disabilities to become self-sufficient. Additional outlays to rehabilitate recipients of supplementary security and social security disability benefits are classified in the income security function.

Outlays for programs serving older persons are estimated to be \$559 million in 1980. These programs are aimed at enabling older persons to continue living in their homes and communities by preventing or delaying institutionalization. Particular emphasis will be placed on serving those elderly who have the greatest economic and social need. Special projects, including long-term care services demonstrations, will be designed to meet the special needs



of, and improve the delivery of services to, low-income, minority, rural, and disabled elderly. Special programs for older Americans will also provide approximately 588,000 daily meals.

Funds previously appropriated will be used for a White House Conference on Families in 1981. A supplemental appropriation is requested for 1979 for a White House Conference on Aging also to be held in 1981. The conference will assess the needs of older Americans. In addition, funds are requested for 1980 for a White House Conference on Children and Youth to be held in 1982. Funds are requested to continue demonstrating approaches to the provision of services that meet the needs of other special groups such as runaway youth and Native Americans. To aid States and localities in improving their adoption and foster care systems, budget authority of \$5 million is requested for 1980.

*Community services program.*—Several social services activities are undertaken through community action programs of the Community Services Administration (CSA). The program funds administrative support for about 900 local community action agency grantees, although most local agency program funding is derived from such sources as Head Start and employment and training programs administered by other Federal agencies. The 1980 budget seeks to:

- strengthen the administration of community action agencies;
- expand innovative demonstration activities concentrating on the delivery of assistance to the poor and emphasizing self-help projects;
- increase funds to develop and test new programs for the poor;
- improve the quality of community action programs and their management through more evaluation efforts; and
- concentrate funding for community economic development programs on the more successful grantees.

*Domestic volunteer programs.*—ACTION, the Federal Government's agency for volunteer programs, supports Volunteers in Service to America (VISTA) and the Foster Grandparent, Senior Companion, and the Retired Senior Volunteer programs. ACTION will continue to emphasize planning and programming based on meeting the needs of the poor.

The budget proposes an increase of 600 in the number of VISTA volunteers in 1980, with more emphasis on community development and enhancement of rural programs. This proposed expansion reflects the administration's conviction that effective volunteer programs are crucial to meeting the social needs of the country. The Senior Companion, Foster Grandparent, and Retired Senior Volunteer programs would enroll the same number of vol-

unteers as in 1979. Increased funding requested for these three programs will raise volunteer allowances and stipends, and provide for increased support to local projects. The budget includes a major increase for ACTION's urban volunteer programs, which will expand activities into 110 additional cities in 1980 and mobilize about 75,000 additional local volunteers to improve the conditions in distressed urban communities. This level of funding would elevate the pilot 1979 effort to a national program.

The budget also request increases for technical assistance, grants, and demonstration projects to explore alternative approaches to voluntary action, in the private sector. Outlays for ACTION's domestic programs are estimated to increase from \$113 million in 1978 to \$128 million in 1979 and \$151 million in 1980.

### TAX EXPENDITURES

The tax code law provides significant benefits that have effects similar to budget expenditures for education, training and employment, and social services.

*Education.*—The major tax expenditure provisions that aid higher education result from the personal income tax exemptions available to parents of children over 18 who are in school, the deductibility of contributions to educational institutions, and the exclusion of scholarships and fellowships from income subject to tax. The revenue losses associated with these provisions in 1980 are estimated to be \$1.0 billion, \$1.2 billion, and \$0.4 billion, respectively. In addition, the Revenue Act of 1978 permits employers to establish educational assistance plans for the benefit of their employees. Payments under the plan, which may be used to pay for most educational programs, are not included in the employee's income. Deductions for educational assistance are estimated to result in a tax expenditure of \$30 million in 1980.

*Training and employment.*—The tax code provides incentives for employers to hire disadvantaged individuals and those receiving certain welfare benefits. Tax credits are also provided to encourage individuals with dependents to work by allowing tax credits for child care expenses.

The targeted employment credit was enacted in the Revenue Act of 1978. It encourages employers to hire disadvantaged youth under 25, as well as Vietnam veterans, recipients of general assistance or supplementary security income, participants in cooperative education programs, certain ex-offenders, and handicapped individuals undergoing vocational rehabilitation. The credit, equalling 50% of first year and 25% of second year wages, applies to the first \$6,000 of each eligible employee's wages. It replaces the general, untarget-

ed employment tax credit that was in effect in 1977 and 1978. The new credit is estimated to result in a tax expenditure of \$0.5 billion in 1980.

The employment credit, for hiring employees under the WIN program or other AFDC recipients, was revised to make it similar to the targeted employment credit. This credit is estimated to result in a tax expenditure of \$60 million in 1979 and \$160 million in 1980.

Employment is also encouraged by a credit of 20% of child care expenses incurred to permit a person with dependents to work. The maximum credit is \$200 for one child and \$400 for 2 or more children. The revenue loss resulting from the child care credit is estimated to be \$0.7 billion in 1980.

*Social services.*—The provision of social services by a wide variety of private institutions is encouraged by the tax deductibility of contributions to those institutions. The tax expenditure for charitable contributions, other than to educational and health institutions, is expected to be \$6.4 billion in 1980.

## HEALTH

### *National Needs Statement:*

- Improve access to quality medical care and mental health services.
- Restrain inflation in health care costs.
- Acquire knowledge regarding the causes, prevention, and treatment of diseases and promote preventive measures by which good health can be maintained.
- Support education of health students in high priority specialties and employment of health workers in medically underserved areas.
- Improve consumer and workplace health and safety.

Total outlays for the health function are estimated to be \$49.1 billion in 1979, \$53.4 billion in 1980, and are projected to grow to \$64.2 billion in 1982. These estimates include cost-saving proposals that would reduce outlays by \$2.1 billion in 1980 and \$5.4 billion by 1982.

The administration is developing a national health plan. Consistent with this plan, the 1980 budget emphasizes the following 3 priorities.

- Expanded assistance to improve access to health services for those most in need. Increases in 1980 of \$453 million in budget authority and \$451 million in outlays above 1979 are proposed for health financing and services delivery improvements. Health financing proposals would expand medicaid eligibility to more than 2 million additional low-income children and youth and expectant mothers. Proposed health services program expansions include new community health centers, new programs in delivery and financing of mental health services, and an increase of 1,095 National Health Service Corps professionals serving in medically-underserved areas.
- Expanded efforts throughout the Federal Government to promote health and to prevent disease, illness, injury, and death. New and expanded efforts in the health mission in 1980, totaling an increase of \$77 million in budget authority and an estimated \$44 million in outlays above 1979, are proposed for health promotion and disease prevention. A major effort will be made to reduce smoking and alcohol abuse. Emphasis will also be given to basic research, prevention of mental illness and dental disease, and improvement of health education programs.

- Increased efforts to control inflationary growth in health care costs and to eliminate waste, fraud, and abuse in federally supported programs. Hospital cost containment legislation will be proposed to limit increases in hospital inpatient revenues. Federal savings from this legislation are estimated to be \$1.7 billion in 1980, and savings to the Nation as a whole are estimated at \$4.3 billion. Other actions to reduce waste, fraud, and abuse in Federal health care programs will save an estimated \$1.7 billion in 1980.

These proposals are discussed in detail in the following sections.

**Health care services.**—The mission of financing and providing health care services represents the largest amount of Federal spending for national health needs. Federal outlays for health services in this mission are expected to rise from \$48.5 billion in 1980 to \$59.1 billion in 1982, even with proposed savings legislation.

The Federal Government pays, primarily through medicare and medicaid, about 28% of the costs of the Nation's health services; this includes 39% of hospital expenses, 33% of nursing home expenses, 18% of physicians' services expenses, and 5% of drug expenses. Total Federal outlays for health care services, including outlays not in this function, have risen from \$4.3 billion in 1965 to \$59.4 billion in 1980—a 19% annual rate of increase for this period.

The inflationary growth in health care costs is a major burden on both the national economy and the Federal budget. National health care expenditures in 1977 were \$163 billion or 9% of GNP; almost one dollar in every 10 spent in the U.S. was used to finance health care. In 1955 only 4.5% of GNP, \$17.3 billion, was spent on health care. During the last 10 years, hospital costs—the largest component of health care costs—have grown  $2\frac{1}{2}$  times as fast as the consumer price index.

Enactment of cost-savings legislation is essential to the Nation's efforts to combat inflation. The administration's hospital cost containment legislation will propose that hospitals limit increases in revenues for inpatient care so that they are consistent with the administration's 1979 anti-inflation guidelines. Enactment of this legislation is expected to result in \$9.8 billion of Federal outlay savings in the 1980-1982 period.

## NATIONAL NEED: HEALTH

(Functional code 550; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Health care services:</b>					
Medicare .....	27,586	31,747	35,809	44,934	52,295
Proposed legislation .....		8	2	85	375
Medicaid .....	10,674	11,895	12,714	13,790	15,186
Proposed legislation .....		-53	-18	-4	-90
Other health services .....	3,513	3,902	3,948	4,069	4,176
Proposed legislation .....			205	205	205
Subtotal, health care services .....	41,773	47,499	52,660	63,080	72,148
<b>Health research:</b>					
National Institutes of Health research .....	2,659	3,005	2,979	2,979	2,979
Alcohol, Drug Abuse, and Mental Health Administration research .....	181	218	259	259	259
Other research programs .....	168	166	201	210	210
Subtotal, health research .....	3,007	3,388	3,440	3,448	3,448
<b>Education and training of the health care work force:</b>					
National Institutes of Health training .....	184	184	193	193	193
Health Resources Administration training .....	556	389	275	277	277
Alcohol, Drug Abuse, and Mental Health Administration training .....	109	118	111	111	111
Other health training programs .....		2			
Subtotal, education and training of the health care work force .....	850	694	579	581	581
<b>Consumer and occupational health and safety:</b>					
Consumer safety .....	610	647	650	649	649
Occupational safety and health .....	248	302	312	312	312
Subtotal, consumer and occupational health and safety .....	858	949	962	961	961
<b>Deductions for offsetting receipts .....</b>	-18	-15	-14	-16	-16
<b>Total, budget authority .....</b>	<b>46,469</b>	<b>52,515</b>	<b>57,627</b>	<b>68,055</b>	<b>77,123</b>
<b>OUTLAYS</b>					
<b>Health care services:</b>					
Medicare .....	25,209	29,499	33,823	38,695	44,115
Proposed legislation .....		-350	-1,743	-3,028	-4,573
Medicaid .....	10,723	11,897	12,474	13,793	15,189
Proposed legislation .....		-53	-18	-4	-90
Other health services .....	3,171	3,501	3,885	4,094	4,139
Proposed legislation .....			41	183	277
Subtotal, health care services .....	39,103	44,494	48,462	53,733	59,057

**NATIONAL NEED: HEALTH—Continued**

(Functional code 550; in millions of dollars)

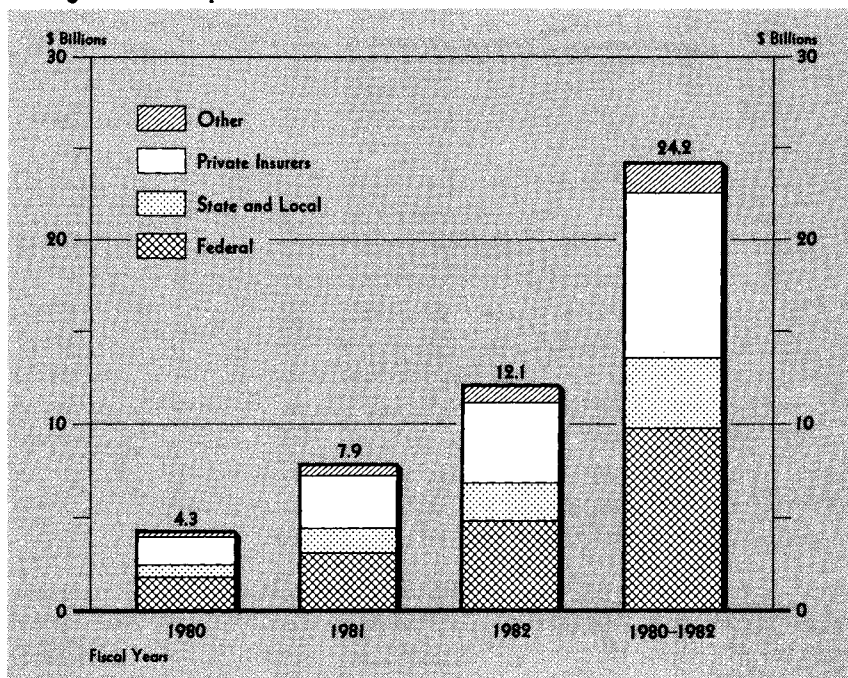
Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Health research:</b>					
National Institutes of Health.....	2,505	2,681	2,961	2,988	2,989
Alcohol, Drug Abuse, and Mental Health Administration research programs.....	180	199	229	252	259
Other research programs.....	137	149	176	211	220
Subtotal, health research.....	2,822	3,029	3,365	3,451	3,469
<b>Education and training of the health care work force:</b>					
National Institutes of Health, training.....	170	170	192	193	193
Health Resources Administration, training....	650	424	316	365	386
Alcohol, Drug Abuse, and Mental Health Administration, training.....	110	110	116	112	111
Other health training programs.....	—	—*	—*	—*	—*
Subtotal, education and training of the health care work force.....	930	704	623	670	690
<b>Consumer and occupational health and safety:</b>					
Consumer safety.....	587	637	644	650	648
Occupational safety and health.....	252	288	299	304	312
Subtotal, consumer and occupational health and safety.....	838	925	943	954	960
<b>Deductions for offsetting receipts.....</b>	<b>—18</b>	<b>—15</b>	<b>—14</b>	<b>—16</b>	<b>—16</b>
<b>Total, outlays.....</b>	<b>43,676</b>	<b>49,136</b>	<b>53,379</b>	<b>58,792</b>	<b>64,160</b>

\* \$500 thousand or less.

**Medicare.**—Medicare outlays of \$29.1 billion in 1979 and \$32.1 billion in 1980 are estimated for health services for aged and disabled medicare recipients. These outlays are based on an estimated 26.9 million beneficiaries in 1979 and 27.5 million in 1980. Included in these budget estimates are proposed legislative savings totaling \$1.8 billion in 1980, which are discussed in the following section. A proposal to expand outpatient psychiatric services is also reflected in the estimated medicare outlays for 1980. This proposal would lower the beneficiary copayment from 50% to 20% and increase the maximum annual Federal reimbursement for these services from \$250 to \$750. This proposal would improve mental health benefits for the elderly and disabled, and reduce the need for inpatient care in mental institutions and nursing homes. The disabled will be assisted by 2 additional measures. Elimination of a second waiting period for medicare coverage of disabled individuals who return to work but are unable to remain in the work force would remove a disincentive to re-entry into the work force. A companion measure would provide continued coverage for disabled

workers who re-enter the work force but still have the medical condition which caused the disability.

### Savings From Hospital Cost Containment



**Medicaid.**—Medicaid outlays of \$11.8 billion in 1979 and \$12.5 billion in 1980 are estimated for health services for low-income adults and children. These outlays are based on an estimated 22.9 million recipients in 1979 and 24 million in 1980. Included in the 1980 medicaid estimates are proposed legislative savings totaling \$319 million and program expansions of \$301 million.

The proposals in the 1980 budget to expand access to health services for the most needy through medicaid are:

- A new child health assessment program (CHAP), to provide medicaid coverage and early and periodic screening, diagnosis, and treatment services (EPSDT) to an additional 2 million low-income children and youth under the age of 18 currently not eligible for medicaid. CHAP will also improve services to 13.6 million children already eligible for medicaid coverage by improving monitoring of State performance in providing these services and by establishing penalties for poor performance and rewards for good performance.
- An extension of medicaid to cover 100,000 low-income pregnant women. Prenatal care has been shown to be effective in



reducing birth defects and infant mortality. Legislation will be proposed requiring States to provide medicaid coverage to women who will be eligible for medicaid after their child is born but are not currently covered during pregnancy.

- An ensured coverage provision for migrants under medicaid. This proposal would empower the Secretary of Health, Education, and Welfare to establish regulations to ensure that migrants are not denied needed care because of State residency requirements.
- An expanded benefit for disabled workers. Currently, disabled individuals who return to work are subject to a complete cut-off of medicaid coverage if their earnings exceed \$240 per month. This proposal would continue medicaid coverage.

The medicaid quality control program, initiated in 1979, will be continued in 1980. Federal savings of over \$500 million are anticipated in 1980 as a result of reductions in payments to ineligible recipients, reductions in bill processing errors, and more aggressive identification of private insurers' liability for beneficiaries' medical costs. State fraud and abuse units, which are jointly funded by the Federal Government and State governments, will recover an estimated \$92 million in Federal medicaid costs in 1980.

*Other cost-saving proposals.*—In addition to hospital cost containment legislation and quality control efforts, there are other cost-saving proposals in the 1980 budget for medicare and medicaid, which are described below. The accompanying table summarizes the legislative proposals for the medicare and medicaid programs, which are proposed to be effective by October 1, 1979.

- *Hospital-based physicians.* Compensation to radiologists, pathologists, and anesthesiologists will be limited by new rules designed to curb excessive reimbursements.
- *Medicare for the working aged.* Medicare currently pays for all covered expenses of beneficiaries, even those with private health insurance. Under this proposal, private health insurance plans covering the working aged and other employees would have primary liability and medicare benefits would supplement these plans. This change would help protect the trust funds against the anticipated upward shift in the age distribution of the population.
- *Chiropractors.* Chiropractic services will be removed from coverage by the medicare and medicaid programs.
- *Fines.* A new program of fines against individuals guilty of fraud or abuse of the medicare and medicaid program will be instituted.

In addition, several regulatory actions will be taken to limit excessive Federal reimbursement to hospitals. Reimbursement for

malpractice premiums will be adjusted to reflect the actual claim experience of Federal beneficiaries. Also, reimbursement to hospitals with routine costs substantially higher than similar hospitals will be further limited. Savings from these 2 actions are estimated at \$413 million in 1980.

*Other health care services.*—In addition to medicare and medicaid, the more than 30 other programs in the health care mission support the provision of health care directly or through grants and contracts. Budget authority for these other programs is expected to increase from \$3.9 billion in 1979 to \$4.2 billion in 1980.

#### OUTLAY IMPACT OF PROPOSED MEDICARE AND MEDICAID LEGISLATION

(In millions of dollars)

	1980	1981	1982
<b>Medicare:</b>			
<b>Proposed expansions:</b>			
Expanded outpatient psychiatric coverage .....	22	26	32
Elimination of the second waiting period for the disabled .....	27	32	37
Continued coverage for disabled workers .....	7	26	52
Subtotal, expansion .....	56	84	121
<b>Proposed Cost Savings:</b>			
Hospital cost containment .....	-1,500	-2,750	-4,290
Limit excessive compensation to hospital-based doctors .....	-48	-57	-65
Make health insurance supplemental to private insurance for working aged .....	-200	-245	-280
Elimination of chiropractor services .....	-34	-38	-42
Fines for fraud and abuse .....	-9	-9	-9
Other .....	-9	-13	-8
Subtotal, cost savings .....	-1,800	-3,112	-4,694
<b>Total, medicare legislation .....</b>	<b>-1,743</b>	<b>-3,028</b>	<b>-4,573</b>
<b>Medicaid:</b>			
<b>Proposed Expansions:</b>			
Child health assessment program (CHAP) .....	220	424	563
Low-income pregnant women .....	68	74	81
Migrants .....	9	9	9
Continued coverage for disabled workers .....	4	13	25
Subtotal, expansions .....	301	520	678
<b>Proposed cost savings:</b>			
Hospital cost containment .....	-225	-413	-644
Limit excessive compensation to hospital-based doctors .....	-7	-10	-10
Elimination of chiropractor services .....	-1	-1	-1
Fines for fraud and abuse .....	-14	-14	-14
Other .....	-72	-87	-99
Subtotal, cost savings .....	-319	-525	-768
<b>Total, medicaid legislation .....</b>	<b>-18</b>	<b>-4</b>	<b>-90</b>

## HEALTH SERVICES PROGRAMS

(In millions of dollars)

Program	Budget Authority		
	1978 actual	1979 estimate	1980 estimate
<b>Health Care Financing Administration:</b>			
Medicare .....	27,586	31,755	35,811
Medicaid .....	10,674	11,842	12,696
<b>Health Services Administration:</b>			
Community health centers .....	279	362	395
Black lung clinics .....	8	8	8
Home health services .....	6	6	1
Comprehensive grants to States .....	90	90	52
Hypertension .....	11	11	13
Maternal and child health .....	372	389	384
Genetic services .....	11	11	11
Family planning .....	140	150	151
Migrant health .....	36	36	43
Payments to Hawaii for treatment of Hansen's disease .....	1	2	2
Emergency medical services .....	45	45	43
National Health Services Corps .....	45	72	90
Public health service hospitals .....	182	173	176
Federal employee health units .....	1	1	1
Indian health service .....	515	574	587
<b>Center for Disease Control:</b>			
Venereal diseases .....	42	42	42
Immunizations .....	33	55	41
Rat control .....	14	14	14
Lead paint poisoning .....	11	11	11
Health education .....	4	10	13
Prevention formula grants .....			18
Fluoridation .....			5
Other disease investigations .....	66	76	92
<b>Alcohol, Drug Abuse, and Mental Health Ad- ministration:</b>			
Mental health services .....	293	332	367
Drug abuse services .....	174	175	175
Alcohol abuse services .....	86	87	102
State formula grants for mental health, alcohol and drug abuse .....	99	99	100
Saint Elizabeths Hospital .....	133	80	85
<b>Health Resources Administration:</b>			
Health planning .....	203	243	209
Conversion closure grants .....			30
<b>Office of the Assistant Secretary for Health:</b>			
Health maintenance organizations .....	26	41	74
Adolescent health, services, and pregnancy pre- vention .....		7	60
Health promotion and anti-smoking .....	6	6	22
Other health programs .....	84	91	103
<b>Office of Personnel Management:</b>			
Federal employee health benefits .....	506	606	634
<b>Total, budget authority .....</b>	<b>41,773</b>	<b>47,499</b>	<b>52,660</b>
<b>(Total outlays) .....</b>	<b>(39,103)</b>	<b>(44,494)</b>	<b>(48,462)</b>

In addition to continuing the community health component of the 1979 urban initiative, the 1980 budget proposes to expand health services funding for high-priority underserved areas through the community health centers programs and the National Health Service Corps (NHSC). Budget authority for community health centers is proposed to rise from \$362 million in 1979 to \$395 million in 1980. This amount will provide 45 new centers in medically-underserved areas, bringing the total number of federally supported community health centers to 909 in 1980. Proposed budget authority for the NHSC rises from \$72 million in 1979 to \$90 million in 1980. This will provide for an increase of 1,095 NHSC professionals for a 1980 level of 2,820. In addition, the administration is requesting budget authority of \$60 million in 1980 and \$7 million in 1979 for the recently authorized adolescent health services program targeted primarily toward prevention of unwanted teenage pregnancy.

The emergency medical services (EMS) systems demonstration program will provide funds on a matching basis to 294 out of the 300 EMS regions in the Nation. As a result of increased State participation in this program, the administration is proposing to phaseout Federal grants by 1982. Budget authority is proposed to decline slightly from \$45 million in 1979 to \$43 million in 1980. In addition, the administration is proposing that budget authority for the health maintenance organization (HMO) program be increased from \$41 million in 1979 to \$74 million in 1980.

Legislation is being proposed in 1979 to restructure Federal support to States and communities for the development and delivery of comprehensive mental health services, reflecting the recommendations of the President's Commission on Mental Health. Through a new program of cooperative agreements with States, \$38 million in 1980 budget authority is requested to support the improvement of services for the treatment of mental disorders and the prevention of institutionalization. In 1980, this program will aid systems serving an estimated 700,000 chronically mentally ill adults and 400,000 severely disturbed children and youth. Grants to communities for mental health services in 1980 are expected to include support for 161 new projects for the initiation and development of community-based services, 300 new projects for the provision of mental health services in general health care settings, and 693 awards to established community mental health centers. As States develop comprehensive systems of mental health care, Federal funding for community mental health services will be consolidated into the cooperative agreements with States. Total budget authority for State and community mental health services is proposed to increase from \$293 million in 1978 to \$332 million in 1979, and \$367 million in 1980.

A new program of consolidated State formula grants with \$100 million in 1980 budget authority is requested to support State mental health, alcohol, and drug activities. Legislation will also be proposed this year to extend and revise the health planning program.

The Federal direct care services in the health mission consist primarily of 3 programs: The Indian Health Service, Public Health Service hospitals and clinics, and St. Elizabeths Hospital.

Budget authority of \$587 million in 1980 is requested to provide direct medical services to 722,000 American Indians and Alaskan Natives living on or near Federal reservations. Federal funding for Indian health services has quadrupled since 1960; during this period, the health status of Indians in general has improved and that of Indian infants has improved dramatically.

Proposed budget authority for Public Health Service (PHS) hospitals and clinics is \$176 million in 1980, compared with \$173 million in 1979. These funds provide primarily for the medical care of American merchant seamen and active-duty Coast Guard personnel.

Budget authority of \$85 million in 1980 will subsidize the delivery of mental health care at St. Elizabeths Hospital, primarily for District of Columbia residents. In addition, renovation of hospital facilities will be continued in 1979 and 1980 to meet facilities standards of the Joint Commission on Accreditation of Hospitals. The Federal and District Governments will continue negotiations for the transfer of a fully accredited St. Elizabeths Hospital to the District of Columbia by 1982.

Increased support for health promotion activities in 1980 underscores a growing recognition that future improvements in American health status are more likely to result from individual lifestyle changes than from an expansion of traditional medical services. New initiatives include expanded efforts in disease prevention, health information and promotion, and health education. A new \$18 million State formula grant program will be initiated in 1980 to support preventive health services that address the 5 leading causes of disease and death in each State.

In addition to continued support for childhood and influenza immunizations, venereal disease control, and childhood lead-based paint poisoning prevention, a new \$5 million prevention initiative for community water fluoridation is proposed. Research and practical experience over the last 30 years have demonstrated that fluoridation can prevent 65% of tooth decay in children. An estimated \$30 in dental treatment costs for tooth decay can be saved for every \$1 expended on water fluoridation.

The budget includes new activities in 1980 for the smoking and health program, with a special emphasis on high-risk individuals.

Similarly, an increase of \$15 million in 1980 budget authority is proposed to develop models for the prevention and treatment of alcohol abuse, with an emphasis on women, youth, and employed individuals. Increases of \$12 million in 1980 budget authority are proposed for research and services programs to help prevent mental illness and institutionalization, with an emphasis on high-risk children and adults.

The budget requests the initiation of new projects in 1980 in the area of health education, including development of school health education curricula, protocols for effective education of patients on adherence to therapeutic regimens, and the demonstration of health education programs at the worksite. Health information and health promotion activities will be expanded in 1980 to encourage private sector involvement in this area. Increased funding is requested to provide for expansion of the National Health Information Clearinghouse to increase the public awareness of helpful and responsible health information. CHAP and expanded medicaid coverage for low-income pregnant women, described previously, are expected to make significant contributions to preventive health and lower infant mortality rates.

In addition, health benefits for 3.7 million Federal civilian employees and retired employees and their 7.1 million dependents are financed under the Federal employees health benefits program managed by the Office of Personnel Management. In 1980, Federal payments to finance these programs are estimated to total \$2.2 billion. Federal payments for retired employees, estimated at \$0.6 billion in 1980, are included in the health care services mission. Federal payments for active employees in each agency are shown in aggregate in the table at the end of the health chapter.

The mission of the major Federal health care programs — medicare, medicaid, and the health service delivery programs — is primarily to assist those groups of Americans most in need; i.e., the aged, the poor, and the disabled. The following table shows total Federal health outlays for health care services by income and age group. An estimated 57% of the expenditures supports services for the aged and 32% for the poor, including low-income aged persons.

## TOTAL FEDERAL HEALTH SERVICE OUTLAYS BY INCOME AND AGE GROUPS

(In millions of dollars)

	1978 actual	1979 estimate	1980 estimate
<b>Poor persons:</b>			
Aged (65 and over) .....	5,503	6,129	6,157
Other adults (21 to 64) .....	7,738	8,634	9,348
Children and youth (0 to 20) .....	2,494	2,968	3,482
Subtotal, poor .....	15,736	17,731	18,987
<b>Non-poor persons:</b>			
Aged (65 and over) .....	21,919	24,967	27,582
Other adults (21 to 64) .....	8,206	9,242	10,343
Children and youth (0 to 20) .....	1,854	2,104	2,447
Subtotal, non-poor .....	31,979	36,313	40,372
<b>Total, all recipients:</b>			
Aged (65 and over) .....	27,422	31,096	33,739
Other adults (21 to 64) .....	15,944	17,876	19,691
Children and youth (0 to 20) .....	4,349	5,072	5,929
Total, all recipients .....	47,714	54,044	59,359
Allocated to health (function 550) .....	(39,103)	(44,494)	(48,462)
Allocated to other national needs .....	(8,611)	(9,550)	(10,897)

**Tax expenditures.**—In addition to direct Federal spending, Federal tax laws help finance health care by excluding health insurance premiums paid by employers from employees' taxable income. The revenue loss from this tax expenditure is estimated at \$9.6 billion for 1980. Furthermore, individuals are permitted to itemize certain deductions for health care expenses and health insurance premiums. In 1980, the revenue loss from this tax expenditure is estimated at \$3.1 billion. In addition, tax reductions for health-related charitable contributions are estimated at \$1.4 billion in 1980.

**Health research.**—Federal outlays for health research in this mission are estimated to increase from \$3.0 billion in 1979 to \$3.4 billion in 1980. This will continue the development of knowledge on the causes, prevention and treatment of diseases.

The Federal Government provides approximately \$2 out of every \$3 devoted to health research in the Nation. Federal support will continue to emphasize basic research in degenerative and chronic diseases, such as cancer, heart disease, and diabetes — illnesses that have increased as the life expectancy in the Nation has risen. Federal outlays for health research, including outlays not in this function, are expected to be \$4.0 billion in 1979 and \$4.4 billion in 1980, as shown on the following table.

## FEDERAL OUTLAYS FOR HEALTH RESEARCH

(In millions of dollars)

	1978 actual	1979 estimate	1980 estimate
Cancer .....	860	817	899
Environmental health .....	402	447	496
Cardiovascular disease .....	251	291	311
Neurological and visual disease .....	248	276	316
Metabolic diseases .....	214	273	286
Infectious diseases .....	222	224	255
Mental health .....	224	244	281
Child health .....	53	48	59
Health services research and development .....	85	85	96
Population and family planning .....	81	86	102
Pulmonary diseases .....	69	81	86
Nutrition .....	72	86	100
Dental health .....	63	63	65
Aging .....	46	56	65
Research facilities .....	224	251	277
Rehabilitation research and development .....	12	13	15
General medical sciences .....	191	205	225
Health statistics activities .....	45	52	66
Regulatory research and development .....	37	50	49
Other research and development .....	317	356	377
<b>Total .....</b>	<b>3,715</b>	<b>4,004</b>	<b>4,427</b>
Allocated to health (function 550) .....	(2,822)	(3,029)	(3,365)
Allocated to other national needs .....	(893)	(975)	(1,062)

The National Institutes of Health (NIH) account for 67% of the total Federal outlays for health research and over 75% of HEW's research budget. Total outlays for health research at NIH are estimated to rise from \$2.7 billion in 1979 to \$3.0 billion in 1980. Within this total, outlays for basic research are estimated to rise from \$1.3 billion in 1979 to \$1.4 billion in 1980.

Support for research in the areas of mental health, alcohol, and drug abuse is estimated to increase from \$199 million in 1979 outlays to \$229 million in 1980 outlays. This increase is consistent with the research recommendations contained in the report of the President's Commission on Mental Health, and reflects an increase of 43%, or \$78 million, in budget authority from 1978 to 1980.

Proposed outlays for health services research in this mission total \$62 million in 1980, including research activities supported by the Health Care Financing Administration and the National Center for Health Services Research. Research will be carried out in the areas of technology assessment, cost containment and health planning, regulation, and health manpower. Increased funding is requested in 1980 to carry out survey work essential for some of the decisions to be made for the national health insurance plan.

Federal outlays to improve worker safety and health are estimated to be \$61 million in 1980. The National Institute for Occupation-



al Safety and Health (NIOSH) plans to increase its efforts to develop criteria on toxic materials and other hazards in the workplace. These criteria are used by the Department of Labor in issuing occupational safety and health standards. The number of health hazard evaluations conducted will increase from 136 in 1979 to over 200 in 1980. NIOSH will continue its testing of protective devices and industrial hygiene monitoring devices and expand its research related to occupational safety. Additional research will be directed in 1980 to carry out NIOSH's responsibilities under the Federal Mine Safety and Health Act of 1977.

*Education and training of the health care work force.*—Total outlays for training health professionals in this mission are estimated to decline from \$704 million in 1979 to \$623 million in 1980. During the 1960's and 1970's there was a major increase in the supply of health manpower, partly as a result of increased Federal institutional and student assistance to support expanded numbers of health professions students and training programs. It is estimated that the number of practitioners in the major health professions categories will increase by another 70% between 1975 and 1990. In every case, the increase in health professionals will far exceed population growth, raising the practitioner-to-population ratios well above current levels. In particular, the ratio of physicians to population is projected to rise 37% from about 177 per 100,000 in 1975 to 241 per 100,000 in 1990. These projected increases in the numbers of health professionals during the coming decade underscore the fact that Federal subsidies are no longer required to increase supply of these professionals. Therefore, Federal programs that in the past have provided institutional subsidies to increase the supply of particular categories of health professionals without regard to specialty preference or geographic location are recommended either for termination in 1980 or for phaseout. In addition, because increases in the supply of health resources result in increased health care costs, targeting Federal support for health professions training is also a component of the administration's health cost containment strategy. However, the administration is recommending that Federal institutional grants totaling \$84 million in 1980 budget authority be retained to support residency programs in primary care and family medicine because specialists in these areas are in short supply.

As part of a national health strategy to address the needs of the poor and medically-underserved, the administration is requesting a redirection in Federal support for health professions training. To meet this important objective, \$76 million in outlays is estimated to support 6,195 National Health Service Corps (NHSC) scholarships in 1980. Scholarship recipients agree to serve in medically under-

served areas in return for this assistance. The NHSC scholarship program represents the primary Federal mechanism for alleviating the current maldistribution of health professionals.

For health professions students who do not wish to accept a service commitment, alternative financial assistance will be available under loan- and needs-based grant programs in the Office of Education. It is estimated that new student loan guarantees under the health education loan program will total \$136 million for the 1979-1980 academic year.

#### FEDERAL OUTLAYS FOR HEALTH STUDENTS

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
Students in life science fields.....	122	119	136
Medical students.....	635	590	640
Dental students.....	96	68	67
Nursing students.....	155	135	89
Students in mental health fields.....	38	38	39
Other training.....	542	559	598
<b>Total.....</b>	<b>1,588</b>	<b>1,509</b>	<b>1,569</b>
<b>Allocated to health (550).....</b>	<b>(930)</b>	<b>(704)</b>	<b>(623)</b>
<b>Allocated to other national needs.....</b>	<b>(658)</b>	<b>(805)</b>	<b>(946)</b>

*Consumer and occupational health and safety.*—An estimated \$943 million in outlays will be spent in 1980 on the Federal mission of protecting consumers from unsafe and defective products, and workers from occupational and health hazards.

Outlays for consumer safety activities are estimated to increase from \$637 million in 1979 to \$644 million in 1980. Efforts will continue to assure the safety and efficacy of drugs and medical devices in 1980. Proposed initiatives, such as reform of existing drug laws, continued emphasis on insuring food safety, and the fostering of cooperative regulatory activities are expected to make existing programs more effective. Consumer safety efforts will continue research, information dissemination, and regulatory measures to protect consumers from unreasonable consumer product risks.

Workplace safety and health inspections by the Department of Labor under the Occupational Safety and Health Act and the Federal Mine Safety and Health Act are expected to increase from 267,000 in 1978 to 308,000 in 1980. Standards will continue to be issued to require changes in workplace conditions identified as causes of accidents, illness, or death. Emphasis on hazards that affect worker health will continue to increase. The Occupational Safety and Health Administration expects to increase grants to

help private organizations develop capacity to train workers and employers to recognize and eliminate hazards. The Mine Safety and Health Administration will shift emphasis from providing safety and health training to assisting and regulating mine operator training programs.

**Health-related programs.**—A number of Federal programs are health related, although their primary purpose is to meet other national needs and to serve other major missions. The following table lists 1980 outlays for health and health-related programs.

**PROPOSED 1980 FEDERAL HEALTH AND HEALTH-RELATED OUTLAYS**

(In millions of dollars)

Agency	Mission				Total
	Health care services	Health research	Training the health care work force	Protecting consumers and workers	
Health, Education, and Welfare .....	48,072	3,473	854	323	52,723
Defense .....	3,283	145	280	45	3,752
Veterans .....	5,278	127	344	1	5,750
Housing and Urban Development.....	29	.....	.....	15	44
Agriculture.....	44	132	.....	381	557
Environmental Protection Agency.....	.....	77	.....	.....	77
National Aeronautics and Space Administration .....	.....	51	.....	11	62
Department of Energy .....	.....	220	.....	.....	220
State .....	25	4	10	38	77
National Science Foundation.....	.....	74	.....	1	75
Interior .....	14	67	.....	5	85
Transportation .....	39	5	3	19	67
Justice.....	46	1	.....	14	61
Other agencies .....	897	51	79	340	1,367
Agency contributions to employee health funds .....	1,630	.....	.....	.....	1,630
<b>Total .....</b>	<b>59,359</b>	<b>4,427</b>	<b>1,569</b>	<b>1,193</b>	<b>66,547</b>
Allocated to health (550) .....	(48,462)	(3,365)	(623)	(943)	<sup>1</sup> (53,393)
Allocated to other national needs .....	(10,897)	(1,062)	(946)	(250)	(13,155)

<sup>1</sup> Excludes offsetting receipts of —\$14 million.

Outlays for health-related programs supporting the veterans benefits function, for example, are estimated to be \$5.8 billion in 1980. The primary objective of the veterans health program is to provide medical care to veterans suffering from service-connected disabilities. On a space-available basis, veterans who are unable to afford medical care are also treated in Veterans Administration (VA) facilities. In order to assure quality of care, 136 VA hospitals are affiliated with one or more medical schools. The VA funds over \$100 million in health-related research each year.

Estimated outlays of \$3.8 billion in 1980 for the health care system of the Department of Defense will support the primary military mission by maintaining the peacetime health of the active duty forces and by preparing for the care of the sick and wounded

in time of war. The Defense health care system also provides health care as a benefit to active duty dependents, retirees and their dependents, survivors of deceased active duty and retired personnel, and other beneficiaries entitled under the law. Health care services are provided to 9.4 million eligible beneficiaries by a direct care system of 179 military hospitals, numerous medical and dental clinics, and in civilian facilities by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). The Defense Department supports research and training activities at medical centers and research institutes throughout the country. Physician training is supported at the Uniformed Services University of the Health Sciences and by the Armed Forces Health Professions Scholarship Program.

Good health also is promoted by a wide range of current and proposed programs in other agencies and functions. Some of these efforts are included in the table above covering health-related activities. These activities include such programs as human nutrition research in the Department of Agriculture; health and environmental research in the National Science Foundation and the Department of Energy; and research on toxic substances and other pollutants in the Environmental Protection Agency. However, the 1980 budget also supports health promotion through other Federal activities not included in this table. For example, the 1980 budget requests an increase in nutrition programs for low-income women and youth, school children and the elderly in the Departments of Agriculture and Health, Education, and Welfare to help improve the health status of the beneficiaries. Pollution abatement and regulatory activities of the Environmental Protection Agency are also expected to promote better health.

#### CREDIT PROGRAMS—HEALTH

(in millions of dollars)

	1978 actual	1979 estimate	1980 estimate
Direct loans:			
New loans.....	88	125	129
Repayments, sales and adjustments (—).....	—48	—98	—95
Net credit outlays.....	40	27	34
Guaranteed loans:			
New loans.....	53	252	285
Net credit guaranteed.....	22	219	251

## INCOME SECURITY

### *National Needs Statement:*

- Mitigate through social insurance the loss of income due to unemployment, retirement, disability, or death.
- Assure a reasonable income for poor Americans, especially the elderly, disabled, and families with children who—even though they may be working—are unable to provide sufficiently for themselves.
- Coordinate the various income transfer programs to eliminate duplication and inequities, and assure that all needy and deserving persons are benefited.
- Administer these programs efficiently, while preserving the dignity and independence of the beneficiaries.

In 1980, income security outlays are estimated to be \$179.1 billion—about 34% of total budget outlays. This represents an increase of \$20.3 billion over 1979, and \$32.9 billion over 1978. In the last 5 years, income security outlays have grown by 40.6%, representing substantial real growth in benefits. These programs serve the retired and disabled as well as their dependents, the unemployed, and the poor in many different ways, with both cash and with in-kind benefits.

Most income security programs are entitlements and uncontrollable unless existing law is changed. Growth in the costs of these programs generally results from increases in the number of beneficiaries and from automatic cost-of-living increases, not from discretionary increases. It is thus difficult to achieve appreciable economies without seriously affecting current beneficiaries or individuals expecting to receive benefits in the near term.

Strenuous efforts have been made to assure that the poor and elderly who depend primarily on these programs are not adversely affected by 1980 budget proposals. Emphasis has also been placed on promoting accountability for proper and efficient operation of these programs. Administration proposals and initiatives in the income security area focus on:

- simplifying programs to ease access for beneficiaries, and to achieve administrative efficiencies;
- reducing fraud and abuse to promote public confidence, as well as assuring that benefits are targeted on intended beneficiaries; and
- reforming programs to eliminate benefits that are not closely related to need or to earned right.

Increased funding is proposed for the special supplemental feeding program for women, infants, and children (WIC) to cover a larger portion of a major vulnerable population. Reform proposals are being designed to achieve real improvements in the welfare system. The welfare reform is discussed in more detail, below, under public assistance.

For social security, legislation will be proposed to more closely relate benefits to earnings before retirement. Sound financing is a major concern for the railroad retirement system and will require increased taxes, coupled with a restructuring of future benefits to bring them more in line with social security. For food stamps, fraud and error will be reduced by creating fiscal incentives for States to improve administration. Legislation will be proposed requiring States with excessive error rates in administering food stamp benefits to share in the cost of such errors. Legislation will also be proposed to reduce child nutrition subsidies for meals for children from middle- and upper-income families so that Federal resources may be better targeted on the neediest. All Federal retirement programs and some public assistance benefits are related by law to changes in the cost of living, as measured by the consumer price index (CPI) or some other index. In this way, benefits are protected against inflation. As of last year, 2 consumer price indices are published: the original index, which was designed to measure the purchasing power of the dollar for urban wage earners and clerical workers, and a new index, which covers all urban households. The new index covers about 80% of the population, double that of the original index. Legislation is again proposed to shift to the more comprehensive all-urban index in measuring automatic cost-of-living increases for Federal programs linked to the CPI.

*General retirement and disability insurance.*—This mission includes benefits paid out under the social security and railroad retirement systems to retired and disabled workers and their survivors. It also includes benefits for disabled coal miners and Federal employees.

A broad range of fundamental problems will be addressed by the President's Commission on Pension Policy, which is considering not only retirement programs of the Federal Government, but those of State and local governments and the private sector in order to develop a national retirement income policy. Legislation will be submitted to continue to work of the Commission, which was established by Executive order.

*Social security.*—The old-age survivors and disability insurance (OASDI) system is the basic retirement program for more than 90% of the Nation's workers, and is the largest single program in the budget. More than 100 million people work at jobs covered

## NATIONAL NEED: PROVIDING INCOME SECURITY

[Functional code 600; in millions of dollars]

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>General retirement and disability insurance:</b>					
Social Security (OASDI) .....	87,976	100,419	115,740	132,058	150,030
Proposed legislation .....			14	103	287
Railroad retirement .....	3,843	4,035	4,274	4,597	4,789
Proposed legislation .....			211	245	281
Special benefits for disabled coal miners .....	1,068	1,564	1,570	1,308	1,392
Other .....	6	11	6	7	7
Subtotal .....	92,893	106,028	121,816	138,319	156,786
<b>Federal employee retirement and disability:</b>					
Retirement and disability .....	17,777	20,608	22,716	24,005	25,082
Federal employees workers' compensation .....	292	228	304	268	310
Subtotal .....	18,069	20,836	23,020	24,273	25,392
<b>Unemployment compensation .....</b>	<b>14,676</b>	<b>15,726</b>	<b>15,710</b>	<b>15,584</b>	<b>14,056</b>
<b>Public assistance and other income supplements:</b>					
Supplemental security income .....	5,250	5,558	6,396	6,749	7,139
Proposed legislation .....				7	11
AFDC and other .....	6,354	6,669	7,080	7,354	7,536
Proposed legislation .....			-212	-250	-282
Earned income credit .....	881	841	1,547	1,486	1,426
Food stamps .....	5,618	6,015	6,927	7,363	7,320
School lunch and other nutrition programs .....	3,399	3,792	4,454	4,720	4,954
Proposed legislation .....			-358	-374	-396
Housing assistance .....	32,300	24,787	27,475	28,003	28,067
Refugee assistance .....	196	227	76	67	59
Proposed legislation .....			90	89	88
Real wage insurance (proposed legislation) .....			200		
Other .....	439	474	240	240	240
Subtotal .....	54,438	48,363	53,914	55,454	56,163
<b>Deductions for offsetting receipts .....</b>	<b>*</b>	<b>-*</b>	<b>-*</b>	<b>-*</b>	<b>-*</b>
<b>Total, budget authority .....</b>	<b>180,077</b>	<b>190,954</b>	<b>214,460</b>	<b>233,628</b>	<b>252,397</b>

## OUTLAYS

## General retirement and disability insurance:

Social Security (OASDI) .....	92,242	102,319	115,846	128,510	140,799
Proposed legislation .....		4	-609	-1,682	-2,928
Railroad retirement .....	3,983	4,267	4,581	4,832	5,013
Proposed legislation .....			-65	-93	-116
Special benefits for disabled coal miners .....	1,027	1,307	1,463	1,422	1,339
Other .....	5	7	8	7	7
Subtotal .....	97,257	107,903	121,224	132,996	144,114

**NATIONAL NEED: PROVIDING INCOME SECURITY—Continued**

(Functional code 600; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Federal employee retirement and disability:</b>					
Retirement and disability .....	10,491	12,140	13,802	15,391	16,929
Proposed legislation .....	.....	.....	21	22	23
Federal employees workers' compensation ..	174	228	304	268	310
<b>Subtotal .....</b>	<b>10,665</b>	<b>12,368</b>	<b>14,127</b>	<b>15,681</b>	<b>17,262</b>
<b>Unemployment compensation .....</b>	<b>11,769</b>	<b>10,296</b>	<b>12,410</b>	<b>11,884</b>	<b>10,756</b>
<b>Public assistance and other income supplements:</b>					
Supplemental security income .....	5,855	5,558	6,340	6,749	7,139
Proposed legislation .....	.....	.....	.....	7	11
AFDC and other .....	6,639	6,702	6,961	7,354	7,536
Proposed legislation .....	.....	.....	-212	-250	-282
Earned income credit .....	881	841	1,547	1,486	1,426
Food stamps .....	5,499	6,321	6,877	7,312	7,290
School lunch and other nutrition programs ..	3,427	3,831	4,257	4,582	4,810
Proposed legislation .....	.....	.....	-358	-364	-365
Housing assistance .....	3,677	4,453	5,322	6,283	7,397
Refugee assistance .....	139	228	126	78	61
Proposed legislation .....	.....	.....	90	89	88
Real wage insurance (proposed legislation) ..	.....	.....	200	.....	.....
Other .....	403	367	210	210	211
<b>Subtotal .....</b>	<b>26,521</b>	<b>28,300</b>	<b>31,360</b>	<b>33,534</b>	<b>35,323</b>
<b>Deductions for offsetting receipts .....</b>	<b>*</b>	<b>— *</b>	<b>— *</b>	<b>*</b>	<b>*</b>
<b>Total, outlays .....</b>	<b>146,212</b>	<b>158,867</b>	<b>179,120</b>	<b>194,095</b>	<b>207,454</b>
<b>ADDENDUM</b>					
Off-budget Federal entity:					
Pension Benefit Guaranty Corporation:					
Outlays .....	— 32	— 24	— 31	— 33	— 36

\* \$500 thousand or less.

under the program. In 1980, workers and employers will contribute \$113 billion in payroll taxes to support the system. Benefits to almost 36 million retired and disabled workers, aged dependents, and survivors will total \$113 billion. During the year, more than 900,000 additional persons will be added to the benefit rolls.

The Social Security Amendments of 1977 (P.L. 95-216) revised the benefit computation formula to correct a runaway growth in benefit costs in the long range. It also provided a substantial rise in payroll taxes over the next several years to cover higher than anticipated costs. Even so, the measures contained in the 1977 amendments will not totally resolve the financing problems in social security. While the new taxes and changes in the benefit formula will increase trust fund resources temporarily, the funds may nonetheless encounter financial trouble after the turn of the



century if the ratio of productive workers to retired persons decreases as projected. (People born during the post-World War II baby boom will begin to retire after 2010, while at the same time the labor force is expected to be growing much more slowly. Consequently, current projections indicate that the ratio of taxpayers to beneficiaries will drop from 3:1 in the 1980's, to 2:1 in the 2030's.) Unless changes are made in the system before 2010, the trust funds' reserves will be exhausted in the 2040's.

A number of groups, in addition to the President's Commission on Pension Policy, have been formed to study the social security and related retirement systems, and recommend changes in the systems to guarantee their long-term soundness. Among these groups are:

- the congressionally-mandated National Commission on Social Security;
- a congressionally-mandated study of universal coverage under social security;
- a congressionally-mandated study of dependency as a factor in spouses' benefits; and
- the Quadrennial Advisory Council on Social Security.

The study groups are expected to report beginning late in 1979. In the interim, the administration is proposing legislation to improve administration of the social security program and to eliminate unnecessary benefits. The 1980 budget contains a coordinated package of changes that would reduce social security outlays by an estimated \$0.6 billion in 1980 and \$1.7 billion in 1981. Social security outlays, including these proposed reductions, are estimated to be \$102.3 billion in 1979 and \$115.2 billion in 1980. If these reduction proposals, as well as the administration's hospital cost containment legislation, are enacted, it would be possible to consider a reduction in social security taxes beginning in 1981.

Legislation will be proposed to:

- *Limit the number of work years that may be disregarded in computing social security benefits.*—Under present law, the 5 lowest years of a worker's covered earnings may be disregarded in determining the average lifetime earnings, upon which the benefit is based. The proposal would relate the number of years that may be disregarded to the number of the worker's years of covered employment.
- *Phase out post-secondary school student benefits.*—Currently, student benefits are paid to individuals over the age of 18 regardless of their income if they attend post-secondary schools. It would be more appropriate for needy students to receive assistance under the basic education opportunity grants (BEOG's), which take into account the cost of the

education and the family's ability to pay. The administration is requested full funding for BEOG's in 1980.

- *Modify parent's benefit.*—Currently, spouses may receive immediate benefits for which they would not otherwise be eligible until they reached age 60 or 62, if they are caring for a child under 18 of the retired, disabled, or deceased worker. Present law provides such a benefit on the assumption that the parent cannot work away from the home while a child under the age of 18 is in her (his) care. In today's world this is unrealistic and costly.
- *Offset worker's benefits for Federal civilian pensions.*—The 1977 Social Security Amendments provided that social security benefits received by dependents of workers be reduced if the dependents receive benefits from other public pension systems such as the Federal employees retirement system. The purpose was to avoid windfall benefits from the overlap of both systems. This proposal extends the same principle to retirees themselves.
- *Simplify certain statutory rules.*—A number of technical changes are proposed to simplify and speed benefits. Some, such as rounding benefits to the nearest dollar instead of rounding up to the nearest 10 cents, have little effect on the individual beneficiary but will save the fund \$60 million or more every time a cost-of-living adjustment is made. Others may have a modest cost, such as modifying the penalties for untimely reports of excess earnings. Most of the proposals in this category have relatively negligible costs.
- *Eliminate minimum benefit for new recipients.*—Under present law, insured workers who retire at age 65 are guaranteed \$120 a month regardless of the average level of their past covered earnings. This is a windfall to persons for whom social security covered employment was not the principal source of pre-retirement earnings.
- *Replace the lump-sum death payment with a new death benefit in SSI.*—The lump-sum death payment has not increased since 1954 and is now largely an anachronism. For people with truly minimal resources an alternative death benefit is proposed in the supplemental security income (SSI) program.
- *Reform the disability insurance program.*—A number of changes in the disability insurance program are proposed to limit opportunities for abuse of the program. These include new maximum family benefit and increased incentives for disabled beneficiaries to return to gainful employment.
- *Other.*—Other changes include a proposal that survivors would no longer be eligible for benefits unless the deceased worker were fully insured. These benefits now go mainly to

families protected by other retirement systems. Another proposal would raise the age at which individuals might begin to receive full benefits without regard to their current earnings from 70 to 72. Presently, the age limit benefits mostly high-earners and is costly to the social security system.

*Railroad retirement.*—The Railroad Retirement Board, a Federal agency, administers benefits equivalent to social security, as well as industry-financed benefits for retired and disabled railroad employees, their dependents, and survivors. The industry also finances an array of retirement, survivor, and disability benefits beyond social security, such as “windfall” benefits, lump-sum, and taxable supplemental annuities. Outlays are estimated to increase from \$4.3 billion in 1979 to \$4.5 billion in 1980 as a result of higher per capita benefit levels. Higher benefits paid to the 1 million beneficiaries more than offset the effect of a decline of 5,000 beneficiaries between 1979 and 1980.

The Board’s latest actuarial valuation projections suggest that the industry pension fund will be out of funds by 1986. The fund is underfunded by at least 4% of current railroad industry payroll; that is, revenues have to be increased or benefits decreased by an amount equivalent to 4% of payroll to put the fund on a financially sound basis. The budget includes legislation to assure that the interests of current and future beneficiaries are protected by restoring the solvency of the railroad industry pension fund. The proposals would increase revenues by 2% of railroad industry payroll chiefly by removing the maximum limit on wages subject to railroad retirement taxes. The proposal would also reduce the future growth in benefits so that they more closely conform to social security. This will result in prospective savings to the fund actuarially equivalent to 2% of industry payroll. The administration also invites proposals negotiated by railroad labor and management to provide sound financing of the industry pension component without added Federal subsidies.

The industry component of the railroad retirement system provides windfall benefits to certain beneficiaries entitled to both social security and railroad retirement benefits. The general taxpayer has subsidized the cost of providing these benefits to railroad industry beneficiaries since 1976. This subsidy is currently projected at \$313 million in outlays annually through the year 2000. Legislation is again being proposed to cease providing cost-of-living increases in the windfall benefit for workers who retire after May 31, 1979.

*Special benefits for coal miners.*—Benefits to coal miners disabled from pneumoconiosis (commonly known as “black lung”) and their

dependents and survivors are provided under the Federal Mine Safety and Health Act of 1977. Monthly benefits are based on the GS-2 Federal salary and increase as that salary level changes. If the beneficiary filed for benefits for years between 1970 through 1973 and if the claim was approved by the Department of Health, Education, and Welfare, these benefits are financed out of Federal funds. These federally-funded benefits are estimated to total \$1.0 billion annually in 1979 and 1980. An increase in average benefit levels will be offset by a reduction in the number of beneficiaries. Beneficiaries are expected to decline from 453,000 in 1978 to 432,000 in 1979 and 410,000 in 1980.

The Department of Labor receives claims filed after 1973, and benefits are paid by the mine operator found responsible for the disability. In addition, the Black Lung Benefits Reform Act of 1977 provided for review by the Department of Labor of all claims denied by the Department of Health, Education, and Welfare for possible approval under new eligibility criteria.

Benefit payments for eligible miners and survivors where no mine operator can be assigned liability, or where mine employment terminated prior to 1970, are paid from the black lung disability trust fund. This trust fund is financed by an excise tax on coal, and will pay out benefits estimated at \$281 million in 1979 and \$424 million in 1980.

*Pension Benefit Guaranty Corporation.*—The Pension Benefit Guaranty Corporation, an off-budget Federal entity, was established by the Employee Retirement Income Security Act of 1974 to protect the vested benefits of workers in covered pension plans in case a plan terminates. Employers with covered plans pay an annual premium of \$2.60 per plan participant to cover the Corporation's costs of taking over terminated pension plans and paying benefits when due. Employers whose plans terminate are liable for the unfunded portion of vested retirement benefits to the extent it does not exceed 30% of their net worth. The Corporation's receipts are expected to exceed expenditures by \$24 million in 1979 and \$31 million in 1980. The Corporation's discretionary authority to cover terminating multi-employer plans expires on June 30, 1979. The budget estimates are based upon legislation that will be proposed to extend this discretionary authority. The legislation would also establish a comprehensive multi-employer plan termination insurance program.

## FEDERAL BENEFITS FOR THE AGED

(In millions of dollars)

	1978 actual	1979 estimate	1980 estimate
<b>Cash benefits:</b>			
Covered employment:			
Social security (OASI) members.....	62,922	70,150	79,705
Federal civilian employees .....	4,995	5,684	6,477
Railroad employees.....	3,033	3,186	3,379
Uniformed services members.....	1,958	2,863	2,363
Coal miners widows .....	291	343	383
Supplemental security income.....	1,855	1,560	1,689
Income-tested veterans pension .....	1,835	2,139	2,396
Subtotal, cash benefit outlays.....	76,889	85,925	96,392
<b>In-kind benefits:</b>			
Medicare.....	21,479	24,747	28,439
Medicaid .....	3,849	4,209	4,356
Food stamps .....	544	546	516
Subsidized public housing .....	1,074	1,348	1,670
Other in-kind.....	31	48	54
Subtotal, in-kind benefit outlays .....	26,977	30,898	35,034
<b>Total Outlays .....</b>	<b>103,866</b>	<b>116,823</b>	<b>131,427</b>
Allocated to income security (function 600).....	(73,096)	(80,922)	(91,633)
Allocated to other national needs .....	(30,770)	(35,901)	(39,794)

**Tax expenditures.**—A variety of income exclusions, tax deferrals, and credits, assist the aged, retired, and disabled. The exclusion from income subject to tax of all social security and most railroad retirement benefits without regard to an individual's income from other resources results in an estimated tax expenditure of \$6.7 billion in 1980. The exclusion from income of benefits for the disabled results in an estimated tax expenditure of \$2.2 billion in 1980. The tax expenditures resulting from the extra personal exemption for those over 64 and the blind, and from tax credits for the elderly will reduce 1980 receipts by an estimated \$2.1 billion. The Revenue Act of 1978 significantly increased the level of tax expenditures going to elderly homeowners. The new provisions that allow a once-in-a-lifetime tax exemption on capital gains up to \$100,000 on the sale of a principal residence will reduce tax collections by an estimated \$535 million in 1980.

Tax expenditures also provide incentives for employers to provide their workers with pension and other benefits such as life and health insurance and supplemental unemployment. Excluding the cost of these benefits from income results in an estimated tax expenditure of \$13.9 billion in 1980. Acquiring life insurance is encouraged by the Government through exclusions from income of

interest earned on policies that reduce premiums. This exclusion will result in an estimated 1980 tax expenditure of \$2.7 billion.

***Federal employee retirement and disability insurance.***—Outlays for Federal civilian retirement and non-work-related disability insurance are estimated to increase from \$12.1 billion in 1979 to \$13.8 billion in 1980. These Federal programs are estimated to have 1.7 million beneficiaries in 1980. (Military retirement is discussed under national defense.)

The Department of Labor, through the Federal Employee Compensation Act program, provides tax-free cash and medical benefits to Federal employees, or their survivors, for job-related injuries, illnesses, or deaths. Other Federal agencies subsequently reimburse the Department for payments made on behalf of their employees. Approximately 48,000 workers with long-term disabilities or their survivors are expected to receive monthly payments in 1979 and 49,000 in 1980. Outlays are estimated to increase from \$228 million in 1979 to \$304 million in 1980.

There is evidence that the Federal employee workers compensation system is being overused. Consequently, legislation is being proposed to amend the Federal Employees Compensation Act to (1) remove incentives to file questionable claims and disincentives for injured workers to return to work when they are medically able; (2) remove inequities in compensation, which now permit higher paid workers to receive in compensation more than they took home in pay when working; and (3) encourage both employees and employers to participate fully in the restoration of injured workers to gainful employment as soon as medically possible.

The proposals will include provisions designed to reduce fraud and simplify the program. Such provisions would facilitate management of the system and would eventually produce savings in both compensation and administrative funds.

***Unemployment compensation.***—Approximately 97% of wage and salaried employment in the United States is covered by unemployment compensation, which provides support to individuals who are temporarily out of work and are searching for a job. This income to unemployed workers also helps support aggregate purchasing power during slack periods in the economy. It is estimated that an average of 2.2 million workers per week will receive unemployment benefits during 1979 and 2.6 million in 1980. Outlays for unemployment compensation are estimated to increase from \$10.3 billion in 1979 to \$12.4 billion in 1980 as a result of the final phase-in of the increased coverage enacted in 1976, increases in wages on which benefits are based, and a slight rise in the projected average unemployment rate from 5.9% in FY 1979 to 6.2% in 1980.

*Tax expenditures.*—Unemployment compensation benefits received by single persons with annual income, including unemployment compensation, of under \$20,000 (under \$25,000 for married couples) are excluded from income subject to taxation. The resulting tax expenditure is estimated at \$1.9 billion in 1980.

*Public assistance and other income supplements.*—This mission includes programs that provide cash, food, and shelter for people in need. Groups eligible for such aid include families with dependent children, the aged, the blind, and the disabled. A major administration proposal for reform of the welfare system will provide significant improvements in welfare programs and in benefits for the needy.

*Welfare reform.*—The basic components of the welfare reform plan would:

- establish a national minimum benefit level for the aid to families with dependent children program (AFDC);
- increase efficiency and reduce fraud and abuse through administrative improvements;
- transform the unemployed father component of the AFDC program into assistance for unemployed parents, and extend it to all States;
- attempt to provide an employment and training opportunity for the principal earner in AFDC families for whom a private sector job cannot be found;
- maximize reliance on the enacted resources for the most severely disadvantaged under the CETA program and tax credits;
- further expand the earned income tax credit (EITC) to increase incomes of working poor families and thereby strengthen work incentives and reduce welfare costs; and
- provide additional fiscal relief to State and local governments as a result of the above components.

Provision for this reform proposal has been made in the allowance for contingencies beginning in 1981.

*Supplemental security income.*—The supplemental security income (SSI) program, which is administered by the Federal Government, provides cash assistance to needy aged, blind or disabled individuals. The basic Federal grant is supplemented by State payments in certain States.

The number of recipients in 1980 is estimated to be 4.2 million. Federal outlays in 1980 are estimated to reach \$6.3 billion, compared to \$5.6 billion in 1979 and \$5.9 billion in 1978. Because payments are not made on a Sunday, benefits for the first month

in 1979 were actually paid in 1978, causing the decrease in outlays between 1978 and 1979 and the large increase in 1980.

The high error rates associated with the program's initial years have been markedly reduced. Much of this reduction is due to concentrating staff resources on error-prone cases, and extensively cross-checking benefits provided by other benefit programs. The Department of Health, Education, and Welfare intends to reduce further the number of errors without sacrificing equity or incurring substantial new program costs. For example, legislation is being proposed to shift to a system under which a recipient's eligibility and benefits would be determined by taking into consideration the past month's income, rather than trying to forecast income, as under current law.

*AFDC and related programs.*—The program of aid to families with dependent children (AFDC) assists States and localities in providing cash assistance to needy families. Federal outlays for these grants are estimated at \$6.7 billion in 1980, compared with \$6.7 billion in 1979 and with \$6.6 billion in 1978. A small outlay increase from an anticipated moderate rise in the average benefit payment is offset by proposals to improve program management. Errors and abuses are being combated through closer cooperation between the States and the Department of Health, Education, and Welfare. In addition, vigorous management improvement efforts, such as welfare management and training institutes, are focusing on administration in selected States. Concerted efforts are being made to match data from other benefit programs to assure that recipients receive only the cash assistance to which they are entitled. Child support payments are being collected from parents who are legally liable for such support. This effort results in a decrease in Federal, State, and local AFDC expenditures.

Legislation is being proposed to include stepparents' income in calculating AFDC eligibility and benefits, standardize allowable work expenses, and require monthly retrospective income reporting (as in SSI) for determining AFDC eligibility and benefits. These proposals greatly simplify administration and reduce associated costs. Legislation is also being proposed to revise the child support enforcement program, by extending enforcement and collection activities to alimony, permitting access to wage information of the Social Security Administration, and extending AFDC entitlement to assure the establishment of a regular pattern of support payments for the family.

*Earned income tax credit (EITC).*—This credit aids low-income workers. In 1978 the credit was 10% of the first \$4,000 of income and was phased out at the rate of \$1 for each \$10 earned. For 1979



and later years, the credit will be 10% of the first \$5,000 and will phase out at the rate of \$1.25 for each \$10 earned above \$6,000. Budget outlays for the earned income credit, representing payments in excess of tax liability, are expected to rise from \$0.8 billion in 1979 to \$1.5 billion in 1980 as a result of the changes enacted last year. The 1980 revenue loss associated with this credit is estimated to be \$0.7 billion. Expansion of the EITC is under consideration as part of the design of the welfare reform proposal.

*Food stamps.*—The food stamp program is designed to help needy families purchase food for an adequate diet. Food stamp allotments are adjusted twice a year for changes in food prices. Outlays are estimated to be \$6.9 billion in 1980, supporting 17.4 million individuals. The net incomes of food stamp recipients are below the poverty line; 17% of participating households have one or more members over age 64, and 68% of all households are headed by women.

Legislation will be proposed to improve program administration by placing fiscal liability on States that operate the program at unacceptably high error rates, and to allow States to determine benefits through retrospective rather than prospective accounting of household income. These proposals, plus the Food Stamp Act of 1977, will ensure that Federal resources reach those eligible and most in need. The 1977 Act tightened income eligibility requirements, eliminated those households with relatively high incomes, improved access to the program, and simplified administration. Legislation will be proposed to eliminate the authorization ceiling so that cost-of-living changes can be made. The effects of the legislation are not shown separately on the national need table.

*School lunch and other nutrition programs.*—There are 15 separate Federal programs that financially assist States in feeding children and other needy persons. Outlays for these programs are estimated to total \$3.9 billion in 1980.

Legislation will be sought to direct these resources more effectively to needy children, since a substantial portion of child nutrition subsidies goes for meals for middle and upper income families or duplicates resources available elsewhere. Included are proposals to reduce school lunch and breakfast subsidies by 5 cents for children from families with incomes above \$13,845, and revise eligibility requirements for free and reduced-price meals to ensure that subsidies assist only those in need. Another proposal would end subsidies for special milk programs in schools where the Federal Government already pays for milk as part of a breakfast or lunch program. The Department of Agriculture will also increase its audit activities to reduce the incidence of improper reimbursements for children not eligible for certain subsidies.

Support for the special supplemental food program for women, infants, and children (WIC) will be increased \$200 million to \$750 million in 1980. This represents a \$345 million increase in outlays since 1978. Recent studies suggest that this program may lead to significant reductions in infant mortality and in the incidence of low birth-weight babies, both of which disproportionately afflict poor families who are the program's beneficiaries. WIC benefits will be better targeted on poor families and linked more effectively with health care services.

*Housing assistance.*—The Department of Housing and Urban Development (HUD) provides housing assistance to low-income families to improve their opportunity to secure decent housing. The total number of families receiving housing assistance is estimated to increase from 3.0 million in 1979 to 3.2 million in 1980. Total outlays for housing assistance are estimated to rise from \$4.4 billion in 1979 to \$5.3 billion in 1980—an increase of 20%. The 1980 budget requests \$27.4 billion in budget authority, of which \$26.7 billion is for long-term subsidized housing commitments. This will provide rental housing assistance for up to 300,000 additional low-income families, and homeownership assistance to an additional 25,000 moderate-income households.

Housing assistance is currently provided through 3 major activities within HUD's subsidized housing programs: lower income housing assistance, public housing, and homeownership assistance. The most important of these programs—lower income housing assistance (section 8)—provides rental subsidies to participating families equal to the difference between market rents and 15-25% of family income. These rental subsidies are paid over a 15- to 40-year period for tenants in newly-constructed, rehabilitated, and existing units. The budget proposes additional section 8 assistance for low-income families in 1980, requiring total budget authority of about \$20 billion. Outlays from the section 8 housing program are estimated to increase \$1.4 billion in 1979 to \$2.1 billion in 1980. HUD will continue efforts begun in 1978 to control subsidized housing cost increases in response to growing concerns about the costs of these programs. In addition, the administration will explore alternatives that would encourage communities to make more extensive and effective use, including rehabilitation, of existing units to meet housing needs of eligible households. Average cost per unit of section 8 housing is estimated as follows:

- \$178,800 over 40 years for State agency-financed new construction;
- \$133,200 over 30 years for private new construction; and
- \$40,050 over 15 years for existing housing.

Public housing, including housing for reservation Indians, is the other major active rental assistance program within the subsidized housing programs. The budget proposes budget authority of \$6.1 billion in 1980. This will help to provide another 50,000 units of public housing. The budget provides \$750 million in budget authority for modernization to improve existing public housing projects. Almost all existing public housing projects also receive an operating subsidy to fill the projected gap between the operating costs estimated for "well-run" projects under the performance funding system and anticipated revenues from rent collections. Budget authority of \$742 million is proposed for 1980 for public housing operating subsidies. Outlays under this program are estimated to increase from \$652 million in 1979 to \$720 million in 1980. The administration has undertaken a study of the performance funding system to update and improve the method used to determine operating subsidies. Total outlays for public housing are estimated to increase from \$1.8 billion in 1979 to \$2.0 billion in 1980.

The subsidized housing program also helps families become homeowners by subsidizing mortgage payments down to an effective rate of a 4% mortgage. In 1980, an additional 25,000 households are expected to receive homeownership assistance under the current program using authority provided by the Congress in past years. The administration will propose changes in the current mortgage limits to enable this program to respond better to areas where displacement of low and moderate income households is occurring. Outlays for homeownership assistance are estimated to increase from \$103 million in 1979 and \$111 million in 1980.

The budget also continues the new troubled projects operating subsidy for subsidized, FHA-insured, multi-family projects in financial difficulty. This recently enacted program provides the difference between the HUD-approved operating costs and projected rents, and helps defray additional rent burdens for low-income tenants, while mandating management improvements for participants. Budget authority of \$82 million is requested for 1980, and outlays are estimated to be \$78 million in 1980. The exclusion from income of interest on State and local housing bonds results in an estimated 1980 tax expenditure of \$820 million.

## CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Public housing operation and construction:</b>			
Direct loans:			
New loans .....	191	204	205
Repayments, sales, and adjustments (—) .....	—176	—201	—203
Net credit outlays .....	16	2	2
Guaranteed loans:			
New loans .....	9,448	11,310	14,193
Net credit guaranteed .....	365	1,810	3,093
<b>Assistance to refugees:</b>			
Direct loans:			
New loans .....	*	*	.....
Repayments, sales, and adjustments (—) .....	—1	—1	—1
Net credit outlays .....	—1	—1	—1

\*\$500 thousand or less.

*Refugee assistance.*—States are reimbursed for assistance provided needy Cuban and Indochinese refugees. Some refugees need cash assistance, medical care, social services, or English language and employment skills training to facilitate their integration into American society. Outlays are estimated to be \$228 million in 1979 and \$216 million in 1980 to provide for the continued needs of recent refugees and the anticipated needs of the additional Indochinese refugees recently authorized for entry by the Attorney General. As Indochinese refugees become self-sufficient and as Federal aid for the earliest arrivals is phased out in 1980, residual refugee welfare needs will be met by the regular national assistance programs. Refugee needs will continue to be monitored carefully by the administration over the next several months in light of the continuing exodus from Indochina.

Under the provisions of the Foreign Assistance and Related Programs Appropriation Act of 1979, the Department of Health, Education, and Welfare has assumed responsibility from the State Department for providing grants to several American private voluntary organizations to aid in the permanent resettlement in the United States of refugees from other nations.

*Real wage insurance.*—The President has proposed a program of real wage insurance as a part of his comprehensive anti-inflation program. Its major effect on the budget would be a reduction in receipts, resulting from tax credits of \$2.3 million in 1980. In addition, there would be \$0.2 billion in outlays, reflecting payments

in excess of an individual's tax liabilities. A detailed description of this proposal is in Part 4, "Budget Receipts."

*Other.*—Estimated outlays for other income supplements are decreasing for \$367 million in 1979 to \$210 million in 1980. This is because of the transfer of the home weatherization program to the Department of Energy.

*Related programs.*—There are a number of other programs that are related to income security, but their primary purpose is to meet other national needs and serve other major missions. The following table lists these income security-related programs that support other missions.

**FEDERAL OUTLAYS FOR INCOME SECURITY-RELATED BENEFITS SUPPORTING OTHER MAJOR MISSIONS**

(In millions of dollars)

Department, agency, and program	Benefit outlays		
	1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare:</b>			
Hospital insurance.....	17,862	20,378	21,989
Supplementary medical insurance.....	7,350	8,771	10,091
Medicaid.....	10,680	11,751	12,354
Public Health Service officers retirement.....	52	60	71
Total, Department of Health, Education, and Welfare.....	35,944	40,960	44,505
<b>Veterans Administration:</b>			
Disability and dependency and indemnity com- pensation.....	6,200	6,750	7,255
Veterans and survivors pensions.....	3,261	3,758	4,239
Life insurance (net subsidy).....	496	537	550
Other veterans benefits.....	176	199	205
Total, Veterans Administration.....	10,133	11,244	12,249
<b>Department of Defense—Military:</b>			
Military retirement.....	9,171	10,102	11,435
<b>Department of Transportation:</b>			
Coast Guard retirement.....	156	177	198
<b>Total outlays.....</b>	<b>55,404</b>	<b>62,483</b>	<b>68,387</b>

## VETERANS BENEFITS AND SERVICES

### *National Needs Statement:*

- To meet the Nation's obligation to compensate veterans disabled while in military service for their loss of earning power.
- To provide medical care to veterans for disabilities incurred while in military service.
- To compensate the families of veterans who are killed in service or who die from service-related disabilities for the reduction in the family's earning power.
- To help veterans of wartime and draft service return to civilian life on a social and economic basis comparable to their peers who did not perform military duty.
- To provide psychological readjustment services and extended training opportunities to Vietnam-era veterans with special needs.
- To provide financial assistance to needy veterans and their survivors.

Veterans benefits recognize the special needs of veterans and their dependents and survivors that result from the sacrifices that veterans have made in military service to this country. Benefits compensate for loss of earnings resulting from service-related disabilities, provide medical care for physical and psychological disabilities suffered in military service, and assist in preparing returning veterans for civilian life. In addition, veterans benefits provide financial assistance to needy, non-service disabled veterans of wartime service and their survivors.

While veterans benefits and services are generally adequate and have been successful in meeting these needs, it is the goal of the administration to meet more effectively the special needs of the Vietnam-era veteran, to organize the Veterans Administration medical system to better accommodate the imminent increase in the number of aging veterans, and to concentrate needs-related financial assistance benefits on the most needy veterans.

The budget proposes several legislative initiatives for 1980. These include:

- Cost-of-living increases to veterans receiving compensation benefits for service-connected disabilities.
- A program under which the VA would have expanded authority to provide psychological readjustment services to Vietnam-era veterans directly or by contract with private and other non-Federal health care providers.

- A 2-year extension of the period of eligibility for certain readjustment benefits for needy and educationally disadvantaged Vietnam-era veterans.

The budget also reflects the beginning of changes that will be necessary to adapt VA's health care program to the large increase in demand for medical care anticipated as the World War II veteran population reaches 65 years of age during the decade of the 1980's. Under current law, veterans are considered disabled on reaching age 65 and become eligible for a wide variety of medical benefits. Changes in the medical programs of VA, currently underway, will concentrate on providing medical care appropriate to the needs of eligible veterans. Specifically, the Department of Medicine and Surgery will place increased emphasis on its resources to outpatient and extended care for eligible veterans, and to treatment of the gerontological problems of the increasing number of aging World War II veterans.

In keeping with the President's emphasis on budget restraint, several cost-saving legislative proposals are reflected in the budget. The proposals will correct inequities in current programs and terminate activities that do not accomplish their objectives. They will also help to offset the costs of improvements in veterans programs.

Outlays for veterans benefits and services are estimated at \$20.5 billion in 1980, and are estimated to increase to \$21.2 billion in 1981 and \$21.7 billion in 1982. These increases reflect the cost of proposed improvements, as well as changes in the numbers of beneficiaries and benefit levels in entitlement programs. Outlays for veterans income security programs, primarily compensation and pensions, are expected to increase by more than \$1.0 billion (9.4%) between 1979 and 1980, largely as a result of cost-of-living increases. Readjustment benefits are expected to decrease by \$460 million (17%) over the same period as fewer veterans apply for GI bill benefits. Outlays for hospital and medical care for veterans will decrease by \$76 million if proposed savings legislation is enacted by 1980. Finally, veterans housing programs are expected to produce negative outlays of \$215 million in 1980 as a result of the sale of housing assets held by the agency. Overall, outlays for veterans benefits will increase by \$132 million over 1979 if this budget, including savings legislation, is enacted.

**NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES**

(Functional code 700; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Income security for veterans:</b>					
Compensation and pensions:					
Service-connected compensation.....	6,200	6,750	6,757	6,768	6,774
Proposed legislation.....			498	954	1,371
Non-service-connected pensions.....	3,261	3,758	4,239	4,399	4,494
Other veterans income security.....	176	199	205	211	218
Insurance programs:					
National service life insurance trust fund	940	966	968	974	977
U.S. Government life insurance trust fund.....	36	36	34	32	30
All other insurance programs.....	4	6	5	6	6
Insurance program receipts.....	-484	-471	-457	-452	-447
Subtotal, income security for veterans	10,132	11,244	12,251	12,892	13,422
<b>Veterans education, training, and rehabilitation:</b>					
Existing law.....	2,635	2,446	2,279	1,833	1,574
Proposed legislation.....			*	11	-1
Subtotal, education, training, and rehabilitation.....	2,635	2,446	2,278	1,844	1,573
<b>Hospital and medical care for veterans:</b>					
Medical care and hospital services.....	4,925	5,409	5,595	5,720	5,868
Proposed legislation.....			-301	-306	-313
Construction.....	504	462	395	473	368
Medical administration, research, and other.	209	278	173	177	177
Subtotal, hospital and medical care....	5,638	6,149	5,862	6,064	6,100
<b>Other veterans benefits and services:</b>					
Undistributed VA overhead and other.....	608	650	604	610	611
Proposed legislation.....			-1	-1	-1
Non-VA support programs.....	26	28	32	29	29
Subtotal, other benefits and services..	635	678	635	639	639
Deductions for offsetting receipts.....	-3	-3	-3	-3	-3
Total, budget authority.....	19,037	20,514	21,024	21,435	21,732

**Income security for veterans.**—In addition to general Federal income security programs, such as social security, several programs help certain veterans and their survivors maintain their income when the veteran is disabled, aged, or deceased. Outlays for this mission are estimated to increase from \$10.9 billion in 1979 to \$12.0 billion in 1980.

**Service-connected compensation.**—Monthly compensation payments are provided to veterans whose disability resulted from military service. The amount of the benefit depends on the degree to which average earnings of individuals with a particular disability are reduced. In addition, dependency and indemnity compensation



## NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES—Continued

(Functional code 700; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Income security for veterans:</b>					
Compensation and pensions:					
Service-connected compensation.....	6,159	6,704	6,803	6,772	6,780
Proposed legislation .....			457	874	1,256
Nonservice-connected pensions.....	3,239	3,734	4,175	4,401	4,497
Other veterans income security .....	175	199	205	211	218
Insurance programs:					
National service life insurance trust fund	668	740	771	778	794
U.S. Government life insurance trust fund.....	67	70	66	62	60
All other insurance programs .....	-79	-59	-65	-65	-64
Insurance program receipts.....	-484	-471	-457	-452	-447
Subtotal, income security for veterans	9,745	10,918	11,955	12,583	13,094
<b>Veterans education, training, and rehabilitation:</b>					
Existing law .....	3,365	2,701	2,241	1,794	1,558
Proposed legislation .....			-*	11	-1
Subtotal, education, training, and rehabilitation .....	3,365	2,701	2,241	1,805	1,558
<b>Hospital and medical care for veterans:</b>					
Medical care and hospital services .....	4,809	5,403	5,593	5,718	5,866
Proposed legislation .....			-301	-306	-313
Construction .....	250	294	328	538	702
Medical administration, research, and other.	195	221	222	227	196
Subtotal, hospital and medical care....	5,254	5,918	5,842	6,177	6,451
<b>Veterans housing:</b>					
Loan guaranty revolving fund .....	80	157	-30	74	75
Direct loan revolving fund.....	-39	-33	-165	-67	-62
Other (HUD participation sales trust fund) .	-13	-17	-20	-3	-3
Subtotal, veterans housing.....	28	106	-215	4	10
<b>Other veterans benefits and services:</b>					
Undistributed VA overhead and other.....	560	658	612	608	608
Proposed legislation.....			-1	-1	-1
Non-VA support programs.....	25	31	31	29	29
Subtotal, other benefits and services..	585	689	642	636	636
<b>Deductions for offsetting receipts.....</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>
<b>Total, outlays.....</b>	<b>18,974</b>	<b>20,329</b>	<b>20,461</b>	<b>21,201</b>	<b>21,747</b>

\* \$500 thousand or less.

payments are made to survivors of veterans who die from service-connected injuries. Recently enacted legislation increased compen-

sation benefits by 7.3%, effective in October 1978; extended dependents allowances, previously given only to veterans 50% or more disabled, to veterans 30% or more disabled; and increased clothing and monthly aid and attendance allowances. Legislation will be proposed to provide a 7.8% cost-of-living increase in compensation benefits, effective in October 1979; and annual cost-of-living increases, based on the projected consumer price index, are assumed to take place in each subsequent year. It is this assumption that causes compensation payments to grow from \$6.7 billion in 1979 to \$8.0 billion in 1982. An estimated 2.6 million veterans and their survivors are expected to receive compensation benefits in each of the years 1979 through 1982.

*Non-service-connected pensions.*—Pensions are provided to needy wartime-service veterans who are aged or have become disabled subsequent to their military service. Survivors of wartime-service veterans also may qualify for pension benefits based on demonstrated financial need. The Veterans and Survivors Pension Improvement Act of 1978 sharpens the focus of veterans pension benefits upon needy, non-service disabled veterans. The Act liberalized benefits for the neediest veterans and survivors, while correcting most of the inequities that existed in the previous program. The reform legislation does away with most earnings exclusions, which had allowed veterans in widely differing financial conditions to draw identical pensions. It also provides that pension benefits will be reduced dollar-for-dollar with increases in earnings. In addition, the reform legislation provides for automatic cost-of-living increases each July starting in 1979. In all, 2.3 million needy veterans and their survivors are expected to receive \$4.2 billion in 1980, \$4.4 billion in 1981 and \$4.5 billion in 1982.

*Burial and other benefits.*—Families of deceased veterans who are buried in private cemeteries rather than VA National Cemeteries may receive allowances to apply toward the purchase of burial plots. Families of deceased veterans also receive burial benefits to assist in defraying veterans funeral expenses. Outlays for burial and other allowances are estimated to increase from \$199 million in 1979 to \$205 million in 1980.

*Life insurance.*—Insurance programs for veterans and their survivors will provide \$33.5 billion of coverage on 4.6 million policies in 1980. The servicemen's group life insurance program for military personnel will provide \$62.9 billion of coverage on 3.2 million policies in 1980.

*Veterans education, training, and rehabilitation.*—The GI bill provides education benefits ranging from college courses to vocational

and on-the-job training. These benefits help eligible veterans make the transition from military to civilian life by helping them obtain the education they might have received had they not entered military service. Active duty servicemen and widows and children of veterans who have died or been totally disabled in military service also are eligible for these benefits. Service-disabled veterans with significant disabilities can choose between regular GI bill benefits or vocational rehabilitation training. Those who enter military service after 1976 are eligible for a new education program that allows them to set aside \$50 to \$75 from their monthly pay to finance future education. These amounts are matched by the government on a two-for-one basis and returned in education payments after they are discharged.

Over 65% of all Vietnam-era veterans have utilized GI bill benefits. However, the number of GI bill trainees will continue to drop in the future as the number of eligible veterans becomes smaller. In 1980, nearly 1.0 million GI bill trainees are expected to participate in the program, a reduction from 1.2 million in 1979. Thus, outlays for this mission are estimated to decline from \$2.7 billion in 1979, to \$2.2 billion in 1980 and \$1.6 billion in 1982.

This budget proposes legislation extending the period of eligibility from 10 to 12 years for certain Vietnam-era veterans who have less than a high school diploma or who require on-the-job training to find employment. In addition, administrative and legislative changes are proposed to improve and extend vocational rehabilitation training for service-disabled veterans. A major part of this effort is directed at better coordination of the rehabilitation activities of training programs and medical programs. The administration is again proposing legislation to end enrollments in general flight training and correspondence courses that do not promote the readjustment of veterans to civilian life. The budget estimates assume enactment of these proposals, which would result in net savings of \$0.6 million in 1980.

***Hospital and medical care for veterans.***—The Veterans Administration provides hospital and medical care to veterans by operating a nationwide medical care system. In 1980, it will operate 172 hospitals, 228 outpatient clinics, 96 nursing homes, and 16 domiciliary facilities. Outlays for medical programs are expected to be \$5.9 billion in 1979 and \$5.8 billion in 1980.

***Medical care and hospital services.***—In 1980, the VA will continue to reorder its health care program to provide the most appropriate type of care and to accommodate the anticipated influx of World War II veterans, most of whom will reach age 65 during the decade beginning in 1980. Since these veterans become eligible for

a wide variety of medical benefits under current eligibility criteria, the VA anticipates a rapid increase in the number of veterans in need of long-term and geriatric care. Major increases in the cost of VA health care will be avoided through increased efficiencies. This is consistent with the President's policies of fiscal restraint and improved efficiency of Government activities. Planning is underway to provide for these changes to the greatest extent possible within the resources available, while still recognizing that the single highest priority demand upon the VA medical care system is that of service-disabled veterans. Efforts to improve the quality of medical care, especially for service-disabled veterans, will continue. Under the budget proposals, the research programs of the VA medical systems will continue at the same level in 1980 as in 1979; and training of health care professionals will continue, primarily through the affiliation of 136 VA hospitals with medical schools.

Legislation is again proposed seeking reimbursement to the VA from health insurers for treatment of insured veterans, non-service-connected disabilities. This proposal recognizes that an insurer's obligation to premium-paying veterans is no different from its obligation to insured non-veterans. Additional legislation is again being proposed to limit travel reimbursement for those veterans treated for non-service-connected disabilities. Also proposed in this budget is legislation to prohibit the provision of over-the-counter drugs for most ambulatory VA patients being treated for non-service-connected disabilities. These proposals would help focus VA resources on the provision of quality care to those with service-connected disabilities, and are expected to save \$0.3 billion in each of the years 1980 through 1982.

Legislative authority will be sought to allow VA to contract with community halfway houses and other programs for a pilot drug and alcohol abuse treatment effort. Also, legislation will be proposed to establish a program of psychological counseling and readjustment services for Vietnam-era veterans.

*Construction of hospital and extended care facilities.*—Budget authority of \$67.8 million is requested for 1980 to fund the construction of a new VA hospital at Camden, New Jersey, and \$75.1 million to finance construction of a replacement hospital at Baltimore, Maryland. Additional budget authority of \$201.6 million is requested for 1980 to support renovation and construction of medical facilities. Included is funding for new nursing homes and outpatient facilities. Finally, budget authority of \$5 million is requested in 1980 for grants to States for construction of extended care facilities, permitting the establishment or repair of additional State veterans homes for the care of aging veterans.

## CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Income security programs:</b>			
Direct loans:			
New loans .....	137	120	122
Repayments, sales and adjustments (—) .....	—126	—111	—110
Net credit outlays .....	11	9	12
<b>Education programs:</b>			
Direct loans:			
New loans .....	37	15	17
Repayments, sales and adjustments (—) .....	—2	—3	—7
Net credit outlays .....	35	12	10
<b>Housing programs:</b>			
Direct loans:			
New loans .....	430	527	542
Repayments, sales and adjustments (—) <sup>1</sup> .....	—404	—454	—684
Net credit outlays .....	26	73	—142
Guaranteed loans: <sup>2</sup>			
New loans .....	14,849	16,259	18,264
Net credit guaranteed .....	8,871	8,951	9,739

<sup>1</sup> Includes sale of loan assets.<sup>2</sup> Includes loans counted as direct loans of other accounts.

**Veterans housing.**—VA mortgage loan guarantee and direct loan programs are expected to assist 382,350 veterans obtain mortgage loans totaling \$18.8 billion in 1980. Sales of VA-held housing assets (VA mortgages) programmed for 1980 are expected to produce negative outlays of \$195 million.

**Other veterans benefits and services.**—The Veterans Administration administers a national cemetery system for burial of eligible veterans, servicemen, and their survivors. Under administration policy, one large active national cemetery will be designated as the regional cemetery in each of the 10 Federal regions. New regional cemeteries are under construction in regions I, II, III, and IX; existing cemeteries have been designated in regions VI, VII, VIII, and X; and site selection is underway in regions IV and V. The National Capital area's cemetery capacity is being expanded by the construction of an annex at Quantico, Virginia. The budget also provides an initial \$5 million in budget authority for grants for construction of State Veterans Cemeteries authorized in 1978.

Other VA expenditures include the cost of undistributed non-medical program administration, both in VA headquarters and in field units. Outlays for these programs are estimated to be \$689 million in 1979 and \$642 million in 1980.

***Tax expenditures.***—Veterans compensation and pension benefits are excluded from taxable income. The revenue losses from these exclusions in 1980 are estimated to be \$1.0 billion and \$55 million, respectively. GI bill benefits are also excluded from taxable income, which results in an estimated 1980 tax expenditure of \$170 million.

***Related programs.***—In addition to the assistance provided under the Federal Government's special programs for veterans, many veterans receive assistance from the income security, health, housing, education, training, employment, and social services programs supported by the Federal Government and available to the general population. Some of these programs have components specifically intended to assist veterans. For example, the Department of Labor has instituted a special program to aid disabled veterans in need of job placement and related services, with anticipated outlays of \$27 million in 1980. In addition, the Department has made available special funding for job training for veterans. Under this program, about \$35 million will be spent in 1980. The Department of Labor also takes steps to ensure that qualified veterans participate fully in the training and related services available under the Comprehensive Employment and Training Act. Firms holding Government contracts are required to list their job vacancies with the State employment service and are required to take affirmative action to employ Vietnam-era and handicapped veterans.

## ADMINISTRATION OF JUSTICE

### *National Needs Statement:*

- Represent the interests of the public in civil litigation and other legal matters.
- Provide fair and prompt prosecution and trial procedures.
- Maintain public order and enforce Federal statutes.
- Provide detention and correctional facilities for people charged with or convicted of violating Federal laws.
- Help to improve State and local criminal justice systems.

At the heart of every functioning democracy is a body of laws and legal institutions that together constitute a legal system. While one of the less costly functions in the Federal budget, the equitable administration of justice is one of the most basic American rights. The Federal Government will spend almost \$4-1/2 billion to meet this need in 1980, while State and local governments will spend close to \$25 billion.

Under traditional budget formulation procedures, there have been few incentives to view the administration of justice as an integrated system. Incremental budgeting encouraged program managers to focus almost exclusively on allocating new resources to priority programs, while activities initiated at times long past were often permitted to continue without critical review. Among those who devote their careers to the administration of justice—judges, jailers, lawyers, and investigators — the law is the law as long as it remains in the statutes; one does not consciously pick and choose between good laws and bad, or effective laws and ineffective ones.

As a practical matter, however, there have always been “bottle-necks” in the legal system, and in recent years the systemic imbalances have become apparent. At the Federal level, law enforcement officers have the capability to develop more criminal charges than the U.S. attorneys can prosecute, the Government can bring more cases than the judiciary can hear, and the courts can sentence more criminals than the Bureau of Prisons can incarcerate. Criminal cases crowd out an increasing number of civil cases, and hard-pressed U.S. attorneys are forced to assign their own priorities to the prosecution of criminal violations.

For many years the Federal Government has provided State and local law enforcement agencies with training and technical assistance, while Federal officers have directly assisted State and local authorities in the investigation of certain types of criminal activi-

ties. Since 1968, Federal grants-in-aid have been channeled to State and local governments through the Law Enforcement Assistance Administration. In this area, too, there has been a tendency to continue to fund ongoing programs simply because they are there, even though in some cases the programs are no longer as important as in the past.

This year, zero-base budgeting techniques have provided the mechanism—and budget constraints the incentive—for policy-level officials to address the imbalances in resource allocation that have developed over the years.

The result is a budget in which outlays for the administration of justice increase by only \$36 million in 1980, even though uncontrollable cost increases attributable to inflation have added \$118 million to the most recent reestimates for 1979. To achieve the outlay levels proposed in this budget it will be necessary to shift resources away from less productive activities in the law enforcement mission and into litigation and judicial activities. In addition, the President has recommended a major reorganization of Federal programs that provide State and local civil and criminal justice assistance; outlays for this mission are expected to decline over the period 1979-82. No new prison construction is proposed for 1980, and efforts to improve the Federal prison system through increased use of minimum security facilities and community treatment alternatives continue to be accorded high priority.

The following proposals are included in the budget:

- increase litigative staff commensurate with the increase in Federal judges resulting from enactment of the Omnibus Judgeship Act of 1978;
- focus investigative resources on organized crime, white-collar crime, high-level drug traffickers, and corruption in the public sector, while reducing staff time devoted to violations of the law that can better be addressed at the State and local level;
- continue to augment enforcement staff at the Nation's borders, but at slower rates than originally planned;
- improve operating efficiencies and reduce inspections staff at international airports and other ports of entry;
- consolidate civil and criminal justice research and statistical reporting programs;
- reduce law enforcement grant assistance to State and local government but ease restrictions on the use of these funds; and
- encourage and coordinate fulfillment of private attorney obligations to provide civil legal assistance to the poor.



## NATIONAL NEED: ADMINISTRATION OF JUSTICE

(Functional code 750; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Federal law enforcement activities:</b>					
General investigation (FBI) .....	554	582	576	575	575
Narcotics violation investigation (DEA) .....	188	194	194	194	194
Alcohol, tobacco and firearms investigation (ATF) .....	129	138	139	139	139
Border enforcement activities (Customs and INS) .....	689	748	746	746	746
Protection and other activities (Secret Service) .....	139	148	165	149	149
Other enforcement .....	195	256	268	268	268
Subtotal, Federal law enforcement activities .....	1,894	2,066	2,087	2,070	2,070
<b>Federal litigative and judicial activities:</b>					
Civil and criminal prosecution and representation .....	361	399	433	433	433
Proposed legislation .....	.....	.....	-6	-6	-6
Federal judicial activities .....	463	543	628	647	681
Representation of indigents in civil cases .....	205	270	292	292	292
Subtotal, Federal litigative and judicial activities .....	1,029	1,212	1,346	1,366	1,400
<b>Federal correctional activities .....</b>	308	350	334	351	356
<b>Criminal justice assistance: <sup>1</sup></b>					
Existing law .....	654	658	181	181	181
Proposed legislation .....	.....	.....	366	366	366
Subtotal, Criminal justice assistance .....	654	658	546	546	546
<b>Deductions for offsetting receipts .....</b>	-8	-10	-10	-10	-10
<b>Total, budget authority .....</b>	<b>3,877</b>	<b>4,276</b>	<b>4,304</b>	<b>4,323</b>	<b>4,362</b>

<sup>1</sup> Includes civil as well as criminal justice programs in 1980 and subsequent years.

**Federal law enforcement activities.**—The law enforcement mission continues to receive the largest share of outlays for the administration of justice, though the proportion is expected to decline slightly in 1980–82. Outlays are expected to remain level at \$2.07 billion in 1980; a 3% reduction in Federal employment in both 1979 and 1980 will be offset by statutory pay increases and higher operating costs.

Civil and criminal justice can be viewed as a complex system with many interactions between the missions. The current challenge is to bring it more nearly into balance. To keep within a restrained budget, the administration proposes to recruit more prosecutors, shift enforcement emphasis for some crimes from Federal to State and local authorities, and offset litigative staff in-

**NATIONAL NEED: ADMINISTRATION OF JUSTICE—Continued**

(Functional code 750; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Federal law enforcement activities:</b>					
General investigation (FBI) .....	552	578	575	575	575
Narcotics violation investigation (DEA) .....	178	190	193	194	194
Alcohol, tobacco and firearms investigation (ATF) .....	128	136	137	139	139
Border enforcement activities (Customs and INS) .....	666	744	739	746	746
Protection and other activities (Secret Service) .....	12	151	161	149	149
Other enforcement .....	178	272	267	267	267
Subtotal, Federal law enforcement activities .....	1,831	2,071	2,072	2,070	2,070
<b>Federal litigative and judicial activities:</b>					
Civil and criminal prosecution and representation .....	340	393	426	433	433
Proposed legislation .....			—6	—6	—6
Federal judicial activities .....	445	535	627	639	666
Representation of indigents in civil cases .....	157	261	281	292	292
Subtotal, Federal litigative and judicial activities .....	943	1,189	1,328	1,357	1,384
<b>Federal correctional activities .....</b>	307	367	377	370	363
<b>Criminal justice assistance: <sup>1</sup></b>					
Existing law .....	729	733	536	181	181
Proposed legislation .....			86	446	392
Subtotal, criminal justice assistance .....	729	733	622	627	573
<b>Deductions for offsetting receipts .....</b>	—8	—10	—10	—10	—10
<b>Total, outlays .....</b>	<b>3,802</b>	<b>4,351</b>	<b>4,388</b>	<b>4,413</b>	<b>4,379</b>

<sup>1</sup> Includes civil as well as criminal justice programs in 1980 and subsequent years.

creases with judicious reductions in law enforcement personnel. This will require Federal law enforcement officers to concentrate on significant criminal activities and reduce investigations in areas in which the return per investigator hour is low, or in which violations are so common that Federal enforcement has no appreciable impact. Following this strategy, the allocations in the budget will:

- increase Federal Bureau of Investigation (FBI) staff directed against organized and white collar crime by 5%, but reduce headquarters staff, selected State and local assistance, and domestic investigation programs;
- improve coordination between the Immigration and Naturalization Service and the Customs Service at the border and at

interior ports of entry to improve efficiency and reduce overall staffing requirements;

- emphasize use of immigration officers on the border where they are most effective, and deemphasize apprehensions in the interior;
- concentrate firearms enforcement efforts of the Bureau of Alcohol, Tobacco and Firearms on investigating major illegal sources of firearms;
- focus enforcement efforts on high-level traffickers in hard drugs; and
- support new agency inspectors general in their efforts to uncover malfeasance and corruption in Federal programs.

The FBI enforces a broad range of criminal statutes, and works closely with State and local authorities in support of this mission. Training and financial assistance programs conducted by the Bureau and the Law Enforcement Assistance Administration (LEAA) have improved capabilities in some communities to the point that Federal investigators are no longer needed for certain types of crime, such as bank robberies. Headquarters support staff can be reduced because of advances made in automated fingerprint processing and other technological improvements in operations. Employment within the Bureau is proposed to be reduced by about 500 positions. Outlays are expected to decline by \$3 million to \$575 million in 1980.

The Drug Enforcement Administration will continue to shift resources away from street level transactions and concentrate on organized trafficking in the most dangerous drugs. Modest staff reductions are planned in 1979 and 1980, but outlays are estimated to rise from \$190 million in 1979 to \$193 million in 1980.

The Bureau of Alcohol, Tobacco and Firearms will continue to try to curtail illegal commerce in firearms, but the focus of the program will be narrowed. Experience has shown that under existing statutes, Federal enforcement efforts focused on smaller firearms traffickers have had a minimum impact on the overall availability of illegal firearms. Therefore, resources will be directed to more complex investigations involving major organized illegal sources of firearms. The budget proposes to reduce investigative staff by 122 full-time positions in 1979 and 1980. Outlays are expected to be about \$136 million in both years.

Last year the President requested a substantial increase in border enforcement personnel for the Immigration and Naturalization Service and the Customs Service. He also proposed major legislative initiatives to reduce the opportunities and incentives for illegal immigration and to provide equitable treatment for undocumented aliens already in this country. The Congress agreed to

increase border enforcement personnel but took no action on the legislative proposals.

Although enforcement is an important component of the President's programs, traditional enforcement techniques alone will not stem the flow of undocumented aliens. Accordingly, recruitment of new personnel originally proposed for 1979 will be extended over the period 1979 to 1982. If legislation providing for sanctions against employers of undocumented aliens is adopted, it may be necessary to accelerate this schedule. Very little construction is proposed for 1980, so outlays for the Immigration and Naturalization Service are now estimated at \$301 million in 1979 and \$297 million in 1980.

The budget contemplates a reduction through attrition of 252 Customs Service personnel in 1979 and 1980. Continued development of "one-stop" inspection systems at airports will enable Customs and Immigration officers to share inspection duties; no additional delays should be encountered by the traveling public, and many may find that the inspection process is expedited. Outlays for the Customs Service should remain stable at \$442 million in 1980.

Corruption and waste in the management of Federal programs is always inexcusable, and the administration is determined to uncover and prosecute those who abuse the public trust. Recent legislation authorized new inspectors general for 12 major Federal agencies. The Department of Justice expects to work closely with these new officials, to supplement their investigative resources and to coordinate prosecutions. This is a low-cost initiative that should produce very large returns.

Other enforcement activities include those of the Equal Employment Opportunity Commission, which enforces statutory prohibitions against job discrimination because of race, age, color, national origin, sex or religion. In 1979, the Federal sector equal employment opportunity program previously administered by the Civil Service Commission, and enforcement responsibilities for the Equal Pay Act and the Age Discrimination in Employment Act previously administered by the Department of Labor, will be transferred to the Equal Employment Opportunity Commission as a result of a reorganization of civil rights functions within the Federal Government. Total outlays for the agency are expected to increase from \$114 million in 1979 to \$124 million in 1980.

The Office for Civil Rights conducts enforcement activities for the Department of Health, Education, and Welfare under a number of statutes requiring nondiscrimination by recipients of Federal funds. The office investigates discrimination complaints, conducts periodic reviews, negotiates to secure compliance, initiates enforcement proceedings, and promotes voluntary compliance. Out-

lays in 1980 are estimated to be \$65 million—nearly double the 1978 level but slightly less than in 1979.

Civil rights activities classified in other functions include enforcement by the Department of Labor of the requirement that Government contractors take affirmative action to overcome employment discrimination, the activities of various agencies to ensure that grant recipients do not discriminate, and the actions of all agencies to avoid discrimination in Federal employment. These activities are discussed in Special Analysis J, "Civil Rights Activities," in the Special Analyses volume of the budget.

***Federal litigative and judicial activities.***—Recent legislation provides the opportunity to improve greatly the judicial system. The Omnibus Judgeship Act of 1978 created 117 new District Court judgeships and 35 new Circuit Court judgeships for those jurisdictions experiencing the biggest backlog of cases. This increase in judgeships, the largest since the Federal courts were established in 1789, will significantly enhance the capacity of the judiciary to cope with the highest pending caseload in history.

Most Federal litigation, both civil and criminal, is conducted by the Department of Justice. With the adoption of the Omnibus Judgeship Act, pressures on the Department's litigative resources have intensified. The administration is considering a proposal to shift the handling of some civil litigation from the Department of Justice to other Federal agencies while strengthening the Department's coordination role. Even with this reform, additional attorneys will be required to move civil and criminal cases through the courts expeditiously. The budget proposes:

- a 17% increase in assistant U.S. attorneys and support staff to meet a larger and more complex caseload;
- reassignment of a substantial number of U.S. marshals to provide assistance to new judges in Federal courts;
- modest staff reductions in the Antitrust Division, offset by a substantial increase in automated litigation support systems; and
- maintenance of current staffing levels for the Washington-based legal divisions.

Outlays for litigation and court support are expected to rise from \$1,189 million in 1979 to \$1,328 million in 1980. If additional litigative personnel are required in 1981-82, staff increases directed at this mission will be offset by reductions elsewhere in the parent agencies whenever possible.

The law requires that budget estimates for the judiciary be forwarded to the Congress without change. The Administrative Office of the U.S. Courts has estimated outlays of \$627 million in 1980 for the Supreme Court, the appellate and district courts, and other

judicial activities—a 17% increase over current estimates for 1979. Most of the increase is attributable to the long-awaited increase in the number of judges mentioned above.

The Bankruptcy Reform Act of 1978 modernizes the substantive law of bankruptcy and the current bankruptcy system, which was last overhauled in 1938. The act establishes an independent system of bankruptcy courts with presidentially appointed judges, and a pilot program of U.S. trustees to supervise bankruptcy cases and act as trustees in cases where private trustees will not serve. The budget includes \$0.8 million in 1979 and \$37 million in 1980 to administer the new act.

The Legal Services Corporation funds local programs that provide free civil legal assistance to the poor. Corporation outlays have grown from \$71 million in 1975 to an estimated \$261 million in 1979. In 1980, outlays of \$281 million are proposed. Title XX (social services), general revenue sharing, and other Federal programs outside of the administration of justice function will provide about \$60 million more for legal services. Because the primary obligation for legal services rests with the private bar, the administration requests additional funds to encourage and coordinate fulfillment of these obligations. The budget also includes a \$13 million increase above 1979 for Legal Services Corporation grantees.

***Federal correctional activities.***—The Federal Government is responsible for the care and custody of prisoners convicted of violating Federal laws as well as detainees held for Federal trial or sentencing. In 1980 the Bureau of Prisons is expected to house an average of 28,600 offenders, substantially below the 1979 level. Funds for new construction are not requested for 1980, but several minimum security camps are being expanded now and 2 new housing units will be opened at existing institutions. The Bureau of Prisons plans to close 3 antiquated penitentiaries at McNeil Island, Leavenworth, and Atlanta within the next decade. These closings will be made possible by a declining prison population, reclassification of prisoners to identify those who can be reassigned to lower security institutions, and increased use of community half-way houses. Since inflation drives up the costs of food, heat, and other institutional operations, outlays for correctional activities are estimated to increase from \$367 million in 1979 to \$377 million in 1980, even though the prison population is expected to be smaller.

***Criminal justice assistance.***—The administration will again propose legislation to create an Office of Justice Assistance, Research and Statistics (OJARS) to provide support and coordination for (1) a National Institute of Justice to undertake civil and criminal research, (2) a Bureau of Justice Statistics to gather and disseminate

statistics on criminal and civil matters and to provide assistance to State and local governments in their development of statistics, and (3) a Law Enforcement Assistance Administration to administer several grant programs. The proposed changes will reduce redtape and paperwork, and give cities and counties more direct control over the Federal funds they receive for criminal justice assistance. For example, the proposed formula grant program will provide funds directly to States, cities, and counties, and the proposed national priority grant program will encourage government and nonprofit private organizations to carry out programs that have proved to be effective in strengthening the criminal justice system. A reduction in funding for juvenile justice and delinquency prevention programs is proposed because of the inability of these programs to efficiently utilize funding at the current level. Proposed funds for community crime prevention programs are increased. By creating a National Institute of Justice separate from the financial assistance programs, the administration hopes to assure the objectivity and independence of research and development. The National Institute of Corrections, formerly a part of the Federal prison system, will become a part of the OJARS assistance program. Outlays for civil and criminal justice assistance are expected to decrease from \$733 million in 1979 to \$622 million in 1980.

**Related programs.**—A number of agencies classified in other functions support the administration of justice. Over 100 agencies and regulatory commissions perform some type of law enforcement activity. About 30 Federal agencies, including the Department of Agriculture, the Department of Labor, the Environmental Protection Agency, and most independent regulatory commissions have some litigation authority independent of the Department of Justice.

#### CREDIT PROGRAMS—ADMINISTRATION OF JUSTICE

(In millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate
<b>Law enforcement assistance:</b>			
Direct loans:			
New loans .....	29	38	14
Repayments, sales and adjustments (—) .....	—34	—39	—36
Net credit outlays .....	—4	—1	—22

## GENERAL GOVERNMENT

***National Needs Statement:***

- Provide for a legislative system that is responsible to the people of the Nation.
- Provide effective and efficient central executive policy development and management.
- Ensure accountability in the use of resources.
- Formulate tax and fiscal policies and conduct efficient and effective financial operation of the Federal Government.
- Provide essential internal government housekeeping services, including property and personnel management.

The general government function consists of a variety of diverse activities that provide for the legislative functions of the Federal Government, executive branch policy development and oversight, and central governmental support. These include the legislative branch, the Executive Office of the President, agencies responsible for central tax collection, fiscal operations, personnel management, property control, and records storage.

To address national needs in general government the Federal Government will spend an estimated \$4.4 billion in 1980.

This budget includes proposals to:

- administer voluntary wage and price guidelines;
- increase Internal Revenue Service staff to meet the new requirements of the Revenue Act of 1978 and the Energy Tax Act of 1978;
- continue to improve cash management throughout the Federal Government;
- improve management and increase efficiency in procurement of goods and delivery of central services;
- increase General Services Administration (GSA) resources to provide strong central control and
- reorganize Federal personnel functions to achieve more effective personnel management within the Federal Government.

***Legislative functions.***—By law, the budget estimates for the legislative branch are included in the President's budget without change. The legislative branch proposes to spend \$1.1 billion in 1980 for the Congress, the General Accounting Office, the Congressional Budget Office, and other programs.



## NATIONAL NEED: GENERAL GOVERNMENT

(Functional code 800; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>Legislative functions</b> .....	904	1,011	1,041	1,023	1,055
<b>Executive direction and management</b> .....	79	85	92	95	89
<b>Central fiscal operations:</b>					
Collection of taxes .....	1,967	2,155	2,182	2,192	2,202
Other fiscal operations .....	204	297	312	310	314
Subtotal, central fiscal operations .....	2,171	2,453	2,494	2,503	2,516
<b>General property and records management:</b>					
Real property .....	—75	21			
Personal property .....	168	220	143	143	143
Other .....	186	219	244	247	257
Subtotal, general property and records management .....	279	460	387	390	400
<b>Central personnel management</b> .....	126	135	136	137	137
<b>Other general government:</b>					
Territories .....	190	181	146	116	118
Indian affairs .....	102	122	125	134	85
Treasury claims .....	287	152	152	152	152
Other .....	113	120	87	254	102
Subtotal, other general government .....	691	575	510	656	457
<b>Deductions for offsetting receipts</b> .....	—188	—182	—133	—127	—126
<b>Total, budget authority</b> .....	<b>4,063</b>	<b>4,536</b>	<b>4,528</b>	<b>4,676</b>	<b>4,528</b>

**Executive direction and management.**—In October, the President announced a comprehensive anti-inflation program. One important component is an austere budget policy, as is reflected in the 1980 budget proposals. But the Federal Government alone cannot solve the inflation problem. Success will also require the cooperation of the private sector. To this end, the President has set forth pay and price guidelines for the year ahead.

**NATIONAL NEED: GENERAL GOVERNMENT—Continued**

(Functional code 800; in millions of dollars)

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>OUTLAYS</b>					
<b>Legislative functions</b> .....	900	1,022	1,064	1,007	1,022
<b>Executive direction and management</b> .....	73	89	91	93	87
<b>Central fiscal operations:</b>					
Collection of taxes.....	1,940	2,143	2,175	2,192	2,202
Other fiscal operations.....	184	296	309	311	313
Subtotal, central fiscal operations.....	2,124	2,438	2,485	2,504	2,516
<b>General property and records management:</b>					
Real property.....	-168	-122	-140	-10	39
Personal property.....	196	207	122	143	143
Other.....	186	219	244	248	247
Subtotal, general property and records management.....	214	304	226	381	428
<b>Central personnel management</b> .....	129	135	140	136	136
<b>Other general government:</b>					
Territories.....	155	180	137	147	151
Indian affairs.....	96	121	132	138	85
Treasury claims.....	198	241	152	152	152
Other.....	74	64	117	22	209
Subtotal, other general government....	523	606	538	459	597
<b>Deductions for offsetting receipts</b> .....	-188	-182	-133	-127	-126
<b>Total, outlays</b> .....	<b>3,777</b>	<b>4,413</b>	<b>4,412</b>	<b>4,452</b>	<b>4,662</b>

The President has also directed the Office of Federal Procurement Policy to conduct procurement of Federal supplies and services in ways that will support the anti-inflation effort, including directing Federal contracting toward firms that limit wage and price increases. The major reason for the increased staffing in the Executive Office of the President is increased responsibility for administering this program. Under this initiative, the Council on Wage and Price Stability (COWPS) will monitor wage and price developments in the economy, and will publicly identify sectors of the economy and firms that are not in compliance with the standards.

Final staffing requirements for COWPS to implement the anti-inflation program are under review.

**Central fiscal operations.**—The mission of central fiscal operations is to provide the essential financial activities necessary for the Federal Government. Outlays for central fiscal operations are estimated to increase by \$47 million to almost \$2.5 billion in 1980.

Most of the funds supporting this mission are spent on the collection of taxes by the Internal Revenue Service (IRS). In 1980, the budget requests funds for additional staff to answer taxpayer inquiries resulting from the changes in the Revenue Act of 1978, the Energy Tax Act of 1978, and the Foreign Earned Income Act of 1978. Increased staff will also be used to match tax returns with wage and other documents, and to process the increasing number of tax returns. The number of returns audited by IRS is expected to decline slightly from the 1979 levels.

The Government handles very large amounts of money, and it is possible to achieve savings simply by improving the way funds are managed. A number of measures have been initiated to improve Federal cash management:

- (1) On November 2, 1978, Treasury began to earn interest on its cash balances in its tax and loan accounts. These accounts are held in a large number of banks throughout the country as a convenience to employers who withhold employee taxes. Under recently enacted legislation, the Treasury will pay the banks for handling the transactions in these accounts as well as for other services, such as issuing savings bonds. In return, the banks will pay Treasury interest on the excess balances. The net savings to the Government are expected to total \$75 million in 1980.
- (2) Several initiatives will accelerate the payment of tax revenues by requiring taxpayers to make income tax payments closer to the time that tax liabilities occur, and by requiring employers to deposit taxes withheld from employees on a more timely basis. These proposals increase receipts by \$2.2 billion in 1980, \$5.0 billion in 1981, and \$5.3 billion in 1982. At the same time, efforts will be taken to reduce the filing burden on small employers. These initiatives are discussed in more detail in Part 4 of the Budget.
- (3) A number of other improvements in cash management are planned that will improve the effectiveness of Federal collection procedures and the management of Federal cash resources.

**General property and records management.**—The General Services Administration (GSA) manages Federal real property, acts as a

central procurement agent, and is the custodian of the Federal Government's historical records.

In response to the need for strong central oversight and control in GSA, the following initiatives have been undertaken:

- An increase of 50 positions has been approved by Congress for the Office of the Inspector General. An additional 100 positions are requested for 1979 to significantly enhance GSA's internal audit and investigative capabilities.
- A centralized Office of Controller-Administration has been established within GSA as a means of tightening financial controls and monitoring agencywide transactions.
- An Office of Acquisition Policy has been established to provide central policymaking and oversight of contracting and regulations writing for GSA.
- The Federal Property Resources Service has been established to consolidate property disposal functions; these include the sale of real and personal property, management of Federal stockpile activities, and the sale of silver dollars. Centralization of these functions will result in more efficient organization, planning, direction, and control.

*Personal property.*—GSA maintains, jointly with the Department of Defense, a national supply system that procures supplies and equipment, and maintains the interagency motor pool program. A supplemental request for \$81 million in 1979 budget authority is being made to improve the efficiency of the motor pool.

Better management of the supply operation is expected to result in cost reductions to customer agencies of approximately \$54 million in 1980.

*Records activities.*—Under the terms of Executive Order No. 12065, Federal records will be examined for declassification after 20 years, rather than after 30 years as had been the practice. The National Archives and Records Service is requesting additional funds in 1979 to begin the additional examinations required. In addition, an Information Security Oversight Office has been established to monitor agency compliance with the declassification requirements of the Executive order.

*Central personnel management.*—In 1978, a comprehensive reform of the Federal civil service system was enacted into law. The basic legislation is expected to (1) make Federal Government operations more efficient and responsive through a fundamental change in the management of Federal personnel, (2) improve administration of the Federal labor-relations program, and (3) safeguard merit systems against political and other abuses.

The 1980 budget reflects the major organizational changes in central personnel management resulting from the act. The personnel management tasks of the Government previously performed by the Civil Service Commission will be the responsibility of the Office of Personnel Management. Merit system review and employee appeals adjudication will be performed by the Merit System Protection Board. Within the Board, the Office of Special Counsel will investigate merit system violations and reprisals against "whistle-blowers." The Federal Labor Relations Authority will carry out the new provisions of the law governing labor-relations as well as those previously carried out under various Executive orders.

In line with the statutory employment limitation also contained in the reform act and the President's objective of restraining Federal employment, the Office of Personnel Management will reduce its recruitment efforts.

***Other general government.***—Other activities included in the general government function include payments of claims and judgments against the Federal Government, and funding for the territories, Indian affairs and various commissions. Outlays are expected to decline from \$606 million in 1979 to \$538 million in 1980.

***Territories.***—Outlays for governmental operations, construction projects, and Federal oversight in Guam, American Samoa, the Virgin Islands, the Northern Marianas, and the Trust Territory of the Pacific Islands are estimated to decline from \$180 million in 1979 to \$137 million in 1980. This decrease reflects an unusually high level of outlays in 1979 due to one-time claim payments, and the completion of facility acquisition projects. It also reflects an effort to reduce territorial dependence on the Federal Government. Budget authority of \$52 million is recommended to complete a substantial portion of a major, 5-year construction program underway in the Trust Territory that will supply these Pacific Islands with a basic infrastructure of roads, docks, harbors, and airports as well as water, sewer, and electrical systems.

These programs are directly funded by the Department of the Interior's Office of Territorial Affairs. The territories also receive grants and payments from other Federal agencies that are described elsewhere in the budget.

***Indian affairs.***—The budget estimates outlays of \$121 million in 1979 and \$132 million in 1980. Most of these outlays are annual payments to extinguish land claims, and to pay Alaskan Natives mineral, oil, and gas royalties under the provisions of the Alaskan Native Settlement Act of 1971. The outlay increase between 1979 and 1980 is due to increased oil production flowing through the Trans-Alaska Pipeline.

**Credit programs.**—Credit programs for the U.S. territories provide for direct loans to Guam for typhoon rehabilitation, guarantees of Guam Power Authority obligations, and guarantees of bonds and loans for capital improvement projects in the Virgin Islands. Real property credit programs of the General Services Administration include sales of debentures to the public to finance construction of new Federal office buildings under purchase contract authority, sales of surplus real property for credit in which the Federal Government is the mortgage holder, and repayment of mortgages on properties sold to the public by the Virgin Islands Corporation.

#### CREDIT PROGRAMS—GENERAL GOVERNMENT

(In millions of dollars)

Program	1979 actual	1979 estimate	1980 estimate
<b>Loans to U.S. Territories:</b>			
Direct loans:			
New loans .....	1	3	
Repayments, sales and adjustments (—) .....	—1	—2	—2
Net credit outlays .....	—*	2	—2
Guaranteed loans:			
New loans .....		39	
Net credit guaranteed.....	—*	38	—2
<b>Real property activities and other:</b>			
Direct loans:			
New loans .....	5	3	3
Repayments, sales and adjustments .....	—22	—19	—17
Net credit outlays .....	—17	—16	—14
Guaranteed loans:			
New loans .....	128	35	45
Net credit guaranteed.....	115	30	36

\*\$500 thousand or less.

## GENERAL PURPOSE FISCAL ASSISTANCE

### *National Needs Statement:*

- Support the Federal system with financial assistance to State and local jurisdictions.
- Assist States and localities by providing monies in lieu of taxes.

General purpose fiscal assistance is financial aid granted to State and local governments without major restrictions or matching requirements. Recipients may use it to increase services, offset increasing costs, maintain service levels that otherwise would have been reduced, or lower taxes. Its purpose is to meet national needs by supplying States and local governments with the resources to provide the goods and services they judge will best meet the requirements of their residents. It is also a means of targeting fiscal aid to those State and local governments most in need. The largest general purpose fiscal assistance program is general revenue sharing for which full funding is requested in 1980.

Certain municipalities are having fiscal difficulties due to structural factors such as population decline, the outmigration of industry and skilled labor, a high incidence of poverty, and changing technological conditions. They are particularly vulnerable to the harmful effects of inflation and cyclical fluctuations in economic activity. Inflation exerts upward pressure on payroll and procurement cost of these governments, but tax revenues cannot be easily raised to meet the higher cost. During periods of recession these jurisdictions are usually the hardest hit and the last to recover.

These communities have rapidly absorbed whatever level of Federal assistance has been available; as a result, they have become increasingly dependent on Federal aid. In particular, the antirecession fiscal assistance program (ARFA), which expired in 1978, accounted for a large share of the revenues of fiscally strained local governments—many of which are finding it difficult to adjust to the loss of expected funds.

One study estimates that ARFA payments during 1978 represented 3.5 percent of general purpose taxes for ten major cities with high fiscal strain. Other forms of “economic stimulus” programs provided an even larger share.

To resolve the withdrawal problem the administration proposes a transitional highly-targeted fiscal assistance program to help fiscally-distressed jurisdictions adjust to the termination of ARFA payments. In addition, a new countercyclical assistance program is

proposed to help those governments in greatest need during recessions.

It is also expected that the proposed National Development Bank, discussed in the community and regional development section, will over time strengthen the tax bases of distressed governments, and other grants and categorical assistance to States and local governments will also provide relief.

**General revenue sharing.**—General revenue sharing has been the primary means by which the Federal Government has given general purpose assistance to State and local governments. Legislation enacted in 1976, extended the program through September 30, 1980. Full funding of the authorization for fiscal year 1980—\$6.86 billion—is requested. No final decisions have been made on the desirability of extending general revenue sharing and related general purpose fiscal assistance programs beyond September 30, 1980.

General revenue sharing provides some funds to virtually every unit of general government below the Federal level; over 39,000 units of government receive benefits. There are minimal Federal controls, which seek to assure nondiscrimination and public participation in spending decisions. In addition, governments that receive \$25,000 or more in any one year must have their funds audited at least once every 3 years.

Revenue allocations to the States are based on total population, urban population, per capita income, income tax collections, and general tax effort. Within States the allocations for local governments are based primarily on population, per capita income, tax effort, and the share of taxes collected. The formula results in some targeting to governments with fiscal problems.

**Other general purpose fiscal assistance.**—These programs also provide funds with minimal restrictions to States and localities. Total outlays are estimated to decrease from \$2.8 billion in 1978 and \$2.1 billion in 1979 and \$1.9 billion in 1980, largely because of the termination of the antirecession fiscal assistance program.

**Targeted and anti-recession assistance.**—A transitional fiscal assistance program that is carefully aimed at the cities with the greatest need will be proposed to reduce the fiscal impact of the termination of ARFA on a few hard pressed local governments. To ease the transition, the new program would provide funds to the most severely affected governments in 1979 and 1980. Budget authority of \$250 million is proposed for 1979, and \$150 million for 1980.



## NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

[Functional code 850; in millions of dollars]

Major Missions and Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
<b>General revenue sharing:</b>					
General revenue sharing payments to States and localities .....	6,855	6,855	6,855	6,855	6,855
Administration .....	8	7	6	6	6
Subtotal, general revenue sharing.....	<u>6,862</u>	<u>6,862</u>	<u>6,861</u>	<u>6,861</u>	<u>6,862</u>
<b>Other general purpose fiscal assistance:</b>					
Antirecession fiscal assistance to States and localities .....	1,400	.....	.....	.....	.....
Targeted fiscal assistance (proposed) .....	.....	250	150	.....	.....
Payments and loans to the District of Columbia .....	393	214	462	488	455
New York City loan guarantees (administrative expenses) .....	1	1	1	1	1
Payments to States from Forest Service receipts .....	226	241	283	283	283
Payments to States and counties from Federal land management activities.....	394	420	470	478	499
Payments to territories and Puerto Rico .....	445	780	570	585	601
Other .....	6	5	5	5	5
Subtotal, other general purpose fiscal assistance .....	<u>2,865</u>	<u>1,911</u>	<u>1,943</u>	<u>1,841</u>	<u>1,845</u>
<b>Total, budget authority .....</b>	<b><u>9,728</u></b>	<b><u>8,773</u></b>	<b><u>8,804</u></b>	<b><u>8,702</u></b>	<b><u>8,707</u></b>
<b>OUTLAYS</b>					
<b>General revenue sharing:</b>					
General revenue sharing payments to States and localities .....	6,823	6,852	6,863	6,855	6,855
Administration .....	7	7	6	6	6
Subtotal, general revenue sharing.....	<u>6,830</u>	<u>6,860</u>	<u>6,869</u>	<u>6,861</u>	<u>6,861</u>
<b>Other general purpose fiscal assistance:</b>					
Antirecession fiscal assistance to States and localities .....	1,329	2	.....	.....	.....
Targeted fiscal assistance (proposed) .....	.....	250	150	.....	.....
Payments and loans to the District of Columbia .....	371	362	462	488	455
New York City loan guarantees (administrative expenses) .....	2	1	1	1	1
Payments to States from Forest Service receipts .....	226	241	283	283	283
Payments to States and counties from Federal land management activities.....	393	421	471	478	500
Payments to territories and Puerto Rico .....	446	793	572	585	601
Other .....	5	6	5	5	5
Subtotal, other general purpose fiscal assistance .....	<u>2,772</u>	<u>2,077</u>	<u>1,945</u>	<u>1,841</u>	<u>1,846</u>
<b>Total, outlays.....</b>	<b><u>9,601</u></b>	<b><u>8,936</u></b>	<b><u>8,814</u></b>	<b><u>8,703</u></b>	<b><u>8,707</u></b>

A separate, standby program will also be proposed to provide fiscal assistance to governments in the event of recession. The new program will resemble the antirecession fiscal assistance program, but will have a higher trigger and improved targeting of resources among governments. Under current economic assumptions, no outlays are expected in 1979 or 1980.

*Payments and loans to the District of Columbia.*—The District of Columbia's operating budget is financed in part by annual payments from the Federal Government in recognition of the costs to the local government of the Federal establishment. The administration is requesting \$317 million in budget authority and outlays for the Federal payment in 1980 and \$10 million for reimbursement of water and sewer charges. Additional authorizing legislation is proposed to increase the Federal payment from \$300 million to \$317 million.

The District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the "Home Rule Act") authorized the city to issue short-term notes on its own behalf. Accordingly, interest-free cash advances from the U.S. Treasury to the District will no longer be made after 1979. The 1980 estimate anticipates that the city will exercise its authority to borrow in the private market for short-term, cash management purposes. While the administration continues to support the District's efforts to obtain long-term bonding capability, the District will not be able to develop its capability to support capital improvements in 1980. In the interim, the District is authorized to borrow from the U.S. Treasury. The 1980 budget provides for Federal loans of \$159 million to fund capital improvements in the District.

*New York City loan guarantees.*—Under the New York City Loan Guarantee Act of 1978, the Secretary of the Treasury is authorized to guarantee up to \$1,650 million of New York City obligations through June 30, 1982. During 1980 an estimated \$250 million will be guaranteed.

The guarantees are contingent upon a number of conditions, including the holding of the obligations by City or State employee pension funds, the balancing of the City's budget within four years, the City's seeking access to the security markets during that time, and the City paying a ½% per year guarantee fee to the Secretary of the Treasury. The loan guarantees are not included in the budget totals, but the administrative costs are reflected.

*Other payments.*—Some jurisdictions receive payments from the Federal Government based on a percentage of receipts generated in their jurisdictions from the sale of timber, mineral leases, grazing permits, and other activities on Federal property and lands. Pay-

ments are also provided to local governments in lieu of taxes for certain Federal lands contained within their jurisdictions. The Departments of Interior and Agriculture will return an estimated \$661 million in 1979 and \$753 million in 1980 to State and local jurisdictions. In addition, Federal taxes and other revenues generated or collected in Guam, the Virgin Islands and Puerto Rico by various Federal agencies are returned to those territories for their fiscal support. Beginning in 1979, these payments are being made in advance rather than at the end of the year. As a result, a larger payment will be made in 1979.

**Tax expenditures.**—Major tax expenditures also provide fiscal assistance to States and localities. Interest income from most municipal securities is not subject to Federal income tax. This exclusion allows municipalities to borrow at lower interest rates. The cost of this tax expenditure for general purpose State and local debt alone is estimated at \$5.9 billion in 1980.

In addition, the deductibility of State and local taxes from gross income allows individuals who itemize deductions to offset some of their State and local taxes through reduced Federal taxes. The revenue loss is estimated to be \$12.5 billion in 1980.

#### CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

[In millions of dollars]

Program	1978 actual	1979 estimate	1980 estimate
<b>Guarantees of New York City Loans:</b>			
Direct loans: <sup>1</sup>			
New loans .....	729		
Repayments, sales and adjustments (—) .....	— 729		
Net credit outlays .....			
Guaranteed loans: <sup>1</sup>			
New loans .....	729	500	250
Net credit guaranteed .....		490	213
<b>Loans to District of Columbia:</b>			
Direct loans:			
New loans .....	111	149	159
Repayments, sales and adjustments (—) .....	— 44	— 42	— 25
Net credit outlays .....	67	107	135
Guaranteed loans:			
Net credit guaranteed .....			— 20

<sup>1</sup> Loans made by Treasury to New York City are subsequently sold to the Federal Financing Bank with Treasury's guarantee.

**Related programs.**—In addition to general purpose fiscal assistance, the Federal Government supports States and localities through a large variety of Federal grants-in-aid programs. These grants, which range from relatively narrow categorical programs to

block grant programs, are designed to meet other national needs and to serve other major missions. Therefore, they are not included as general purpose fiscal assistance, although they are, taken together, a far larger source of State and local funds. Total grants-in-aid are estimated to rise from \$82.1 billion in 1979 to \$82.9 billion in 1980.

#### FEDERAL GRANT-IN-AID OUTLAYS BY FUNCTION

(In millions of dollars)

Function	1978 actual	1979 estimate	1980 estimate
National defense.....	60	55	50
Energy.....	180	393	573
Natural resources and environment.....	3,898	3,970	4,559
Agriculture.....	426	436	405
Commerce and housing credit.....	13	30	45
Transportation.....	8,837	9,945	10,324
Community and regional development.....	7,078	6,452	5,416
Education, training, employment, and social services	20,557	22,676	22,320
Health.....	12,725	13,839	14,532
Income security.....	13,782	14,687	15,321
Veterans benefits and services.....	76	87	87
Administration of justice.....	572	565	487
General government.....	164	176	149
General purpose fiscal assistance <sup>1</sup> .....	9,523	8,818	8,669
<b>Total outlays.....</b>	<b>77,889</b>	<b>82,129</b>	<b>82,937</b>

<sup>1</sup> These numbers differ slightly from total outlays for this function, because they exclude administrative expenses.

## INTEREST

Interest is the cost of borrowing or the income from lending money. The interest function includes both interest paid and interest received by the Federal Government. In 1979 and 1980, interest outlays are projected to grow substantially, rising by \$8.8 billion and \$4.3 billion, respectively. By 1980, outlays for the interest function are projected to be \$57.0 billion.

### INTEREST

(Functional code 900; in millions of dollars)

Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
Interest on the public debt <sup>1</sup> .....	48,695	59,800	65,700	68,000	67,800
Other interest:					
Interest on refunds of tax collections .....	317	321	326	332	337
Interest on loans to the Federal Financing					
Bank .....	-2,748	-4,101	-5,504	-5,653	-5,073
Other .....	-2,297	-3,255	-3,500	-3,552	-3,521
Subtotal, other interest .....	-4,728	-7,035	-8,679	-8,873	-8,257
<b>Total, budget authority .....</b>	<b>43,967</b>	<b>52,765</b>	<b>57,021</b>	<b>59,127</b>	<b>59,543</b>
<b>OUTLAYS</b>					
Interest on the public debt <sup>1</sup> .....	48,695	59,800	65,700	68,000	67,800
Other interest:					
Interest on refunds of tax collections .....	317	321	326	332	337
Interest on loans to the Federal Financing					
Bank .....	-2,748	-4,101	-5,504	-5,653	-5,073
Other .....	-2,298	-3,254	-3,500	-3,552	-3,521
Subtotal, other interest .....	-4,729	-7,034	-8,678	-8,873	-8,257
<b>Total, outlays .....</b>	<b>43,966</b>	<b>52,766</b>	<b>57,022</b>	<b>59,127</b>	<b>59,543</b>

<sup>1</sup> Includes interest paid on the public debt held by Government investment accounts. Several proposals in the budget reduce estimated trust fund outlays. These outlay reductions increase estimated trust fund balances and thereby increase trust fund investments in Treasury securities. The higher interest earnings on these investments are included in the estimates of interest on the public debt presented above and, as an offset, in the estimates of interest received by trust funds presented elsewhere in Part 5. The legislation has no effect on net interest outlays.

**Interest on the public debt.**—This subfunction includes all interest paid on the public debt. The public debt consists of Treasury securities sold to the public and also securities sold to trust and revolving funds. In the past, the budget has generally assumed, as a convention, that interest rates would remain at the levels prevailing at the time the estimates were made. Because interest rates are now unusually high, this convention would produce artificially high estimates of interest outlays. Beginning with this budget, a different convention is used, namely that interest rates are assumed to fall as inflation declines. Under this convention, which is *not* meant to be a forecast, the interest outlay estimates assume

that the 91-day bill rate will decline gradually from 9.3%, the prevailing rate at the time the estimates were made, to an average of about 8.8% in calendar year 1979 and 7.6% in calendar year 1980. Currently, the 91-day rate is over one-and-one half times the level a year earlier. This substantial rise is the major contributing factor to the sharp increase in interest on the public debt from 1978 to 1979.

These outlays are projected to grow at a much slower rate in 1981 and 1982. This results from much smaller increases in Federal debt outstanding and from assumed further declines in interest rates. The estimates also reflect substantial savings from the cash management initiatives discussed in Part 4 and the general government section of Part 5.

**Other interest.**—This subfunction includes interest payments on tax refunds and interest collections from Federal agencies and the public. The largest item in other interest is collections from the off-budget Federal Financing Bank (FFB). In recent years, this off-budget Federal entity has become the major source of funds for many Government programs. The FFB borrows directly from the Treasury and uses those funds to purchase debt and financial assets of various Government programs. It then pays interest to the Treasury on this borrowing. A more detailed discussion of the FFB and its operations is contained in Part 6 of this document. That section also discusses borrowing by the Federal Government. Additional borrowing information is contained in "Special Analysis E, Borrowing, Debt, and Investment," in the *Special Analyses* volume of the budget.

**Net interest.**—A substantial portion of interest outlays is paid to trust funds on securities held by these funds. These amounts are deducted from both budget authority and outlays before arriving at budget totals, since the payment of interest is not made to the public, but consists of offsetting transactions within the budget itself. As shown in the following table, net interest outlays—the interest function minus the interest received by trust funds—are projected to be \$46.1 billion in 1980.

In addition, Federal Reserve Banks hold Government securities as part of their monetary functions. The Federal Reserve Banks return most of the interest they receive on those securities back to the Treasury as miscellaneous budget receipts. This deposit of earnings is projected to be \$8.6 billion in 1980. Deducting these receipts from net interest results in a net impact on the budget of \$37.5 billion in 1980. The net impact of interest is the amount of interest that must be paid from receipts or additional borrowing to meet Federal financing requirements.

## NET INTEREST

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Outlays for the interest function .....	43,966	52,766	57,022	59,127	59,543
Interest received by trust funds .....	— 8,530	— 9,782	— 10,940	— 12,431	— 14,499
<b>Net interest outlays.....</b>	<b>35,435</b>	<b>42,984</b>	<b>46,082</b>	<b>46,696</b>	<b>45,044</b>
Deduct: Deposit of earnings by the Federal Reserve System <sup>1</sup> .....	6,641	7,600	8,600	9,200	9,700
<b>Net impact <sup>2</sup> .....</b>	<b>28,794</b>	<b>35,384</b>	<b>37,482</b>	<b>37,496</b>	<b>35,344</b>

<sup>1</sup> Shown as budget receipts.<sup>2</sup> Net amount of interest to be paid from receipts or other means of financing.

A tax expenditure arises from the optional deferral of interest income on U.S. savings bonds. The interest on savings bonds is normally taxed each year as it is credited, but the holder may defer paying the tax until the bond is redeemed. The revenue loss from this tax expenditure is estimated to be \$0.6 billion in 1980.

## ALLOWANCES

Allowances are included in the 1980 budget to cover statutory pay increases for Federal civilian agency employees, future initiatives, and unforeseen requirements that may arise. Estimates beyond 1980 also include an inflation allowance for nondefense purchases of goods and services. Pay and price allowances for the Department of Defense are included in the national defense function.

### ALLOWANCES

(Functional code 920; in millions of dollars)

Program	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY</b>					
Civilian agency pay raise.....			950	2,337	3,533
Proposed legislation.....			- 24	- 40	- 42
Contingencies for:					
Relatively uncontrollable programs.....					
Welfare reform.....				1,500	5,500
Inflation.....				1,800	3,300
Other requirements.....		100	1,500	4,000	4,000
<b>Total, budget authority.....</b>		<b>100</b>	<b>2,426</b>	<b>8,597</b>	<b>16,291</b>
<b>OUTLAYS</b>					
Civilian agency pay raises.....			921	2,244	3,485
Proposed legislation.....			- 23	- 38	- 42
Contingencies for:					
Relatively uncontrollable programs.....					
Welfare reform.....				1,500	5,500
Inflation.....				1,800	3,300
Other requirements.....			500	3,000	3,000
<b>Total, outlays.....</b>			<b>1,398</b>	<b>8,506</b>	<b>15,243</b>

Significant changes in the Federal civil service system were made this past year with enactment of the Civil Service Reform Act of 1978. In addition to the reforms discussed in Part 2 and in the general government function in Part 5, the act creates new compensation systems for 2 classes of Federal civilian employees. High level employees will now be included in a Senior Executive Service (SES) with 5 or more levels of compensation. Special performance awards will be possible, providing new incentives for efficient and productive employees. Mid-level managers and supervisors will no longer receive within-grade step increases, but will be covered by a new merit pay system that will reward performance and efficiency rather than length of service. While receiving at least one-half the annual pay adjustment allowed non-supervisory civilian employees, these employees will be eligible for merit pay increases each year based upon performance. The Administration



will propose comprehensive legislation to reform and improve Federal pay-setting systems and procedures.

As part of the overall effort to hold down inflationary trends and to comply with the national wage-price standards, the budget assumes an October 1979 pay increase of 5.5% for Federal employees. A final decision on the level of the October 1979 pay increase will be made in late summer after appropriate Presidential review of recommendations of the President's pay agent, the Federal Employees Pay Council, the Advisory Committee on Federal Pay, and after a review of the economic situation at that time.

The allowance for relatively uncontrollable programs is assumed to be zero since the probability of estimates higher or lower than the budget estimates is assumed to be the same.

The budget includes an allowance for welfare reform proposals beginning in 1981. This allowance represents the effect on the surplus or deficit. Decisions to be made at a later date will determine the mix between outlays and revenues foregone. The budget authority and outlay portion of the allowance will be divided between the income security function and the education, training, employment, and social services function. Discussions of current proposals are included in those functions.

An allowance for nondefense purchase inflation is included for 1981 and subsequent years. The estimates for 1980 and beyond also include a contingency allowance, which does not represent a compilation of a specific list of future needs, but is a rough estimate taking into account past experience of unanticipated requirements and possible requirements for future initiatives.

## UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts (which are shown in detail in summary table 11 in Part 9 of the Budget) are generally deducted from budget totals at the function, subfunction, or agency level. In three instances, however, such payments are deducted from the budget as undistributed offsetting receipts. In the case of rents and royalties on the Outer Continental Shelf, the payments are extremely large and to include them in a particular function would present a distorted view of Federal program costs. In the case of the payment that each agency makes as its share of employee retirement costs and interest received by trust funds, the deductions are made here to eliminate double counting of budget authority and outlays and, therefore, to reflect properly transactions with the public.

### UNDISTRIBUTED OFFSETTING RECEIPTS

(Functional code 950; in millions of dollars)

Offsetting Receipts	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>BUDGET AUTHORITY AND OUTLAYS</b>					
Employer share, employee retirement .....	-4,983	-5,388	-5,482	-5,663	-5,787
Interest received by trust funds:					
Existing law .....	-8,530	-9,774	-10,852	-11,763	-13,372
Proposed legislation .....		-8	-88	-668	-1,127
Subtotal, interest received by trust funds .....	-8,530	-9,782	-10,940	-12,431	-14,499
Rents and royalties on the Outer Continental Shelf .....	-2,259	-3,500	-2,600	-3,000	-3,000
<b>Total .....</b>	<b>-15,772</b>	<b>-18,670</b>	<b>-19,021</b>	<b>-21,094</b>	<b>-23,286</b>

***Employer share, employee retirement.***—The payments by Federal agencies to various employee retirement funds are reflected as outlays of the agencies and receipts of the respective retirement fund. Over 70% of these payments are to the civil service retirement fund, with the remainder paid mostly to the social security trust funds. About a quarter of these payments come from the Postal Service.

***Interest received by trust funds.***—By law, most trust fund balances are invested in interest-bearing Federal securities. The interest outlays are included in interest on the public debt. The receipts collected by various trust funds are shown as undistributed offsetting receipts. Almost half of these interest collections are received by the civil service retirement and disability fund, and almost one-third are received by social security and medicare. Several proposals in the budget reduce estimated trust fund outlays. These outlay

reductions increase estimated trust fund balances and thereby increase trust fund investments in Treasury securities. The higher interest earnings on these investments are included in the estimates of interest on the public debt and, as an offset, in the estimates of interest received by trust funds. The legislation has no effect on net interest outlays.

*Rents and royalties from the Outer Continental Shelf (OCS).—*These estimates include cash bonuses received from the leasing of new OCS lands that have the promise of containing oil and gas. Annual rents on existing leases and royalties based on a percentage of the value of production are also included. The current estimates assume that six scheduled OCS sales will be conducted in 1979 and four sales in 1980. Seven sales are currently scheduled for 1981. No final decision will be made on any of these sales until environmental studies and other requirements under the National Environmental Policy Act have been completed. This planning schedule is subject to possible change, since a 5-year leasing program is being prepared by the Department of the Interior pursuant to the OCS Lands Act amendments of 1978.

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**PART 6**

**PERSPECTIVES ON  
THE BUDGET**

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## PERSPECTIVES ON THE BUDGET

This part of the budget explains several topics that help place the budget in perspective. It discusses:

- relationship of budget authority to outlays;
- fiscal activities outside the Federal budget:
  - outlays of off-budget Federal entities,
  - Government-sponsored enterprises,
  - guaranteed loans, and
  - tax expenditures;
- Federal debt and the relationship of budget funds to changes in Federal debt;
- the difference between the initial budget estimate of outlays and the actual outlays of relatively uncontrollable programs for the last completed fiscal year; and
- the difference between the initial budget estimates of receipts and the actual receipts.

### RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must provide budget authority, generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1980, \$615.5 billion of new budget authority is proposed for those Federal agencies included in the budget. In addition, \$14.0 billion in new budget authority is proposed for those Federal entities that are excluded from the budget.<sup>1</sup>

Of the total new budget authority proposed for budget agencies in 1980, \$386.7 billion will require congressional action. The remaining \$228.9 billion of new budget authority will be available under existing law. The latter consists mainly of trust fund receipts, which in most programs are automatically appropriated under existing law, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847. Most budget authority for off-budget Federal entities will be available under existing law.

Not all of the new budget authority for 1980 will be obligated or spent in that year.<sup>2</sup>

- Budget authority for most trust funds authorizes the expenditure of the funds' receipts from special taxes and contribu-

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<sup>1</sup> Budget authority is discussed further in Part 7 of this volume.

<sup>2</sup> This subject is discussed more fully in a separate report, "Balances of Budget Authority," that is published by the Office of Management and Budget shortly after the budget is transmitted.

**BUDGET AUTHORITY**

[In billions of dollars]

Description	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Available through current action by Congress:</b>					
Enacted appropriations.....	326.8	354.1			
Proposed in this budget: <sup>1</sup>					
Appropriations .....			361.8	377.7	391.9
Supplemental requests.....		13.1			
Rescission proposals .....		— .9			
To be requested separately:					
Upon enactment of proposed legislation..		.2	20.2	5.3	5.1
Allowances:					
Civilian agencies <sup>2</sup> .....		.1	2.4	9.6	16.3
Department of Defense—Military <sup>3</sup> ....			2.3	4.6	7.0
Subtotal, available through current action of the Congress.....	326.8	366.6	386.7	397.1	420.4
<b>Available without current action by the Congress (permanent authorizations): <sup>4</sup></b>					
Trust funds (existing law) .....	172.9	188.5	220.5	247.0	273.2
Interest on the public debt .....	48.7	59.8	65.7	68.0	67.8
Other .....	12.7	13.2	16.2	17.8	18.4
<b>Deductions for offsetting receipts.....</b>	<b>— 59.6</b>	<b>— 68.4</b>	<b>— 73.5</b>	<b>— 79.0</b>	<b>— 84.1</b>
<b>Total, budget authority .....</b>	<b>501.5</b>	<b>559.7</b>	<b>615.5</b>	<b>651.0</b>	<b>695.7</b>

**MEMORANDUM****Budget authority for off-budget Federal entities:**

Available through current action by the Congress.....	*	*	*	*	*
Available without current action by the Congress.....	13.2	15.3	14.0	14.1	14.2
Total, off-budget Federal entities .....	13.2	15.3	14.0	14.2	14.2
Total, budget authority including off-budget Federal entities.....	514.7	575.0	629.6	665.2	709.9

\* \$50 million or less.

<sup>1</sup> Amounts for 1981 and 1982 are tentative planning targets.<sup>2</sup> Includes allowances for civilian agency pay raises and contingencies.<sup>3</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>4</sup> Allowances for relatively uncontrollable programs with permanent authorizations are estimated at zero.

tions and from Federal fund payments to the trust funds. These receipts are to be used as needed over a period of years for benefit payments and other purposes specified by law.

- Under longstanding budget policy, budget authority for most major construction and procurement projects covers the entire cost expected when the projects are initiated, even though costs will be incurred and outlays made over a period extending beyond the fiscal year in which the budget authori-

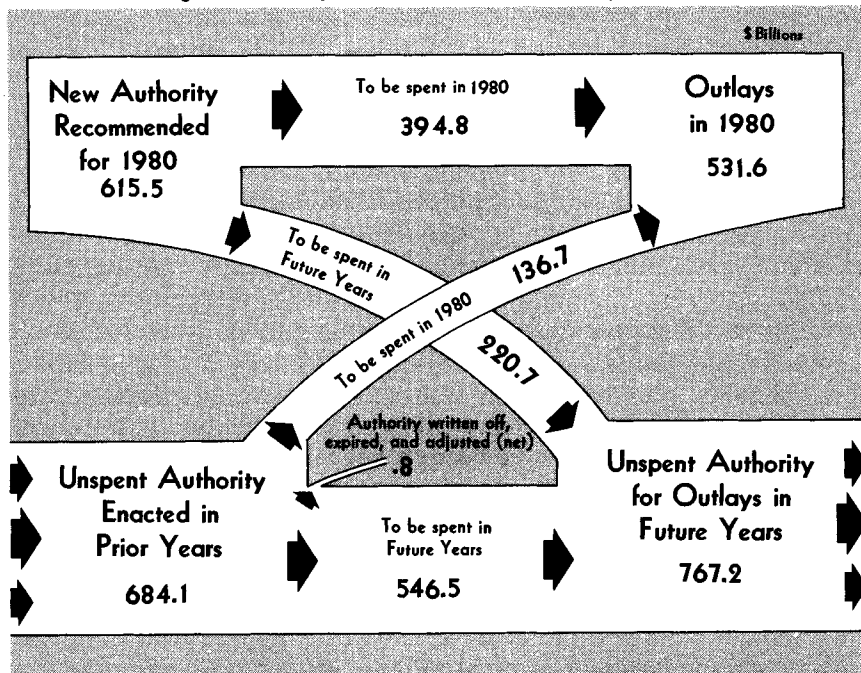
ty is enacted. In the past, an exception to this policy has existed for water resources programs. The administration is again proposing that funds for new water resources projects cover the entire costs of the projects.

- Government enterprises are occasionally given budget authority for general capital purposes that will be used over a period of years.
- Budget authority for the subsidized housing programs is equal to the Government's maximum contractual obligation to pay subsidies under contracts, which may extend over periods of up to 40 years.
- Budget authority for many direct loan programs provides financing for a number of years; budget authority for many insurance and guaranteed loan programs consists of amounts to be used only in the event of defaults or other claims made upon the programs.

As a result of these factors, a substantial amount of budget authority carries over from one year to the next. Most of this is earmarked for specific uses and is not available for new programs; a very small part may never be obligated or spent.

As shown in the following chart, \$136.7 billion of the outlays in 1980, 25.7% of the total, will be made from budget authority en-

**Relation of Budget Authority to Outlays—1980 Budget**



acted in previous years. At the same time, \$220.7 billion of the new budget authority proposed for 1980, which is 35.9% of the total amount proposed, will not result in outlays until future years. The relationship between budget authority, obligations, and outlays is discussed further in Part 7 of the *Budget* and displayed in table 5 of Part 9.

Once budget authority is provided, the Congressional Budget and Impoundment Control Act requires that any available amounts withheld from use (without specific congressional authorization) must be reported to the Congress in rescission or deferral messages. The Congress may require these funds to be released by overturning the deferral of budget authority or by not taking action on the proposed rescission.

### FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of fiscal activities of the Federal Government that result in spending similar to budget outlays. One major exclusion—the outlays of off-budget Federal entities<sup>3</sup>—is discussed in some detail below. This is followed by a discussion of the Government-sponsored enterprises, which are outside the budget because of their private ownership.<sup>4</sup> Guaranteed loans and tax expenditures, which also have significant effects on the economy, are discussed subsequently. The regulation of economic activity may have similar effects by requiring the private sector to make expenditures for specified purposes, such as safety and pollution control. These effects cannot be quantified satisfactorily and are not discussed in this section.

The off-budget Federal entities and the privately-owned, Government-sponsored enterprises primarily carry out loan programs. Guaranteed loans are likewise a part of federally assisted lending. The table on the next page summarizes Federal credit activity by showing the amounts outstanding of Federal and federally assisted loans: direct loans by Federal agencies included in the budget, direct loans by off-budget Federal entities, guaranteed loans, and loans by Government-sponsored enterprises.

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<sup>3</sup> Financial statements for these entities are published in the Appendix, Budget of the United States Government, Fiscal Year 1980. See Part IV, "Off-Budget Federal Entities."

<sup>4</sup> For financial statements, see the Appendix, Part VI, "Government-Sponsored Enterprises."



FEDERAL AND FEDERALLY ASSISTED LOANS OUTSTANDING <sup>1</sup>

[In billions of dollars; at end of fiscal year]

	1977 actual	1978 actual	1979 estimate	1980 estimate
Direct loans—on budget.....	67.9	76.5	81.5	84.3
Direct loans—off-budget .....	32.7	43.9	55.9	67.7
Guaranteed and insured loans <sup>2</sup> .....	181.7	193.1	213.9	239.4
Total, direct loans and guaranteed loans.....	282.4	313.5	351.3	391.4
Government-sponsored enterprise loans <sup>3</sup> .....	98.9	126.8	142.3	160.7

<sup>1</sup> See Table F-9 in Special Analysis F, "Federal Credit Programs," published in Special Analyses, Budget of the United States Government, Fiscal Year 1980.

<sup>2</sup> Excludes loans held by Government accounts and Government-sponsored enterprises.

<sup>3</sup> Net of loans between Government-sponsored enterprises and between such enterprises and Federal agencies.

The direct loans made by agencies within the budget are shown in this table to comprise only about a quarter of the total direct and guaranteed loans outstanding made by the Federal Government. They are an even smaller proportion of total Federal and federally assisted loans, which include also the loans of the privately owned, Government-sponsored enterprises. The direct loans made by budget agencies are, however, the only part of Federal and federally assisted lending that is fully subject to the normal budgetary process of an annual review in which the benefits of using resources for a specific purpose are examined in competition with the use of these resources elsewhere. Off-budget direct loans are largely excluded from this process because their amounts do not affect the budget totals, on which attention must necessarily focus; loan guarantees are conceptually different from outlays and thus fall outside most of the budgetary process. The loans of Government-sponsored enterprises, though assisted by the Federal Government, are even further outside the budget process because they are privately owned.

Consequently, the Federal Government does not have any systematic mechanism to consider the resource allocation implied by most of its credit programs or to judge whether it makes or assists an appropriate share of the Nation's total credit transactions. In order for the Government to influence efficiently the allocation of economic resources and the operation of financial markets and the economy as a whole, it must exercise control over its credit programs as well as over its other operations. Therefore, as discussed in Part 2, the administration is proposing a set of executive and congressional procedures that would apply budget-type controls on all of the Government's direct and guaranteed lending programs alike. Annual limits on gross loans would be proposed for each program in the budget and would be set in the appropriation bills; an aggregate limit would be proposed in the budget and a ceiling set under the congressional budget resolutions.

***Outlays of off-budget Federal entities.***—Off-budget Federal entities are federally owned and controlled, but their transactions have been excluded from the budget totals under provisions of law.<sup>5</sup> Therefore, their fiscal activities are not reflected in either budget outlays or the budget surplus or deficit, appropriation requests for their programs are not included in the totals of budget authority for the budget, and their outlays are not subject to the ceilings set by the congressional budget resolutions. As shown in the table on page 322, the outlays of the off-budget Federal entities are added to the budget deficit to derive the total Government deficit that has to be financed by borrowing from the public or by other means. When off-budget outlays are financed by Treasury borrowing, the additional debt is subject to the statutory debt limit; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt.

The first Federal entity removed from the unified budget was the Export-Import Bank, which was excluded by statute in August 1971. This exclusion was the first departure of budgetary practice from the concept of the unified budget, which had been adopted beginning with the 1969 budget and which combined the administrative budget with the substantial trust fund transactions of the Federal Government. After the Export-Import Bank was removed, further departures from a unified budget occurred. The Postal Service fund, the Rural Telephone Bank, the lending transactions that became the Rural Electrification and Telephone revolving fund, and the Housing for the Elderly or Handicapped fund were removed from the budget. The Environmental Financing Authority,<sup>6</sup> the Federal Financing Bank, the U. S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange Stabilization fund had always been outside the unified budget, although until two years ago it was classified as a deposit fund instead of an off-budget Federal entity.<sup>7</sup>

In the past 3 years the trend toward increasing the number of off-budget Federal entities has been reversed. The Export-Import Bank was returned to the budget by statute on October 1, 1976, and the Housing for the Elderly or Handicapped fund was returned to the budget by statute on October 1, 1977. Last year Congress enacted legislation proposed by the administration to include in the budget the administrative expenses paid until now by the Exchange Stabilization Fund, and the interest collections of the fund

<sup>5</sup> The Board of Governors of the Federal Reserve System (but not the Federal Reserve banks, which are privately owned) is a Federal organization. It is excluded from the budget and from this discussion.

<sup>6</sup> The Environmental Financing Authority expired without having conducted any operations.

<sup>7</sup> The Exchange Stabilization fund conducts a cycle of operations similar to revolving funds. Consequently, its classification as a deposit fund was contrary to the normal definition of a deposit fund: an account that records amounts held by the Government as an agent for others or amounts held in suspense temporarily before being refunded or paid into some other fund.

are being put on-budget by administrative action at the same time.<sup>8</sup> The budget outlays and deficits of previous years have been revised to include these three entities so that the series measuring governmental activity over time would be as consistent as possible. Legislation has also caused the transactions of the U.S. Railway Association to appear more fully in the budget. The assistance program to Conrail now comprises almost all of the Association's activity, and since the start of this program in 1976 the purchase of Conrail securities has been required by law to be included in the budget.

Despite the exclusion of the off-budget entities from the budget, some of the outlays related to their activities are nonetheless included in the budget totals. The budget totals include the subsidies paid to the Postal Service fund and the administrative expenses of the Rural Electrification Administration lending programs and the U.S. Railway Association. Moreover, while the budget authority and outlays of off-budget Federal entities are excluded from the budget totals, some of their activities are subject to Presidential and congressional review. For example, limits on the amount of new lending for the rural electrification program financed by the Rural Electrification and Telephone revolving fund are set annually by law, and the outstanding debt and annual borrowing of the Postal Service are limited by statute.

Congress has expressed concern about the existence of off-budget Federal entities. The Congressional Budget Act of 1974 calls for the Committees on the Budget of the House of Representatives and the Senate to study on a continuing basis those provisions of law that exclude any outlays of Federal entities from the budget and to report to their respective Houses their recommendations for terminating or modifying such provisions. In 1976 the House Budget Committee held hearings and then adopted a report recommending that the budget include the administrative expenses of the Exchange Stabilization fund and the outlays of all other off-budget Federal entities except the Federal Financing Bank. At that time the Committee deferred judgment about the Federal Financing Bank.<sup>9</sup> The House Budget Committee subsequently supported legislation to include the Federal Financing Bank in the budget and renewed its recommendation for the other off-budget entities.<sup>10</sup>

Except for the Postal Service and the Pension Benefit Guaranty Corporation, the excluded outlays of the off-budget Federal entities are incurred for carrying out loan programs. These programs are of

<sup>8</sup> In the present budget the profits and losses from foreign exchange transactions are counted with changes in deposit fund balances. Because it is not practicable to forecast transactions in gold, foreign currency, and foreign investments, the budget will continue the past practice of not estimating profits and losses in foreign exchange transactions for the current and future years.

<sup>9</sup> House of Representatives, Committee on the Budget, *Off-Budget Activities of the Federal Government*, Report No. 94-1740 (1976); and *First Concurrent Resolution on the Budget—Fiscal Year 1978*, Report No. 95-189 (1977), pp. 11-12 and 135.

<sup>10</sup> House of Representatives, Committee on the Budget, *First Concurrent Resolution on the Budget—Fiscal Year 1979*, Report No. 95-1055 (1978), p.23.

the same nature as the direct loan programs in the budget. The outlays of the off-budget loan programs are approximately equal to the difference between new loans disbursed and repayments of principal. For example, during 1978 new loans disbursed by the excluded programs were \$16.8 billion and repayments \$5.7 billion, for an increase in loans outstanding of \$11.2 billion. This is about the same as the outlays of these programs, which were \$10.9 billion. The difference is due to such factors as administrative expenses and interest paid and received.

Like direct loans in the budget, the loans of the excluded programs are designed to allocate economic resources toward particular uses. The off-budget Federal entities support a variety of program functions both by their direct operations and, in the case of the Federal Financing Bank, by purchasing debt securities issued by several agencies and purchasing obligations guaranteed under a number of Government programs. Part 5 of the *Budget*, "Meeting National Needs: the Federal Program by Function," shows the outlays of the off-budget Federal entities by function and discusses some of their more significant activities.

#### OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

[In billions of dollars]

Off-budget Federal entity	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Federal Financing Bank .....	10.6	11.5	11.3	11.3	11.3
Rural Electrification and Telephone revolving fund .....	.1	.....	.....	.....	.....
Rural Telephone Bank .....	.1	.1	.1	.1	.1
Pension Benefit Guaranty Corporation .....	— *	— *	— *	— *	— *
Postal Service fund .....	— .5	.3	.5	.1	— .3
U.S. Railway Association .....	.1	.1	*	.....	.....
<b>Total .....</b>	<b>10.3</b>	<b>12.0</b>	<b>12.0</b>	<b>11.5</b>	<b>11.1</b>

\*\$50 million or less.

As the preceding table shows, the Federal Financing Bank (FFB) accounts for most of the off-budget outlays. The outlays of the FFB include only its purchase of Government-guaranteed obligations, not its purchase of Federal agency debt. This prevents counting the same amount twice, both in the FFB's outlays and in the outlays of the agency that borrows from the FFB and spends the proceeds.

The FFB's share of the total off-budget outlays has been increased by the legislation mentioned above that put certain off-budget spending into the budget totals. Among the remaining off-budget Federal entities only the Postal Service fund in some years has comparatively large outlays. The outlays of the Postal Service fund are calculated with an offset for the subsidy that it receives for public service costs and for revenue forgone from carrying certain mail at free or reduced rates. This subsidy, which is included in the budget, is estimated at \$1.6 billion in 1980. The small size of the outlays of the Rural Electrification and Telephone revolving fund does not indicate the level of this fund's activity. The fund sells certificates of beneficial ownership to the FFB, and the sale of these certificates is required by law to be treated as the sale of assets instead of as borrowing. Therefore the sale of these certificates to the FFB is shown as an offset to the outlays of the Rural Electrification and Telephone revolving fund and as part of the outlays of the FFB.

Since the outlays of the FFB arise for loans originated by other agencies, not the FFB itself, the budgetary accounting system does not now attribute FFB's outlays to the agency whose program is being supported. Nor, except for the budget function where FFB is classified, does the accounting system attribute FFB's outlays to the function that is being supported. As part of its control system for Federal credit, the administration is considering the treatment of FFB's outlays and budget authority as off-budget transactions of the agency and function where the loans were originated.

The table on the next page compares the excluded outlays of the off-budget Federal entities with the budget outlays.<sup>11</sup> The outlays of the entities that are now off-budget (which thus exclude the Export-Import Bank and Exchange Stabilization fund) were negligible in 1973 but grew rapidly afterwards, as the Federal Financing Bank and other off-budget entities were created or shifted out of the budget. The outlays of the off-budget Federal entities equaled 2.3% of budget outlays in 1978 and are estimated to equal 2.4% in 1979 and 2.2% in 1980.

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<sup>11</sup> The historical data for budget outlays include Federal entities that are now off-budget for any period when they were in the budget; the Export-Import Bank and Housing for the elderly or handicapped fund for all years; the administrative expenses and interest collections of the Exchange Stabilization fund beginning in 1976; and Government-sponsored enterprises for periods when they had any Government ownership.

**COMPARISON OF OUTLAYS FOR THE BUDGET, OFF-BUDGET FEDERAL ENTITIES, AND  
GOVERNMENT-SPONSORED ENTERPRISES**

[In billions of dollars]

Year	Outlays			Government-sponsored enterprises <sup>a</sup>
	Federal Government <sup>a</sup>		Total	
	Budget	Off-budget Federal entities		
1960.....	92.2	.....	92.2	.4
1961.....	97.8	.....	97.8	— .3
1962.....	106.8	.....	106.8	1.1
1963.....	111.3	.....	111.3	.5
1964.....	118.6	.....	118.6	1.8
1965.....	118.4	.....	118.4	1.2
1966.....	134.7	.....	134.7	1.9
1967.....	158.3	.....	158.3	— 2.9
1968.....	178.8	.....	178.8	1.7
1969.....	184.5	.....	184.5	4.3
1970.....	196.6	.....	196.6	9.6
1971.....	211.4	.....	211.4	*
1972.....	232.0	.....	232.0	4.4
1973.....	247.1	0.1	247.1	11.4
1974.....	269.6	1.4	271.1	14.5
1975.....	326.2	8.1	334.2	7.0
1976.....	366.4	7.3	373.7	4.6
TQ.....	94.7	1.8	96.5	2.3
1977.....	402.7	8.7	411.4	10.2
1978.....	450.8	10.3	461.2	25.6
1979 estimate.....	493.4	12.0	505.4	15.2
1980 estimate.....	531.6	12.0	543.5	19.1
1981 estimate.....	578.0	11.5	589.5	( <sup>a</sup> )
1982 estimate.....	614.9	11.1	626.0	( <sup>a</sup> )

\* \$50 million or less.

<sup>1</sup> The 1972-77 and TQ data have been revised to include the Export-Import Bank and the Housing for the elderly or handicapped fund in the budget instead of with the off-budget Federal entities. The administrative expenses and interest collections of the Exchange Stabilization Fund are included in the budget beginning in 1976. Comparable data are not available for earlier years.

<sup>2</sup> To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from Federal agencies and off-budget Federal entities.

<sup>3</sup> Not available.

**Outlays of Government-sponsored enterprises.**—Several Government-sponsored enterprises have been established and chartered by the Federal Government to perform specialized credit functions. The earlier enterprises were all created with partial or full Government ownership and with direct Government control, but, in time, they were converted to private ownership and some new enterprises were created as privately owned institutions. The rule governing the budget treatment of these enterprises was established in 1967 in accordance with a recommendation by the President's Commission on Budget Concepts. The Commission recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. Since the enterprises carry out federally designed programs and receive benefits from their close association with the Government, the Commission recommended that financial statements of their operations be included in the budget documents.<sup>12</sup>

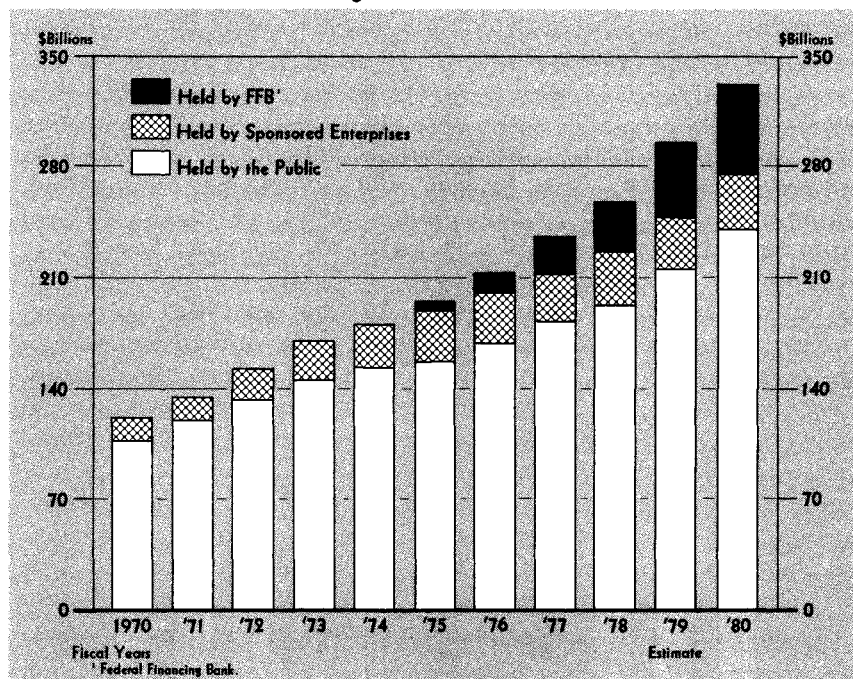
The Federal Land Banks and Federal Home Loan Banks had both become entirely privately owned a number of years before the unified budget was adopted and therefore have always been excluded. The Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Intermediate Credit Banks became wholly privately owned by repaying their Federal equity capital during 1969 and were accordingly removed from the budget. The Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association were subsequently established with full private ownership.

The Government-sponsored enterprises were all created to carry out loan programs, either lending their funds directly for specifically authorized purposes or buying loans originated by the private group that they were established to assist. Their loans primarily support housing but also support agriculture and higher education. As shown in the preceding table, the outlays of the privately owned Government-sponsored enterprises have grown considerably—from relatively small amounts in the early 1960's to an average of \$12.2 billion (equal to 3.4% of budget outlays) during 1974–78, when more Government-sponsored enterprises had been established. In 1980 these enterprises are expected to spend \$19.1 billion, an amount equal to 3.6% of budget outlays in that year.

**Guaranteed loans.**—Government-guaranteed loans are loans for which the Government guarantees the payment of the principal or interest in whole or in part. Loan guarantees constitute contingent liabilities. They generally do not result in budget outlays except in the case of default.

<sup>12</sup> *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), pp.29-30.

## Guaranteed Loans Outstanding



Loan guarantees are designed to allocate economic resources toward particular uses by providing credit at more favorable terms than would otherwise be available in the private market. The major use of loan guarantees is to support housing, but in recent years guarantees have increasingly been used for other purposes. The effect of loan guarantees on the economy is difficult to assess. Some portion of the private loans that are guaranteed would have been made without the guarantee, and those private loans that would not otherwise have been made tend to divert credit away from other economic activities.

Guaranteed (or insured) loans have diverse characteristics. The loan may be made to individuals, businesses, State and local governments, or foreign governments. The guaranteed obligation may be a loan made by a bank or other institutional lender, it may be a security sold in the capital market, or it may be a security sold to the Federal Financing Bank. The guarantee may be full or partial, and in some programs it is supplemented by other explicit subsidies or other forms of assistance.

Guaranteed loans include most loan assets sold by Federal agencies. Loan asset sales occur when an agency makes a direct loan and then sells it. A guarantee by the selling agency is usually attached. Loan asset sales are treated as offsets to the outlays of



the agency that sells them, so if the selling agency is in the budget they reduce the amount by which the direct loans of Federal agencies add to budget outlays.

In some cases of loan asset sales the agency sells the direct loans themselves, but in other cases the agency sells securities (sometimes called participation certificates or certificates of beneficial ownership) that are backed by loans that the agency continues to hold and service. The President's Commission on Budget Concepts recommended that the sale of such securities be treated as borrowing,<sup>13</sup> but in certain cases legislation requires that it be treated instead as the sale of loan assets. As the Commission argued, however, as a means of financing outlays there is no difference in substance between an agency selling securities labeled "certificates of beneficial ownership," the same agency selling securities labeled "debt," and the Treasury selling securities labeled "debt." Moreover, when certificates of beneficial ownership are sold, the ownership of the specific loans is retained by the Government, interest payments on the loans continue to be made to the Government, and the Government continues to incur the servicing costs of the loans and to assume fully the risk of default on the loans.

The following table shows the gross amount of new loans guaranteed during the years 1977-80, the net loans guaranteed during each year (that is, the change in loans outstanding), and the amount outstanding of guaranteed loans held by the public at the end of each year. The figures include the full amount of all loans guaranteed (whether guaranteed in whole or in part), in billions of dollars:

	1977 actual	1978 actual	1979 estimate	1980 estimate
Gross loans guaranteed.....	40.8	39.5	51.5	60.4
Net loans guaranteed.....	14.0	11.3	20.8	25.5
Guaranteed loans outstanding.....	181.7	193.1	213.9	239.4

This table suggests the importance of guaranteed loans. The amount outstanding held by the public is large and growing each year. Gross loans, which measure the total new assisted borrowing that takes place each year, are much larger than the change in loans outstanding, primarily because they are not offset by the repayment of old loans. In addition to the \$57.6 billion increase in guaranteed loans held by the general public during 1978-80, the total held by the Federal Financing Bank (FFB) and other Federal agencies is estimated to increase by \$33.5 billion; and the total held by Government-sponsored enterprises is estimated to increase by \$4.2 billion. These amounts are reflected in the outlays of the FFB, other Federal agencies, and Government-sponsored enterprises that buy these loans. When the FFB buys new issues of guaranteed

<sup>13</sup> See *Report of the President's Commission on Budget Concepts*, pp. 8, 47-48, and 54-55.

loans (except loan assets), the guaranteed loans are in effect converted into direct Federal loans outside the budget.<sup>14</sup>

Since guaranteed loans are outside the budget, they are not subject to the same kind of review and control as budget outlays. The authorizing statutes for half or more of the guarantee programs impose a ceiling on the amount of guaranteed loans outstanding, but the limits imposed at one time are usually designed to meet several years of requirements at once. Plans for guarantees are generally reviewed annually in the course of reviewing the budget and personnel requests of the administering agencies, but annual limits usually are not set. Except when explicit subsidies or capital for reserve funds must be appropriated, limits on guarantees are not imposed, directly or indirectly, through the Appropriations Committees of the Congress. Similarly, the Senate and House Budget Committees do not scrutinize the total amount of guaranteed loans in developing their concurrent budget resolutions, and the concurrent budget resolutions do not include a target or ceiling for guaranteed loans as they do for budget outlays and budget authority. The administration's proposal for control over Federal credit, by establishing annual limits on gross loan guarantees for each program, would overcome the significant deficiencies in the current process.

The major loan guarantee programs are discussed by function in Part 5 of the *Budget*. Guaranteed loans are analyzed together with other types of credit assistance in Special Analysis F, "Federal Credit Programs."<sup>15</sup> Schedules describing the status of loan guarantees are being published in the *Budget Appendix* for the first time in the current budget for every budget account through which loan guarantees are made.

**Taxation and tax expenditures.**—Taxation affects the economy not only by providing the Government with receipts, but also by affecting the allocation of resources among private uses and the distribution of income and wealth among individuals. These effects are caused by the structural characteristics of each different tax—for example, by the rate schedules, exemptions, deductions, and exclusions of the individual income tax—and by the relative size of the different taxes. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays, but they are not measured in budget receipts or outlays.

Some aspects of taxation, called "tax expenditures," receive special attention in the budget. Tax expenditures are defined as revenue losses under the individual and corporation income taxes that are attributable to a special exclusion, exemption, or deduction

<sup>14</sup> When the FFB buys loan assets, it effectively converts direct loans that have already been made by another agency into off-budget direct loans of the FFB.

<sup>15</sup> See Special Analyses, Budget of the United States Government, Fiscal Year 1980.

from gross income or to a special credit, preferential tax rate, or deferral of tax liability.

Tax expenditures are one means by which the Federal Government pursues its objectives and in almost all cases can be viewed as alternatives to instruments of Government policy such as outlays, loan guarantees, regulations, and provisions of the tax law other than those that give rise to tax expenditures. The objectives of tax expenditures are varied. Nearly all are intended either to encourage particular economic activities or to reduce the tax liabilities of taxpayers in special circumstances. Among the economic activities encouraged are investment, homeownership, State and local government borrowing, and support of charities; among the persons with reduced tax liabilities are many of the aged and unemployed and taxpayers with high medical expenses.

Tax expenditures ordinarily result from permanent legislation and therefore, unlike much of the budget, are not submitted to the Congress each year and do not receive a formal and systematic annual review. Some tax expenditures and many other provisions of tax law were, nonetheless, reviewed by the administration and the Congress during the past two years in the process leading to the Revenue Act of 1978. The Congressional Budget Act requires that the estimated levels of tax expenditures be presented each year in the budget that the President submits to the Congress and in the reports of the Senate and House Budget Committees to their respective Houses on the proposed congressional budget resolutions. This is intended to encourage regular examination of tax expenditures by the administration, the Congress, and the public. The provisions of the income tax law other than those that result in tax expenditures—although likewise affecting the allocation of resources and the distribution of income—do not receive either an annual, systematic review or the kind of presentation mandated for tax expenditures; nor do taxes other than the individual and corporation income taxes receive such a review.

The classification of certain provisions of law as resulting in tax expenditures requires some standard against which the law can be compared. Deviations of the law from this standard—sometimes called the “normal tax structure”—are deemed to cause tax expenditures. The “normal tax structure” used for the individual income tax includes those provisions that exist under current law for graduated rate schedules, personal exemptions, and standard deductions. Thus, under current definition, these characteristics of the tax structure do not generate tax expenditures.

However, selecting such a standard of comparison depends on judgments about what is the “normal structure” of the tax system. A different standard might exclude personal exemptions and standard deductions and thus classify these provisions as resulting in tax

expenditures; or it might integrate the individual and corporation income taxes, in which case the lack of integration under current law could be thought to produce higher receipts and thus a negative tax expenditure. The provisions of tax law that are not defined as resulting in tax expenditures deserve as much scrutiny as the provisions that are, since both types of provision have the same kinds of economic effects and since a different standard judgment might change the classification of what is considered to result in a tax expenditure.

Tax expenditures are presented at two places in the budget. Part 5 of the *Budget*, "Meeting National Needs: the Federal Program by Function," discusses the most important tax expenditures in each functional category, together with outlays and guaranteed loans, in order to describe more fully the effects of governmental policy toward meeting each national need. Special Analysis G, "Tax Expenditures," discusses the concept of tax expenditures and presents a complete list of tax expenditure estimates for individuals and corporations in 1978-80.<sup>16</sup>

The figures shown for tax expenditures are necessarily estimates for past years as well as future ones, since they compare actual tax receipts with what tax receipts would have been if the tax law had been different. The method of estimation is to assume that only the tax provision in question is removed, while taxpayer behavior and all other characteristics of the tax system remain the same. If removing a particular provision increases taxable income, as would occur in most cases, the tax expenditure is then estimated as the increase in taxable income multiplied by the appropriate tax rate.

The size of a particular tax expenditure depends not only on the tax provision in question but also on the interaction of this provision with the rest of the tax structure. The income tax changes enacted in 1978, as an example, automatically decrease many tax expenditures below what they otherwise would have been, since they reduce the tax rate schedules and raise standard deductions and personal exemptions. The reduction in the tax rate schedules decreases the amount of receipts that would be gained by repealing deductions and exclusions, because lower tax rates would be applied to the increase in taxable income; the higher standard deductions decrease the number of taxpayers itemizing deductions, thereby lowering tax expenditures for deductions, particularly those taken disproportionately by low-income taxpayers; and the higher standard deductions and personal exemptions decrease the taxable income of individual taxpayers, thereby reducing the receipts that would be gained by repealing deductions and exclusions.

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<sup>16</sup> See Special Analyses, Budget of the United States Government, Fiscal Year 1980. The presentation in this special analysis meets the requirement in the Congressional Budget Act that tax expenditures be set forth in the budget.

The interaction among tax provisions means that special calculations are generally needed to add tax expenditures together. For example, if more than one exclusion from individual income were ended, the gain in receipts would generally be greater than the sum of the separate tax expenditures, because some taxpayers would move into higher tax rate brackets. If more than one personal deduction were ended, the gain in receipts would generally be smaller than the sum of the separate tax expenditures, because more taxpayers would switch to the standard deduction. According to a special calculation made by Treasury, if all itemized deductions resulting in tax expenditures were eliminated, the gain in receipts in 1980 would be \$30.6 billion. In comparison, the sum of the tax expenditures for each separate item is \$42.8 billion. Consequently, except for a few special calculations, adding together separate tax expenditures would be misleading, and they are not generally added together in this budget. Where tax expenditures for both individuals and corporations result from the same provision, however, such as the investment tax credit, the two estimates may meaningfully be added.

Interaction among separate tax expenditure provisions is one reason why the tax expenditures cannot all be added together to form a meaningful total amount. In addition, there are two conceptual reasons why even a total amount that took these interactions into account would be of limited use. First, as explained above, the list of tax expenditure items would be different if a different standard were used for comparison. Any total amount would depend on the judgments that defined the standard, and a total based on the present standard could readily be raised or lowered.

Second, the effect of tax expenditures on receipts depends on the extent to which eliminating tax expenditures would be offset by reducing tax rates or changing other provisions of the tax law in order to compensate for the higher receipts that would otherwise be collected. Frequently tax expenditures and other provisions of tax law have been changed together; and one particular provision, whether a tax expenditure or not, has been used to modify, compensate, or substitute for another provision. Thus, if a large number of tax expenditures were removed, the tax rate schedules would ordinarily be reduced and the net effect on receipts might be small. The effects on resource allocation and income distribution from repealing tax expenditure provisions would depend on which method of changing tax rates and outlays—from a limitless number of alternatives—was used to compensate for their removal.

The Revenue Act of 1978 reduced individual and corporation income taxes significantly. Part 4 of the *Budget* shows the estimated effect of this Act on receipts and summarizes its more important provisions. For the reasons stated above, the tax expenditures for

deductions and exclusions will be decreased by the reduction in the individual and corporation tax rate schedules and by the higher personal exemptions and standard deductions.

Several specific tax expenditure provisions were changed. Business investment is expected to be stimulated by liberalizing the investment tax credit. The credit was made permanent at its current rate of 10%, extended to the rehabilitation of non-residential buildings, and generally allowed to offset a greater proportion of tax liability than before. Business investment should also be stimulated by the reduction in the corporation income tax rate schedule, but the part of this reduction due to the cut in the maximum corporate rate from 48% to 46% is not defined as being a tax expenditure. Other noteworthy changes in tax expenditure provisions include reduced taxation of capital gains, which will increase tax expenditures, and the repeal of the non-business deduction for State and local gasoline taxes. The repeal of the latter tax expenditure provision will improve equity and reduce gasoline use.

The Energy Tax Act of 1978 also includes new tax expenditure provisions, which allow credits for installing insulation, solar heat, and certain other items in homes and for installing energy equipment that does not use oil or natural gas in businesses. This provision will conserve scarce energy resources. This Act also imposes an excise tax on the sale of new automobiles with low fuel efficiency. Because it is an excise tax, its effects on receipts are not defined to change tax expenditures.

The principal tax proposal in this year's budget is real wage insurance. Groups of employees whose compensation increases in 1979 fall within the anti-inflation guidelines will be eligible for a tax credit if inflation exceeds 7%. This tax expenditure provision will protect people whose wage increases are consistent with the guidelines in case inflation turns out to be higher than the guidelines anticipate. It is thus expected to encourage compliance with the guidelines and thereby reduce inflation.

### **BUDGET FUNDS AND THE FEDERAL DEBT**

The budget consists of two major groups of funds: Federal funds and trust funds.<sup>17</sup>

The Federal funds are derived mainly from taxes and borrowing and are used for the general purposes of the Government. Most of these funds are not restricted by law to any specific Government program. The trust funds, on the other hand, collect certain taxes and other receipts for specified purposes, such as paying social security and unemployment insurance benefits.

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<sup>17</sup> Data for Federal funds and trust funds are presented in Special Analysis C, "Funds in the Budget," in Special Analyses, Budget of the United States, Fiscal Year 1980.

BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING <sup>1</sup>

[In billions of dollars]

Description	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Budget surplus or deficit (—)</b> .....	<b>—48.8</b>	<b>—37.4</b>	<b>—29.0</b>	<b>—1.2</b>	<b>37.8</b>
<b>Deficit (—) of off-budget Federal entities</b> .....	<b>—10.3</b>	<b>—12.0</b>	<b>—12.0</b>	<b>—11.5</b>	<b>—11.1</b>
Total, surplus or deficit (—) .....	<u>—59.2</u>	<u>—49.4</u>	<u>—41.0</u>	<u>—12.7</u>	<u>26.7</u>
<b>Means of financing other than borrowing from the public:</b>					
Decrease or increase (—) in cash and monetary assets <sup>2</sup> .....	—2.5	9.9			
Increase or decrease (—) in liabilities for:					
Checks outstanding, etc. ....	1.9	—1.4	1.2		
Deposit fund balances .....	.2	—1	—3		
Seigniorage on coins .....	.4	.9	1.1	.8	.9
Total, means of financing other than borrowing from the public .....	<u>.1</u>	<u>9.4</u>	<u>2.0</u>	<u>.8</u>	<u>.9</u>
Total, requirements for borrowing from the public .....	<u>—59.1</u>	<u>—40.0</u>	<u>—39.0</u>	<u>—11.9</u>	<u>27.6</u>
<b>Change in debt held by the public</b> .....	<b>59.1</b>	<b>40.0</b>	<b>39.0</b>	<b>11.9</b>	<b>—27.6</b>
Change in Federal agency investments in Federal debt:					
Federal funds .....	—1	.9	1.2		
Trust funds <sup>3</sup> .....	11.7	17.7	19.9	29.4	39.3
Off-budget Federal entities .....	.6	.1	—3		
Total, change in Federal agency investments in Federal debt .....	<u>12.2</u>	<u>18.8</u>	<u>20.8</u>	<u>29.4</u>	<u>39.3</u>
<b>Change in gross Federal debt</b> .....	<b>71.3</b>	<b>58.8</b>	<b>59.8</b>	<b>41.3</b>	<b>11.7</b>

<sup>1</sup> Several amounts have been assumed to be zero in 1981 and 1982 because they are usually small and would be very difficult to estimate accurately.

<sup>2</sup> Includes profits on gold sales, which have been reclassified as a means of financing rather than as an offsetting collection. The budget totals have been adjusted retroactively for the period since these sales began in 1975.

<sup>3</sup> Estimates for 1981 and 1982 are equal to the trust fund surplus.

The budget includes the receipts and outlays of both the Federal funds and trust funds and deducts the various transactions that occur between them. The budget totals therefore generally display the net transactions of the Federal Government with the public. Thus, as is shown in the table above, the budget surplus or deficit is the principal determinant of the change in Federal debt held by the public. In the last several years, however, the transactions of the Federal Financing Bank and the other off-budget Federal entities have also become an important determinant of the change in Federal debt held by the public. The transactions of the off-budget Federal entities have been excluded from the budget under provisions of law and are not included in either the Federal funds or the trust funds group. Were they to be included in the budget, virtually all their transactions would be classified in the Federal funds group.

## BUDGET TOTALS BY FUND GROUP

(In billions of dollars)

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Budget receipts:</b>					
Federal funds .....	270.5	306.1	332.8	382.8	436.4
Trust funds .....	168.0	189.5	212.2	240.2	267.4
Interfund transactions .....	-36.5	-39.6	-42.5	-46.2	-51.1
<b>Total, budget receipts .....</b>	<b>402.0</b>	<b>456.0</b>	<b>502.6</b>	<b>576.8</b>	<b>652.6</b>
<b>Budget outlays:</b>					
Federal funds .....	332.0	361.3	381.8	413.4	437.9
Trust funds .....	155.3	171.7	192.2	210.8	228.1
Interfund transactions .....	-36.5	-39.6	-42.5	-46.2	-51.1
<b>Total, budget outlays .....</b>	<b>450.8</b>	<b>493.4</b>	<b>531.6</b>	<b>578.0</b>	<b>614.9</b>
<b>Budget surplus or deficit (-):</b>					
Federal funds .....	-61.5	-55.2	-49.0	-30.6	-1.5
Trust funds .....	12.7	17.8	20.0	29.4	39.3
<b>Total, budget surplus or deficit (-) .....</b>	<b>-48.8</b>	<b>-37.4</b>	<b>-29.0</b>	<b>-1.2</b>	<b>37.8</b>
<b>Memorandum:</b>					
<i>Deficit, off-budget Federal entities <sup>1</sup> .....</i>	<i>-10.3</i>	<i>-12.0</i>	<i>-12.0</i>	<i>-11.5</i>	<i>-11.1</i>
<i>Total, surplus or deficit (-) including off-budget Federal entities .....</i>	<i>-59.2</i>	<i>-49.4</i>	<i>-41.0</i>	<i>-12.7</i>	<i>26.7</i>

<sup>1</sup> All off-budget Federal entities are revolving funds; income is offset against expenditure to derive net outlays. Hence, no adjustments are made to receipts when on and off-budget totals are consolidated. Virtually all off-budget outlays would be classified as Federal funds outlays if they were included in the budget.

The budget deficits and the deficits of the off-budget Federal entities, together with the other factors noted in the table on the preceding page, are estimated to increase the Federal debt held by the public from \$610.9 billion at the end of 1978 to \$689.9 billion at the end of 1980. Debt beyond the budget year is projected for the first time in this year's budget, based on assumptions for the economy and the tentative long-range planning base as explained in Part 3 of this volume. Debt held by the public is projected to rise in 1981, primarily due to the deficit of the off-budget Federal entities, but to fall significantly in 1982 because of a large budget surplus.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, which includes such investments as the Treasury debt held by the social security trust funds. The Federal funds deficit and the deficit of the off-budget Federal entities are the principal determinants of changes in gross Federal debt.

Gross Federal debt is estimated to rise by \$59.8 billion during 1980. As indicated in the lower section of the table on the previous page, \$20.8 billion of this increment will be held by trust funds and other Federal agencies, reflecting mainly the investment of trust fund surpluses in Treasury debt.



The gross Federal debt consists almost entirely of securities issued by the Treasury Department. However, a few Government agencies are authorized to issue their own debt instruments to the public or to other Government agencies and funds. These securities are part of the gross Federal debt. At the end of 1978 the public held \$7.4 billion of agency debt. This debt is expected to fall by small amounts each year due to the Federal Financing Bank, which buys most new issues of agency debt and finances its purchases through Treasury borrowing. To prevent double counting, these holdings are not included in gross Federal debt. Consequently, the change in agency debt is largely determined by the repayment of securities that have matured.

Almost all Treasury debt issues are covered by a statutory debt limit, though most borrowing by Federal agencies other than the Treasury is excluded from this limit. The ceiling on the debt subject to limit is \$798 billion through March 31, 1979. To permit the Federal Government to meet its obligations, this ceiling will have to be extended and raised.

Debt subject to this general statutory limit is a little less than gross Federal debt, primarily because most agency debt is excluded from the general statutory limitation. Both debt concepts include debt held internally within the Government, such as the social security trust fund holdings of Treasury securities. At the start of 1979 internally held debt was \$169.5 billion. Thus, debt held by the public is much less than either gross Federal debt or debt subject to the general statutory limit.

Since trust fund surpluses for the most part are invested in debt securities included under the general statutory limit, the Federal funds deficit and the deficit of off-budget Federal entities must primarily be financed by selling Federal debt; and this debt is almost entirely subject to the statutory limit. The Federal funds deficit in 1980 is estimated to be \$49.0 billion, and the deficit of the off-budget Federal entities is estimated to be \$12.0 billion. As shown in the following table, these deficits will account for most of the increase in the debt subject to limit.

## FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

(in billions of dollars)

Description	1978 actual	1979 estimate	1980 estimate
<b>Federal funds surplus or deficit (—)</b> .....	<b>— 61.5</b>	<b>— 55.2</b>	<b>— 49.0</b>
<b>Deficit (—) of off-budget Federal entities</b> .....	<b>— 10.3</b>	<b>— 12.0</b>	<b>— 12.0</b>
Total, amount to be financed.....	<u>— 71.9</u>	<u>— 67.2</u>	<u>— 61.0</u>
<b>Means of financing other than borrowing:</b>			
Decrease or increase (—) in cash and monetary assets <sup>1</sup> .....	— 2.5	9.9	.....
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc.....	2.9	— 1.3	1.3
Deposit fund balances.....	.2	— .1	— .3
Seigniorage on coins.....	.4	.9	1.1
Total, means of financing other than borrowing.....	<u>1.0</u>	<u>9.4</u>	<u>2.1</u>
Decrease or increase (—) in Federal funds and off-budget entity investments in Federal debt.....	— .5	— 1.0	— .9
Increase or decrease (—) in Federal funds and off-budget entity debt not subject to limit.....	— 1.4	— 1.5	— .4
Total, requirements for borrowing subject to debt limit.....	<u>— 72.7</u>	<u>— 60.3</u>	<u>— 60.2</u>
<b>Change in debt subject to limit</b> .....	<b>72.7</b>	<b>60.3</b>	<b>60.2</b>

<sup>1</sup> Includes profits on gold sales, which have been reclassified as a means of financing rather than as an offsetting collection. The budget totals have been adjusted retroactively for the period since these sales began in 1975.

A substantial part of the Federal funds deficit—and, therefore, a substantial part of the growth in debt subject to limit—is associated with transactions between Federal funds and trust funds. These transactions consist primarily of Federal funds payments to trust funds. These payments include interest paid on Treasury debt securities held by trust funds; the employer share of employee retirement payments; the Federal payment to finance the unfunded liability of the civil service retirement fund; and other payments primarily to social insurance trust funds, such as the Federal Government's contribution for supplementary medical insurance. The trust fund payments to Federal funds are relatively small.

BUDGET SURPLUS OR DEFICIT (—) BY FUND GROUP <sup>1</sup>

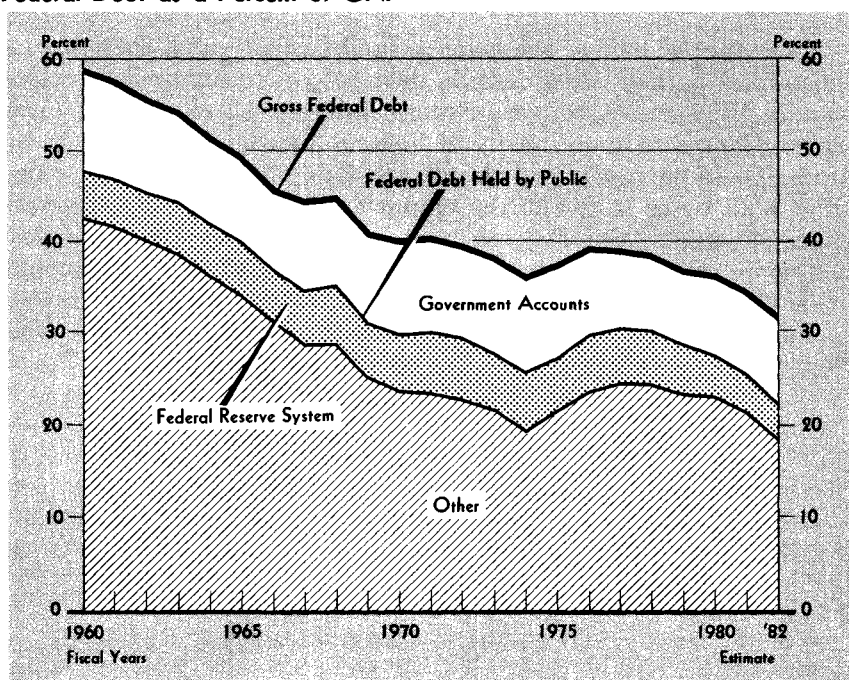
[In billions of dollars]

Description	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
<b>Federal funds:</b>					
Transactions with the public <sup>2</sup> .....	-32.4	-24.3	-15.6	6.4	38.4
Transactions with trust funds .....	-29.1	-30.9	-33.5	-37.0	-39.9
Total .....	-61.5	-55.2	-49.0	-30.6	-1.5
<b>Trust funds:</b>					
Transactions with the public <sup>2</sup> .....	-16.4	-13.1	-13.4	-7.6	-6
Transactions with Federal funds .....	29.1	30.9	33.5	37.0	39.9
Total .....	12.7	17.8	20.0	29.4	39.3
<b>Budget total:</b>					
Federal funds .....	-61.5	-55.2	-49.0	-30.6	-1.5
Trust funds .....	12.7	17.8	20.0	29.4	39.3
<b>Total .....</b>	<b>-48.8</b>	<b>-37.4</b>	<b>-29.0</b>	<b>-1.2</b>	<b>37.8</b>

<sup>1</sup> For purposes of this analysis, payments from Federal funds to the general revenue sharing trust fund are treated as transactions with the public instead of transactions with a trust fund; and the corresponding payments from the general revenue sharing trust fund to the public are accordingly omitted. This is because the general revenue sharing trust fund has no independent source of funding, and serves only as a channel through which a Federal funds payment is made to the public.

<sup>2</sup> Includes some incidental transactions with off-budget Federal entities.

## Federal Debt as a Percent of GNP



From 1969 through 1978, the cumulative Federal funds deficit was \$370.3 billion, of which \$175.5 billion was attributable to transactions with trust funds and the remaining \$194.8 billion was attributable to transactions with the public. The Federal funds group can have a deficit at the same time as there are surpluses in

the budget and in the transactions of the Federal funds group with the public. This occurred in 1969 and is projected to occur again in 1982. The relevant figures for 1978 through 1982 are shown in the preceding table.

The gross Federal debt was equal to more than 50% of GNP in the early 1960's, and debt held by the public was equal to more than 40%. Both proportions declined steadily through 1974. Because of the large deficits induced by the recession, Federal debt as a percentage of GNP then rose. Federal debt held by the public increased from a postwar low of 25% in 1974 to 30% in 1977, but declined in 1978 and is estimated to decline further to 28% in 1980 and still lower levels in the following two years.

### RECONCILIATION OF RELATIVELY UNCONTROLLABLE OUTLAYS AND OF RECEIPTS

The Congressional Budget Act requires that the budget contain two reconciliations between the initial budget estimates and the actual amounts for the last completed fiscal year: a reconciliation of the differences in relatively uncontrollable outlays by major program, and a reconciliation of the differences in receipts by major source. Two different budget-year estimates were initially made for 1978. The previous administration submitted the *1978 Budget* in January 1977, and this administration submitted the *1978 Budget Revisions* in February 1977. The reconciliations made in the two sections below explain the differences first between the January and the February estimates and then between the February estimates and the actual amounts.

***Relatively uncontrollable outlays for 1978.***—Outlays are defined as relatively uncontrollable in any one year when the President's decisions in that year can neither increase nor decrease them without a change in substantive law. That is, under existing law, these outlays generally depend upon factors that are beyond administrative control at the start of the fiscal year. For example, the definition of eligible beneficiaries is established under law, and contractual agreements and other legally binding commitments must be fulfilled.

The amounts estimated in the budget for relatively uncontrollable outlays may differ from the actual outlays for a number of reasons. For example, legislation may change benefit rates or coverage; the number of beneficiaries may differ from the number estimated; and economic conditions (such as the interest rates required for Federal borrowing) may differ from what was assumed in developing the estimates.

The budget estimates of uncontrollable outlays do not include the outlay effect of legislation being proposed. This is a standard practice, consistent with the definition of uncontrollable outlays stated above. Where legislation was enacted that significantly affected relatively uncontrollable outlays in 1978, it is identified in the discussion below.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1978 and the estimated amounts shown in the January budget and the February budget revisions. The list of programs in this table is consistent with Table 14 (Controllability of Budget Outlays) in Part 9 of this year's budget.

In the aggregate, actual outlays for relatively uncontrollable programs exceeded the January 1977 estimate by \$1.5 billion or 0.4 percent. The February 1977 estimates, however, exceeded actual outlays by \$1.5 billion or 0.4 percent.

#### RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1978

(In billions of dollars)

Relatively Uncontrollable Under Present Law	January 1977 estimate	Change	February 1977 estimate	Change	Actual
<b>Open-ended program and fixed costs:</b>					
Payments for individuals:					
Social security and railroad retirement....	95.7	.....	95.7	.5	96.2
Federal employees' retirement and insurance.....	20.3	.....	20.3	-.3	20.0
(Military retired pay).....	(9.0)	.....	(9.0)	(.1)	(9.2)
(Other).....	(11.2)	.....	(11.2)	(-.4)	(10.8)
Unemployment assistance.....	14.5	-.7	13.8	-1.4	12.4
Veterans benefits: Pensions, compensation, education and insurance.....	13.1	.....	13.1	*	13.1
Medicare and medicaid.....	37.9	.....	37.9	-2.0	35.9
Housing payments.....	3.6	.2	3.8	-.2	3.6
Public assistance and related programs.....	22.7	.2	22.9	-.3	22.7
Subtotal, payments for individuals.....	207.8	-.4	207.4	-3.5	203.8
Net interest.....	31.2	2.0	33.2	2.2	35.4
General revenue sharing.....	6.8	.....	6.8	*	6.8
Farm price supports (CCC).....	1.0	.....	1.0	4.5	5.5
Other open-ended programs and fixed costs	10.4	.2	10.7	-.7	10.0
Total, open-ended programs and fixed costs.....	257.2	1.9	259.1	2.5	261.6
<b>Outlays from prior-year contracts and obligations:<sup>1</sup></b>					
National defense <sup>2</sup> .....	31.2	.....	31.2	-3.0	28.2
Civilian programs <sup>2</sup> .....	44.1	1.1	45.1	-1.0	44.1
Total, outlays from prior-year contracts and obligations.....	75.2	1.1	76.3	-4.0	72.3
<b>Total, relatively uncontrollable outlays.....</b>	<b>332.4</b>	<b>3.0</b>	<b>335.4</b>	<b>-1.5</b>	<b>333.9</b>

\*\$50 million or less.

<sup>1</sup> Excludes prior-year contracts and obligations for activities shown above as "open-ended programs and fixed costs."

<sup>2</sup> International Security assistance programs are now classified as civilian programs rather than National Defense. The original estimates have been changed to reflect that shift.

*Changes from the January estimate to the February estimate.*—The February estimates of relatively uncontrollable outlays were \$3.0 billion above the January budget estimates. The largest revision (\$2.0 billion) was for higher interest outlays to reflect higher interest rates and debt levels than previously assumed. The January estimates assumed a 4.4% interest rate on new 91-day Treasury bills while the February estimates assumed a 4.6% rate (the market rate when the estimates were made). Total borrowing requirements were revised upward by \$11.0 billion in 1977 and \$10.3 billion in 1978 to reflect the larger budget deficits being proposed. Other open-ended programs were increased by \$0.6 billion due to revised spending patterns for several programs.

Partially offsetting these increases was a \$0.7 billion decline in estimated outlays for unemployment insurance. The January budget assumed that the national unemployment rate would average 6.8% in fiscal year 1978 while the February revisions assumed a 6.5% rate.

Outlays from prior-year contracts and obligations were \$1.1 billion higher in the revised budget, due largely to a \$1.0 billion increase in the outlay estimate for the Temporary Employment Assistance program. This reflected a higher number of jobs estimated to be made available during 1977 under the economic stimulus package. Other increases were the result of revised spendout rates for housing and other programs.

*Changes from the February estimate to the actual amounts.*—Actual 1978 outlays for relatively uncontrollable programs were \$1.5 billion lower than estimated in February 1977. Open-ended programs and fixed costs were \$2.5 billion higher than the February estimate, while outlays from prior-year contracts and obligations were \$4.0 billion lower.

Open-ended programs and fixed costs consist mainly of benefit programs, grants, and subsidies for which eligibility is automatic or fixed by law; interest payments; farm price supports; and payments for the legislative and judicial branches, which the President must—by law—include in the budget as submitted and without change.

Most of the \$3.5 billion overestimate in payments for individuals can be explained by differences between assumed and actual economic conditions and beneficiary levels.

Outlays for social security retirement and disability and railroad retirement were \$0.5 billion above the February estimates. Higher cost-of-living adjustments increased outlays for these programs by \$1.3 billion. The February estimates assumed a 4.9% increase in July 1977 and a 5.5% increase in July 1978; the actual increases

were 5.9% and 6.5%, respectively. Outlays were also increased by \$0.2 billion as a result of a Supreme Court ruling that certain benefit payments discriminated against men. These increases were partially offset by the effect of fewer beneficiaries than assumed in the February estimates (\$0.7 billion) and lower outlays caused by benefit changes included in the Social Security Amendments of 1977 (\$0.3 billion).

Actual outlays for Federal employee retirement and disability programs were \$0.3 billion below the revised budget estimates despite higher-than-estimated cost of living increases during the year. The February estimates assumed automatic cost-of-living increases for these retirees of 2.7% in September 1977 and 2.6% in March 1978. Actual cost-of-living increases were 4.3% and 2.4%, respectively. The higher average benefits that resulted from these cost-of-living increases added about \$0.3 billion to 1978 outlays.

Outlays for military retirees were underestimated by \$0.1 billion, due largely to the differences between actual and projected cost-of-living increases, as noted above. Outlays for other retired Federal employees, however, were overestimated by \$0.4 billion despite the difference in cost-of-living increases, which added roughly \$0.2 billion. The major cause was an overestimate of civil service beneficiaries by 70 thousand in 1977 and 102 thousand in 1978; this reduced 1978 outlays by \$0.5 billion. Compensation for work-related injuries and disabilities of Federal employees was also overestimated (by about \$0.1 billion) because of an overestimate of the number of beneficiaries.

Outlays for unemployment insurance programs were \$1.4 billion below the February estimates due largely to lower-than-predicted unemployment rates. The actual unemployment rate for fiscal year 1978 was 6.2%, compared to the February 1977 forecast of 6.5%. The insured unemployment rate, the rate that is more directly related to the level of benefits, was 3.4% for fiscal year 1978 rather than the assumed rate of 3.8%. In addition, outlays for Federal supplemental unemployment benefits were overestimated by \$0.3 billion because beneficiaries remained on the rolls for a shorter time than previously assumed.

Actual 1978 outlays for veterans programs were virtually the same as the February estimates. There were, however, large but offsetting differences in individual programs. Legislated increases for compensation benefits (6.6% effective October 1, 1977) and pension benefits (6.5% effective January 1, 1978) raised outlays by \$0.4 billion from the February estimate. However, outlays for readjustment benefits were \$0.4 billion below the February estimate because 342 thousand fewer eligible veterans applied for benefits than had been anticipated.

Outlays for medicare and medicaid were \$2.0 billion lower than the February estimate, because hospital costs increased at a slower rate than assumed.

Uncontrollable outlays for housing subsidy programs were \$0.2 billion lower, reflecting a slower rate of construction of subsidized units.

Public assistance and related programs, which include public assistance cash payments, food stamps, and child nutrition programs, were overestimated by \$0.3 billion. Food stamp outlays were \$0.1 billion below the February estimate due to fewer participants than assumed in February. This more than offset increases in program costs due to higher food prices. Outlays for child nutrition programs were \$0.4 billion below the February estimates due to significant overestimates of participation by schools and individuals. Most other programs in this category—including public assistance cash payments, supplemental security income, earned income tax credits, and other income support payments—were within \$0.1 billion of the February estimate.

Net interest outlays were \$2.2 billion above the February estimates. Interest on the public debt was \$1.9 billion higher due to significantly higher interest rates than assumed. The February estimate assumed a 4.6% interest rate on 91-day Treasury bills through 1978, whereas the actual 91-day rate averaged 4.9% in 1977 and 6.6% in 1978. The effect of these higher interest rates on 1978 outlays more than offset the effect of lower-than-projected borrowing in 1977 and 1978. Borrowing requirements were lower by \$19.5 billion in 1977 and by \$6.7 billion in 1978. Interest received by trust funds, which is offset against interest costs to reflect transactions with the public, was within \$0.1 billion of the February estimate.

Actual outlays for general revenue sharing virtually matched the original estimate since the amounts are specified in law and no legislative changes were made.

Farm price supports were \$4.5 billion higher than estimated due to price support increases and higher production. Record crops of feed grains and wheat put downward pressure on market prices for these commodities and, when coupled with legislated increases in price support levels, raised outlays \$2.8 billion over the February estimate. The authorized level of short-term export credit was more than doubled after the February estimates were made, and this accounted for nearly a \$1 billion increase in outlays.

Other open-ended programs and fixed costs were overestimated by \$0.7 billion. Significant underestimates of beneficiaries for social service, child welfare, and human development programs resulted in a \$0.4 billion underestimate in outlays. Other underestimates occurred in disaster relief programs (\$0.3 billion) and payments to



the Postal Service (\$0.1 billion). These increases were more than offset by increased receipts from foreign military sales (\$0.3 billion) and lower outlays for the Federal Housing Administration (\$0.6 billion), ship operating-differential subsidies (\$0.1 billion), the Federal Deposit Insurance Corporation (\$0.2 billion), and the legislative and judicial branches (\$0.1 billion).

Outlays for prior-year contracts and obligations were \$4.0 billion lower for 1978 than estimated in the revised budget. National defense outlays in this category were \$3.0 billion lower. Outlays for the Department of Defense were \$2.8 billion lower than originally estimated, while outlays for atomic energy related defense activities of the Department of Energy were overestimated by \$0.2 billion.

Civilian programs were overestimated by \$1.0 billion. Major shortfalls included \$1.7 billion for construction of sewage treatment plants; \$1.5 billion for the Department of Energy; \$1.1 billion for the Export-Import Bank; \$0.8 billion for the Federal-aid highway trust fund and \$0.5 billion for the Urban mass transportation fund; and \$0.2 billion for petroleum reserves. Major underestimates included \$2.3 billion for the local public works program and \$2.6 billion for Temporary Employment Assistance and the Employment and Training Assistance programs.

**Reconciliation of actual and estimated receipts.**—As shown in the following table, receipts for 1978 were \$402.0 billion. This is \$9.0 billion greater than the January 1977 budget estimate but only \$0.4 billion greater than the estimate of \$401.6 billion made by this administration in its February 1977 budget revisions.

#### COMPARISON OF FISCAL YEAR 1978 RECEIPTS

(In billions of dollars)

	January 1977 estimate	change	February 1977 estimate	Change	Actual
Individual income taxes .....	171.2	8.0	179.2	1.8	181.0
Corporation income taxes .....	58.9	2.7	61.6	—1.7	60.0
Social insurance taxes and contributions .....	126.1	—2.3	123.8	—4	123.4
Excise taxes .....	18.5	.1	18.6	—2	18.4
Estate and gift taxes .....	5.8	*	5.8	—6	5.3
Customs duties .....	5.3	*	5.3	1.3	6.6
Miscellaneous receipts .....	7.2	.....	7.2	.2	7.4
<b>Total .....</b>	<b>393.0</b>	<b>8.6</b>	<b>401.6</b>	<b>.4</b>	<b>402.0</b>

\*\$50 million or less.

**Changes from the January estimate to the February estimate.**—The February 1977 estimate of receipts was \$401.6 billion, \$8.6 billion greater than the January estimate of \$393.0 billion. Substitution of the proposals presented in the February budget revision

for those in January accounts for \$6.7 billion of the increase. An upward revision in incomes, reflecting the stronger economic expansion that was expected from the Administration's proposed economic stimulus package, accounts for the remaining increase of \$1.9 billion.

In the January 1977 budget, permanent individual and corporation income tax reductions were proposed to become effective retroactive to January 1, 1977, together with a number of other changes affecting income tax receipts. These proposals were expected to reduce 1978 individual and corporation income taxes by \$19.2 billion and \$4.7 billion, respectively. An increase in the combined employer-employee social security tax rate, effective January 1, 1978, was the other major proposal affecting 1978 receipts.<sup>18</sup>

Smaller individual and corporation income tax reductions were proposed (effective retroactive to January 1, 1977) in the February 1977 budget revisions, together with a one-year extension of the temporary tax provisions of the Tax Reform Act of 1976 that were scheduled to expire December 31, 1977. Together, these proposals were expected to reduce 1978 income taxes by \$15.7 billion. The February estimates also included proposed legislation to hold the monthly supplemental medical insurance (medicare) premium at \$7.20 through September 1978 and several minor proposals contained in the January 1977 budget.<sup>19</sup>

#### RECONCILIATION OF JANUARY 1977 AND FEBRUARY 1977 ESTIMATES OF FISCAL YEAR 1978 RECEIPTS

(In billions of dollars)

	January 1977 estimate	Removal of January 1977 proposals	February 1977 proposals	Reestimates and revised incomes	February 1977 estimate
Individual income taxes .....	171.2	19.2	-12.9	1.7	179.2
Corporation income taxes .....	58.9	4.7	-2.9	.9	61.6
Social insurance taxes and contributions .....	126.1	-1.3	-.1	-.8	123.8
Excise taxes .....	18.5	*	.....	*	18.6
Estate and gift taxes .....	5.8	.....	.....	*	5.8
Customs duties .....	5.3	.....	.....	*	5.3
Miscellaneous receipts .....	7.2	-.1	.1	-.*	7.2
<b>Total .....</b>	<b>393.0</b>	<b>22.5</b>	<b>-15.8</b>	<b>1.9</b>	<b>401.6</b>

\*\$50 million or less.

*Changes from the February estimate to the actual amounts.*—As previously mentioned, actual receipts for 1978 were \$402.0 billion, only \$0.4 billion higher than the February 1977 estimate. Differences in tax law from the legislation proposed in February de-

<sup>18</sup> Under prior law, the combined employer-employee social security tax rate was scheduled to increase from 11.7% to 12.1% on January 1, 1978. The proposed increase would have raised the rate to 12.3%.

<sup>19</sup> Under prior law, the supplemental medical insurance premium was scheduled to rise to \$7.70 in July 1977 and to an estimated \$8.10 in July 1978.

creased receipts by \$1.0 billion, while revised incomes and technical adjustments increased receipts by \$1.3 billion.

On May 23, 1977, the Tax Reduction and Simplification Act of 1977 was enacted. This act replaced the low income allowance (\$2,100 for a joint return and \$1,700 for a single taxpayer) and the percentage standard deduction (16% of adjusted gross income with a maximum deduction of \$2,800 for a joint return and \$2,400 for a single taxpayer) with a flat standard deduction of \$2,200 for single taxpayers and \$3,200 for married couples filing jointly. This was a slight modification of the flat standard deduction of \$2,200 for single taxpayers and \$3,000 for married couples filing jointly that had been proposed in the February 1977 budget revisions. The act also included a jobs credit applicable to certain new employees hired in calendar years 1977 and 1978 and extended the temporary provisions of the Tax Reform Act of 1976 to December 31, 1978. Relative to the income tax reductions and extensions proposed in the February 1977 budget revisions, this act reduced 1978 receipts by \$1.3 billion.

Other enacted legislation, which increased 1978 receipts by \$0.2 billion, included: the Social Security Amendments of 1977, which required employers as well as employees to pay social security taxes on certain employee income derived from tips, effective January 1978; the Surface Mining Control and Reclamation Act of 1977, which levied a tonnage tax on coal to finance coal mine reclamation; and the Black Lung Benefits Revenue Act of 1977, which levied a tonnage tax on coal to finance benefits for disabled coal miners. An increase in sugar import fees, which was accomplished by Administrative action, added an additional \$0.1 billion to 1978 receipts.

#### RECONCILIATION OF ACTUAL FISCAL YEAR 1978 RECEIPTS WITH THE FEBRUARY 1977 ESTIMATES

(In billions of dollars)

	February 1977 Estimate	Changes in Legislation from February Proposals	Reestimates and Revised Incomes	Actual Receipts
Individual income taxes.....	179.2	-1.8	3.6	181.0
Corporation income taxes.....	61.6	.6	-2.2	60.0
Social insurance taxes and contributions .....	123.8	.2	-.6	123.4
Excise taxes.....	18.6	.1	-.3	18.4
Estate and gift taxes.....	5.8		-.6	5.3
Customs duties.....	5.3	.1	1.2	6.6
Miscellaneous receipts.....	7.2	*	.2	7.4
<b>Total.....</b>	<b>401.6</b>	<b>-1.0</b>	<b>1.3</b>	<b>402.0</b>

\*\$50 million or less.

Individual income taxes were \$181.0 billion in 1978, \$1.8 billion greater than the February 1977 estimate of \$179.2 billion. As shown in the preceeding table, substitution of the Tax Reduction and Simplification Act of 1977 for the February 1977 proposals reduced these receipts by \$1.8 billion. This was more than offset by higher than anticipated personal incomes and an underestimate of tax payments, which raised receipts \$3.6 billion.

Corporation income tax receipts were \$60.0 billion in 1978, \$1.7 billion less than the February 1977 estimate. Differences in tax law from the legislation proposed in the February revisions resulted in a net increase in receipts of \$0.6 billion. Different effective tax rates, collection patterns, and economic conditions than assumed in February 1977 more than offset the effect of the changes in tax law.

Social insurance taxes and contributions in 1978 were \$0.4 billion less than the February 1977 estimate. Lower employment taxes and contributions, largely due to lower than anticipated wages and salaries, and lower unemployment insurance receipts reduced social insurance taxes and contributions by \$0.6 billion and \$0.3 billion, respectively. This underrun in receipts was partially offset by an increase in contributions for other insurance and retirement of \$0.5 billion, in large part due to non-enactment of the proposed reduction in the supplemental medical insurance premium.

Excise taxes and estate and gift taxes were below the February 1977 estimates by \$0.2 billion and \$0.6 billion, respectively. Customs duties were \$1.3 billion higher. Increased imports of automative, electrical, and electronics products combined with a decline in the dollar relative to currencies of major exporting countries explain much of this increase.

An increase in miscellaneous receipts of \$0.2 billion was in large part due to a \$0.2 billion underestimate of deposits of earnings by the Federal Reserve System.

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PART 7

**THE BUDGET SYSTEM  
AND CONCEPTS**

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## THE BUDGET SYSTEM AND CONCEPTS

The budget system of the U.S. Government supports decision-making and management of programs in relation to the requirements of the Nation, effective financial control, and accountability for the use of Federal resources.

### THE BUDGET PROCESS

The budget process has four main phases: (1) executive formulation and transmittal; (2) congressional action; (3) budget execution and control; and (4) review and audit. Each of these phases interrelates with and overlaps the others.

*Executive formulation and transmittal.*—The budget sets forth the President's financial plan of operation and thus indicates his priorities for the Federal Government during the coming year. The President's transmittal of his budget to the Congress early in each calendar year is the climax of many months of planning and analysis throughout the executive branch. Formulation of the 1980 budget began in the spring of 1978, although general goals were set earlier.

In connection with the development of the 1980 budget, a 3-year budget planning and tracking system was established that expanded the budget planning horizon to cover the 2 years following the budget year and integrated long-range planning into the executive budget cycle. This multi-year budget planning system requires that broad fiscal goals and agency spending targets beyond the budget year be established during the budget planning process and that agency budget requests be prepared in the context of the expanded planning period. Long-range implications are identified and considered during the decisionmaking process, and, to the extent possible, decisions are made for the 2 years beyond the budget year as well as for the budget year.

During the period when a budget is being formulated in the executive branch, there is a continuous exchange of information, proposals, evaluations, and policy decisions among the President, the Office of Management and Budget (OMB), and the various Government agencies. Decisionmaking in the budget process is facilitated by the use of zero-base budgeting, a management process that provides for an in-depth evaluation of all proposed and existing programs and activities in conjunction with planning and budgeting.

In the spring, agency programs are evaluated, policy issues are identified, and budgetary projections are made, giving attention both to important modifications and innovations in programs and to alternative long-range program plans. These budgetary projections, including projections of estimated receipts prepared by the Department of the Treasury, are then presented to the President

for his consideration, and the major issues are discussed. At about the same time, the President receives projections of the economic outlook that are prepared jointly by the Council of Economic Advisers, and Departments of Commerce, Labor, the Treasury, and OMB.

Following a review of these projections, the President establishes general budget and fiscal policy guidelines for the fiscal year that will begin about 15 months later, and for the 2 years beyond. General policy directions and planning ceilings are then given to the agencies to govern the preparation of their budget requests.

Throughout the fall and early winter the executive branch is involved in the development of the President's budget. Current services estimates are also prepared to provide the Congress with a basis for the review of the President's budget. These estimates are projections of budget authority and outlays required to continue Federal programs and activities in the upcoming fiscal year without policy changes from the fiscal year in progress at the time the estimates are submitted. The Congressional Budget Act of 1974 requires that these estimates be transmitted by November 10 in order to provide the Congress with early information on projected costs of current programs. However, the current services estimates transmitted at that time did not provide a suitable basis for review, since the underlying assumptions could vary before the transmittal of the budget. Therefore, the Congress has passed a joint resolution continuing an experiment begun last year in which the current services estimates are transmitted with the President's budget, and therefore, are based upon the same economic assumptions.

The primary phase of the budget process involves the formulation and preparation of the President's budget for transmittal to the Congress. Budget determinations are developed after detailed reviews of the agency zero-base budget requests and the Government-wide OMB ranking of zero-base decision packages falling at the margin of approved agency totals. These determinations are then discussed with the agencies and may be revised as a result of later Presidential decisions. Overall fiscal policy issues—relating to total budget outlays and receipts—are reexamined. Consistent with the multiyear budget planning system, the effects of budget decisions on outlays in the years that follow are also considered and are explicitly taken into account. Thus, the budget formulation process involves the simultaneous consideration of the resource needs of individual programs, and the total outlays and receipts that are appropriate in relation to current and prospective economic conditions. The budget reflects the results of both of these considerations.

***Congressional action.***—The Congress can act to approve, modify, or disapprove of President's budget proposals. It can change funding levels, eliminate proposals, or add programs not requested by

the President. It may also act upon legislation determining taxes and other means of increasing or decreasing receipts.

In making appropriations, the Congress does not normally vote on the level of outlays directly, but rather on budget authority. The Congress first enacts legislation that *authorizes* an agency to carry out a particular program and, in some cases, includes guidance on the amount that subsequently should be appropriated for the program. Many programs are authorized for a specified number of years or indefinitely; other programs, such as most education and health programs, nuclear energy programs, space exploration, defense procurement, foreign affairs, and some construction programs, require annual authorizing legislation.

*Budget authority* is usually provided in a separate, subsequent action. Generally, budget authority becomes available each year only as voted by the Congress. However, in a significant number of cases, the Congress has voted permanent budget authority, under which funds become available annually without further congressional action. Most trust fund appropriations are permanent, as are a number of Federal fund appropriations, such as the appropriation to pay interest on the public debt.

Congressional review of the budget begins when the President transmits his budget estimates to the Congress within 15 days after the start of each new session in January, as required by law. Under the procedures established by the Congressional Budget Act, the Congress considers budget totals before completing action on individual appropriations. The act requires that each standing committee of the Congress submit reports on budget estimates to the House and Senate Budget Committees by March 15; and that the Congressional Budget Office submit a fiscal policy report to the two budget committees by April 1. This is followed, no later than May 15, by the adoption of the first concurrent budget resolution, containing Government-wide budget targets of receipts, budget authority, and outlays to guide the Congress in its subsequent consideration of appropriations and revenue measures.

Congressional consideration of requests for appropriations and for changes in revenue laws occurs first in the House of Representatives. The Appropriations Committee, through its subcommittees, studies the proposals for appropriations and examines in detail each agency's performance. The Ways and Means Committee reviews proposed revenue measures. Each committee then recommends the action to be taken by the House of Representatives.

As the appropriation and tax bills are approved by the House, they are forwarded to the Senate, where a similar review process is followed. In case of disagreement between the two Houses of the Congress, a conference committee (consisting of Members of both bodies) meets to resolve the issues. The report of the conference committee is returned to both Houses for approval. When the



measure is agreed to, first in the House and then in the Senate, it is ready to be transmitted to the President in the form of an enrolled bill, for his approval or veto.

After action has been completed on all money bills, the Congress adopts, by September 15, a second concurrent resolution containing budget *ceilings* classified by function for budget authority and outlays, and a *floor* for budget receipts. This resolution may retain or revise the levels set earlier in the year, and can include directives to the appropriations committees and to other committees to recommend changes in new or carryover authority or entitlements. Similarly, the second resolution may direct the appropriate committees to recommend changes in budget receipts or in the statutory limit on the public debt. Changes recommended by various committees pursuant to the second budget resolution are to be reported in a reconciliation bill (or resolution, in some cases) on which the Congress must complete action by September 25, a few days before the new fiscal year commences on October 1.

After the Congress completes action on the reconciliation bill or resolution, it may not consider any spending or revenue legislation that would breach any of the levels specified in the second resolution. The Congress would be able to pass a supplemental appropriation that would cause budget authority or spending to rise above, or reduce receipts below, the second resolution's totals only if it adopted a new budget resolution changing the levels set by the second resolution.

If action on appropriations is not completed by the beginning of the fiscal year, the Congress may enact a "continuing resolution" to provide authority for the affected agencies to continue operations usually until their regular appropriations are enacted.

**Budget execution and control.**—Once approved, the budget becomes the financial plan for the operations of each agency during the fiscal year. Under the law, most budget authority and other budgetary resources are made available to the agencies of the executive branch through an apportionment system. The Director of OMB apportions (distributes) appropriations and other budgetary resources to each agency by time periods (usually quarters) or by activities. Obligations may not be incurred in excess of the amount apportioned. The objective of the apportionment system is to ensure the effective and orderly use of available authority and to reduce the need for requesting additional or supplemental authority.

Changes in laws or other factors may indicate the need for more authority during the year, and supplemental requests may have to be transmitted to the Congress. On the other hand, reserves may be established under the Antideficiency Act to provide for contingencies or to effect savings made possible by or through changes in requirements or greater efficiency of operations. Amounts may also

be withheld for policy or other reasons pursuant to the Impoundment Control Act of 1974.

Whenever the President determines that all or part of any budget authority provided by the Congress will not be required to carry out the full objectives or scope of a program for which it was provided, or that such budget authority should be rescinded for fiscal policy or other reasons, a special message is transmitted by the President to the Congress requesting a rescission of the budget authority. The budget authority proposed by the President for rescission must be made available for obligation unless both the House and the Senate pass a rescission bill within 45 days of continuous session after receiving the President's message.

Whenever all or part of any budget authority provided by the Congress is deferred (that is, temporarily withheld from obligation), the President transmits a special message to the Congress on such deferrals. Either House may, at any time, pass a resolution disapproving this deferral of budget authority, thus requiring that the funds be made available for obligation. When no congressional action is taken, deferrals may remain in effect until, but not beyond the end of the fiscal year. If the funds remain available beyond the end of a fiscal year and continued deferral of their use is desired by the President, he must transmit a new special message to the Congress.

***Review and audit.***—This is the final phase in the budget process. The individual agencies are responsible for assuring—through their own review and control systems—that the obligations they incur and the resulting outlays follow the provisions of the authorizing legislation and appropriations, as well as other laws and regulations relating to the obligation and expenditure of funds. OMB reviews program and financial reports and keeps abreast of agency programs and the effort to attain program objectives.

In addition, the General Accounting Office (GAO), as an agent of the Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations for corrective action are made to the Congress, to OMB, and to the agencies concerned. The GAO also monitors the executive branch's reporting of special messages on proposed rescissions and deferrals. The GAO reports any items not reported by the executive branch and any differences that it may have with the classification (as a rescission or deferral) of withholdings included in special messages transmitted by the President. The GAO may bring civil actions to obtain compliance should the President fail to make budget authority available in accordance with the Impoundment Control Act of 1974.

### COVERAGE OF THE BUDGET TOTALS

***Agencies and programs.***—The budget totals cover agencies and programs (including Government corporations) owned by the Feder-

al Government, no matter how funded, except for the following off-budget Federal entities:

Rural electrification and telephone revolving fund  
Rural Telephone Bank  
Board of Governors of the Federal Reserve System  
Pension Benefit Guaranty Corporation  
Postal Service fund  
United States Railway Association <sup>1</sup>  
Federal Financing Bank

The off-budget Federal entities listed above are discussed in Part 6 of the Budget, and financial statements are presented in Part IV of the Budget Appendix. Except for the Federal Reserve Board, these data are also presented in selected tables throughout the budget documents. The totals also exclude privately owned, Government-sponsored enterprises, such as the Federal land banks and Federal home loan banks. Privately owned, Government-sponsored enterprises are discussed in Part 6 of the Budget, and financial statements are presented in Part VI of the Budget Appendix.

**Functional classification.**<sup>2</sup>—The functional classification arrays budgetary data according to the major purpose served by the unit being classified. In accordance with the Congressional Budget Act of 1974, the Congress must pass resolutions establishing budget targets and ceilings by functional categories.

The following criteria are used in establishing and in assigning activities to functional categories:

- A function must have a common end or ultimate purpose addressed to an important national need. (The emphasis is on what the Federal Government seeks to accomplish rather than the means of accomplishment, what is purchased, or the clientele or geographic area served.)
- A function must be of continuing national importance and be significant in size.
- Each basic unit of classification (generally the appropriation or fund account) is classified into the single best or predominant purpose and assigned to only one function. However, when an account serves more than one major purpose, it may be subdivided into two or more subfunctions.
- Activities and programs are normally classified by common purpose (or function) regardless of which agencies conduct the activities.

**National needs presentation.**—Section 601 of the Congressional Budget Act of 1974 requires that the budget for each fiscal year beginning with the fiscal year ending September 30, 1979:

<sup>1</sup> Investments in Conrail securities, which comprise almost all of the Association's activity after 1977, are included in the budget.

<sup>2</sup> A discussion of this subject is also found in Part 5 of this volume.

shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—

- (1) a detailed structure of national needs which shall be used to reference all agency missions and programs;
- (2) agency missions; and
- (3) basic programs.

The functional presentation of the budget is used to meet the national needs requirement. While national needs and agency missions were not specified, as such, in budgets previous to the one for 1979, the thrust of the budget functional classification has always been to summarize what the Government is doing, or expects to do, in terms of the ultimate purpose that the Government programs are designed to serve. Building upon this basic approach, the budget functional classification was refined in preparation for the 1979 budget to provide a sharper focus on the end purposes and accomplishments, and further refinements in the classification are made as circumstances warrant. Each major function is described in the context of national needs being served and subfunctions are described in the context of major missions devoted to serving national needs. This is in keeping with the act, which states:

To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions.

In the national needs presentation, Federal programs are discussed in terms of national needs and the functional classification. In this context, a single program may be identified as serving several national needs even though classified in a single function. For example, medicare, primarily a health program, is identified as meeting the national need for improved health care. However, it also provides a form of income security by paying for medical bills and, hence, can also be identified as meeting the national need for income security. A discussion of Federal programs based solely on the functional classification system would have been limited to discussion of each program, classified by major purposes served, in only one category.

The national needs presentation can be found in Part 5 ("Meeting National Needs: the Federal Program by Function").

**Types of funds.**—Agency activities are financed through Federal funds and through trust funds, both of which are included in the budget.

*Federal funds* are of four types. The *general fund* is credited with receipts not earmarked by law for a specific purpose, and is charged with payments from appropriations of such receipts and from general borrowing. *Special funds* contain Federal receipts

earmarked for specific purposes, other than for carrying out a cycle of operations. *Public enterprise* (revolving) *funds* finance a cycle of business-type operations in which outlays generate collections, primarily from the public. *Intragovernmental funds*, including management and consolidated working funds, facilitate financing operations within and between Government agencies.

*Trust funds* are established to account for receipt and expenditure of moneys by the Government for use in carrying out specific purposes and programs in accordance with the terms of a trust agreement or statute. These moneys are not available for the general purposes of the Government. Within the category of trust funds there is a special subcategory of *trust revolving funds* that carry on a cycle of business-type operations.

**Current expense and capital investment.**—The budget includes spending for both current operating expenses and capital investment, such as the purchase of lands, structures, and equipment. It also includes capital investment in the form of lending and the purchase of investments. These categorizations of outlays are discussed in Special Analysis D.

### BUDGET AUTHORITY AND RELATED TRANSACTIONS

**Budget authority.**—Government agencies—whether or not they are included in the budget totals—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. This authority is usually provided as budget authority. (Collections specifically authorized to be credited to appropriation and fund accounts are also available for obligation.)

Budget authority permits *obligations* to be incurred. The amounts of budget authority requested are determined by the nature of the programs or projects being funded.

For activities for which the cost depends upon the program level planned for a fiscal year, the amount of budget authority requested covers the obligations expected to be incurred during the year. Most of these Federal activities, such as operations and maintenance, entitlement programs and continuing research programs, are fully funded on an annual basis.

For most projects that are separate and distinct units, particularly direct Federal major procurement and construction projects, “full funding” is requested. That is, funds are requested to cover the entire cost to complete the project at the time it is initiated, regardless of the expected time of completion. In the past, an exception to this policy has existed for water resources programs. The administration is again proposing that funds for new water resources projects cover the entire cost of those projects.

Budget authority usually takes the form of *appropriations*, which permit obligations to be incurred and payments to be made. Some

budget authority is in the form of *contract authority*, which permits obligations in advance of appropriations and therefore requires a subsequent appropriation or the collection of receipts to "liquidate" (pay) these obligations. There is also *authority to borrow*; such budget authority permits the use of borrowed money to incur obligations and make payments.

Since January 1976, it has not been in order for either House of the Congress to consider any bill, with certain exceptions, that provides new borrowing or contract authority unless that bill also provides that such new spending authority will be effective only to the extent or in such amounts as are provided in appropriations acts.

Most appropriations for current operations are made available for obligation only during a specified fiscal year (*1-year appropriations*). Some are for a specified longer period (*multiple-year appropriations*). Others, including most of those for construction, some for research, and many trust fund appropriations, are made available for obligation until the objectives have been attained (*no-year appropriations*).

When budget authority is made available by the Congress for a specific period of time, any part that is not used for obligations during that period expires and cannot be used later. *Reappropriations*—congressional actions to continue availability of unobligated amounts that have expired or would otherwise expire—are counted as budget authority in the year for which the availability is extended.

A *rescission* is a legislative action that cancels new budget authority or unobligated balances of budget authority prior to the time the authority would otherwise have expired. Rescissions are offset against new budget authority in arriving at the total of budget authority for each year. A *deferral* is an executive branch action or inaction—including the establishment of reserves under the Antideficiency Act—that effectively delays the obligation or expenditure of budget authority.

Most authority to obligate funds is granted year by year (*current authority*). Under certain laws, some budget authority in Federal funds and most budget authority in trust funds becomes available from time to time without further action by the Congress (*permanent authority*).

The amount of budget authority is usually stated specifically in the legislation that makes it available (*definite authority*). In some cases the amount is left indefinite, to be determined by subsequent circumstances (*indefinite authority*). Examples of the latter type are the appropriation for interest on the public debt, and the trust fund appropriation equal to receipts under the Federal Insurance Contributions Act (social security).

***Obligations incurred.***—Following the enactment of budget authority, obligations are incurred by Government agencies. Such

obligations include the current liabilities for salaries and wages, certain contractual services, and interest; contracts for the purchase of supplies and equipment, construction and the acquisition of land; contracts to make loans; and other contractual arrangements requiring the payment of money.

**Outlays.**—Obligations generally are liquidated by the issuance of checks or the disbursement of cash; such payments are called *outlays*. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) 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). Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. Such outlays, therefore, flow in part from unexpended balances of prior year budget authority and in part from budget authority provided for the year in which the money is spent.<sup>3</sup> Total budget outlays are stated net of deductions for offsetting collections (see collections below), and exclude outlays of off-budget Federal entities. Payments for tax credits in excess of tax liabilities are treated as outlays rather than as an adjustment to budget receipts.

**Balances of authority.**—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. The *obligated* balance is that portion of the budget authority that has been obligated but not yet paid. For example, in the case of salaries and wages, 1 to 3 weeks elapse between the time of obligation and the time of payment. In the case of major procurement and construction, up to several years may elapse. Obligated balances of budget authority are carried forward until the obligations are subsequently paid. In addition, in multiple-year or no-year accounts, budget authority that is still available for obligation (*unobligated balances*) may be carried forward for obligation in the following year.<sup>4</sup>

Therefore, a change in the amount of budget authority for a given year does not necessarily result in a similar change in either the obligations incurred or the budget outlays of that same year. 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 an even longer period. In the case of standby budget authority, obligations and outlays may never materialize.

**Allocations between agencies.**—In some cases, an agency may share in the administration of a program for which appropriations are made to another agency or to the President. This is made possible by the establishment of allocations from the “parent” account, to which the appropriation was made. Obligations incurred

<sup>3</sup> This process is depicted on a chart “Relation of Budget Authority to Outlays—1980 Budget” in Part 6 of this volume.

<sup>4</sup> Additional information on balances of budget authority is provided in a separate report. “Balances of Budget Authority” that is prepared by OMB shortly after the budget is transmitted.

through such allocations are included with the parent account in the *Budget* (without separate identification) and in the *Budget Appendix* (where the total obligations of each participating agency are identified separately under the parent account).

## COLLECTIONS

*In general.*—Amounts collected during the year are classified into two major categories:

- *Budget receipts*, which are compared with total outlays in calculating the budget surplus or deficit.
- *Offsetting collections*, which are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred.

*Budget receipts.*—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers and from contributions paid by participants in certain voluntary Federal social insurance programs. These collections, also called *governmental receipts*, consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.

*Offsetting collections.*—These are collections from other Government accounts or from transactions with the public that are of a business-type or market-oriented nature. They are classified into two major categories: *collections credited to appropriation or fund accounts* and *offsetting receipts* (that is, amounts deposited in receipt accounts). In general, the distinction between these two major categories is that collections credited to appropriation or fund accounts normally can be used without appropriation action by the Congress, whereas funds in receipt accounts cannot be used without being appropriated.

*Collections credited to appropriation or fund accounts* occur in two circumstances:

- *Reimbursements.*—When authorized by law, amounts collected for materials or services furnished (for example, amounts received from the public to pay expenses of providing information under the Freedom of Information Act) are treated as reimbursements to appropriations. These collections are netted in determining outlays from such appropriations.
- *Revolving funds.*—In the three types of revolving funds—public enterprise, intragovernmental, and trust revolving—



collections are netted against spending and outlays are reported as the net amount.

*Offsetting receipts* generally are deducted from budget authority and outlays by function and/or subfunction, and by agency. Offsetting receipts are subdivided into two categories, as follows:

- *Proprietary receipts from the public.*—These are collections from the public—deposited in receipt accounts of the general fund, special funds, or trust funds—that arise out of the business-type or market-oriented activities of the Government (for example, loan repayment, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collections are not counted as budget receipts, and, with one exception, are offset against total budget authority and outlays by agency and by function. The exception consists of receipts from rents and royalties from Outer Continental Shelf lands that are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or function.
- *Intragovernmental transactions.*—These are payments into receipt accounts from Federal appropriations or fund accounts. They are treated as an offset to budget authority and outlays, rather than as a budget receipt. Intragovernmental transactions may either be *intrabudgetary* (where the payment and receipt both occur within the budgetary universe) or result from *receipts from off-budget Federal entities* in those cases where the payment is made by a Federal entity whose funds are excluded from the budget totals. Normally, intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment. However, in two cases intragovernmental transactions are not deducted from the figures of any agency or function. Instead, intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into employee retirement trust funds and the payment of interest to nonrevolving trust funds appear as special deduct lines in computing total budget authority and outlays for the Government.

Intrabudgetary transactions are further subdivided into three categories: (1) *interfund transactions*, where the payment is from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) *Federal intrafund transactions*, in those cases where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions*, in those cases where the payment and receipt both occur within the trust fund group.

## OTHER TRANSACTIONS

***Borrowing and repayments.***—Borrowing and debt repayment are not treated as receipts or outlays; if they were, the budget could be balanced simply by borrowing. This rule applies both to borrowing in the form of public debt securities and to specialized forms of borrowing—such as the sale of agency securities, the assumption of military family housing mortgages, and certificates representing participation in a pool of loans. However, some transactions that otherwise would be treated as borrowing are required by law to be treated as a sale of assets. This results in collections being credited to an appropriation or fund account with a corresponding reduction in outlays.

***Exercise of the monetary power.***—Seigniorage is the profit from coining money; it is the difference between the value of coins as money and their cost, including the cost of manufacturing. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a budget deficit, or as a supplementary amount to be applied to reduce debt or to increase the cash in Treasury in the years of a budget surplus. The increment (profit) resulting from the revaluation of gold as a monetary asset is treated like seigniorage. In recent years, the profit from the sale of gold was treated as a proprietary receipt. However since the value of gold is determined by its value as a monetary asset rather than as a commodity, the budget now treats all of the profits on gold sales as a means of financing rather than as an offsetting collection.

***Liabilities in deposit fund accounts.***—Accounts outside the budget, known as deposit funds, are established to record certain amounts held in suspense temporarily, or held by the Government as agent for others (for example, savings accounts for military personnel, State and local income taxes withheld from Federal employees' salaries, and payroll deductions for the purchase of savings bonds by civilian employees of the Government). Such transactions affect Treasury's cash balances even though they are not a part of the budget.

***Exchange of cash.***—The Government's deposits with the International Monetary Fund (IMF) are considered to be similar to cash assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not in itself considered a receipt or an outlay, borrowing or lending. In a similar manner, the holdings of foreign currency by the Exchange stabilization fund (ESF) are considered to be cash assets. Changes in these holdings are outlays only to the extent there is a realized loss, and offsetting

collections only to the extent there is a realized profit on the exchange.

**Obligations to multilateral development banks.**—Debt instruments issued (in lieu of checks) in payment of subscriptions to multilateral development banks are not considered borrowing or outlays, but remain a part of the obligated balances until they are cashed, at which time they become outlays. These differ only in form, and not in substance, from ordinary balances for unpaid obligations.

### BASIS FOR BUDGET FIGURES

**In general.**—Outlays are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. The accrual basis is generally used for interest on the public debt held by private investors; however, interest on the public debt held by trust and other Government accounts was stated on a cash basis. When debt securities are issued at a discount (or at a premium), the difference between the sales price and the redemption value is treated as interest and is accrued evenly over time in the account that issued the securities.

The budget totals include, for all 3 years, amounts for the administrative expenses of the Department of the Treasury's international affairs activities and interest received by the Exchange stabilization fund on investments in U.S. securities. These amounts were formerly included under an Exchange stabilization fund presentation in the part of the budget appendix covering off-budget Federal entities.

**Data for 1978.**—The 1978 column of this budget generally presents the actual transactions and balances as recorded in agency accounts and as summarized in the central financial reports prepared by the Department of the Treasury.

**Data for 1979.**—All regular appropriation acts for 1979 have been enacted. (The Energy and Water Development appropriations bill was enacted by reference in a continuing resolution.) However, a number of programs traditionally included in the Labor and Health, Education, and Welfare appropriations were excluded due to a lack of authorizing legislation. These were also included in the continuing resolution, which is effective through September 30, 1979. Supplemental appropriations will be required in certain cases for various pay raises, including those of October 1978 and additional amounts requested to meet previously unforeseen program costs.

Where the word "enacted" is used with reference to 1979, as in tables 1 and 5 of Part 9 of the *Budget*, the amount represents budget authority already voted by the Congress. In the case of

indefinite appropriations, the enacted sums include the amounts likely to be required. Where the word "estimate" is used, the amounts include enacted budget authority and requested supplementals.

**Data for 1980.**—This budget is complete as to the estimates for 1980. Part I of the *Budget Appendix* generally includes the proposed appropriation language for the various items identified in the budget. However, in some instances, estimates are included in the budget schedules without appropriation language for 1979 and 1980. For these, proposed legislation may be required, or the estimated amounts will be requested later when the requirements are known. In certain tables of the budget, these items for later transmittal and the related outlays are separately identified. Estimates of the total requirements for 1979 and 1980 include both the amounts formally requested and the amounts planned for later transmittal.

**Data for 1981 and 1982.**—To place more emphasis on longer term objectives and plans consistent with the multi-year budget planning system, this budget presents 1981 and 1982 estimates in somewhat greater detail than previously. Data for 1981 and 1982 often reflect specific Presidential policy determinations and are shown in a number of budget tables.

**Allowances.**—Lump sum allowances are included in the tables to cover possible additional changes, such as civilian pay increases and contingencies. The allowance for civilian agency pay raises includes an estimate of the additional amounts that will be required for pay raises anticipated in October 1979 for employees of civilian agencies of the Government. A separate allowance for pay raises is shown for the military and civilian employees of the Department of Defense and is included in its figures. These increases could not be reflected in the various program appropriation requests since the applicable detailed amounts have not yet been determined.

The allowance for contingencies is shown separately as required by the Congressional Budget Act. The estimates for relatively uncontrollable programs are zero because the probability of net decreases or net increases for such programs is believed to be equal. The allowances for other requirements contains estimates for potential requirements related to for existing programs and for the possible enactment of legislation not specifically provided for in the budget, and estimates beyond 1980 also include an inflation allowance for nondefense purchases of goods and services.

Budget authority and outlays included in the allowance section are never appropriated as undistributed allowances. These allowances merely indicate the estimated budget authority and outlays that may be appropriated subsequently by program.

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PART 8

**THE FEDERAL PROGRAM  
BY AGENCY AND ACCOUNT**

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## EXPLANATORY NOTE

This tabulation contains information on budget authority (BA) and outlays (O) for each appropriation and fund account. The budget authority in this tabulation takes account of certain transfers between appropriations. All budget authority items are current and definite appropriations except where otherwise indicated. In addition, budget authority and outlay data for off-budget Federal entities are presented at the end of this table.

Functional code numbers are shown for each account as a cross reference to tables 12 and 13, where the figures are summarized by functional classification. Types of funds in the budget and the deduct entries at the end of each chapter of this tabulation are explained in Part 7.

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items, which do not affect budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch</b>			
<b>Senate</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Compensation and mileage of the Vice President and Senators.....801			
Appropriation, current.....	BA 6,474	6,480	6,827
Outlays.....	0 6,435	6,480	6,827
Expense allowances of the Vice President, Majority and Minority Leaders and Majority and Minority Whips.....801			
Appropriation, current.....	BA 55	25	45
Outlays.....	0 26	25	45
Salaries, officers and employees.....801			
Appropriation, current.....	BA 101,888	118,082	125,122
		<sup>41,688</sup>	
		<sup>26,019</sup>	
Outlays.....	0 100,095	122,101	125,122
		<sup>41,688</sup>	
Payments to widows and heirs of deceased members of Congress.....801			
Appropriation, current.....	BA 238		
Outlays.....	0 238		
Office of the Legislative Counsel of the Senate.....801			
Appropriation, current.....	BA 793	815	899
		<sup>225</sup>	
Outlays.....	0 761	840	899
Senate policy committees.....801			
Appropriation, current.....	BA 1,272	1,388	1,462
		<sup>274</sup>	
Outlays.....	0 1,170	1,462	1,462
Automobiles and maintenance.....801			
Appropriation, current.....	BA 50	58	65
Outlays.....	0 43	58	65
Inquiries and investigations.....801			
Appropriation, current.....	BA 29,995	30,625	32,600
		<sup>21,330</sup>	
Outlays.....	0 26,187	31,955	32,600
Folding documents.....801			
Appropriation, current.....	BA 103	103	109
		<sup>26</sup>	
Outlays.....	0 88	109	109
Miscellaneous items.....801			
Appropriation, current.....	BA 25,492	29,443	38,695
		<sup>213</sup>	
Outlays.....	0 23,199	29,456	38,695
Postage stamps.....801			
Appropriation, current.....	BA 27	6	7
Outlays.....	0 25	6	7
Stationery (revolving fund).....801			
Appropriation, current.....	BA 37	39	40
Outlays.....	0 43	39	40
<b>Public Enterprise Funds:</b>			
Senate restaurant fund (revolving fund).....801			
Outlays.....	0 23		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>			
<b>Senate—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:</b>			
Congressional use of foreign currency, Senate .....801			
Appropriation, permanent.....	BA .....	750	750
<b>Public Enterprise Funds:</b>			
Recording studio (revolving fund) 801			
Outlays.....	0 .....	-96	
<b>General and Special Funds:</b>			
Congressional use of foreign currency, Senate .....801			
Outlays.....	0 .....	750	750
<b>Public Enterprise Funds:</b>			
Senate barber shops (revolving fund) 801			
Outlays.....	0 .....	-29	
Total Federal funds Senate.....	BA .....	166,424	194,969
	0 .....	158,208	194,969
			206,621
			206,621
<b>House of Representatives</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Payments to widows and heirs of deceased members of Congress 801			
Appropriation, current.....	BA .....	115	
Outlays.....	0 .....	115	
Compensation of Members.....801			
Appropriation, current.....	BA .....	27,760	27,699
Outlays.....	0 .....	27,547	27,699
Mileage of Members.....801			
Appropriation, current.....	BA .....	210	210
Outlays.....	0 .....	185	210
House leadership offices.....801			
Appropriation, current.....	BA .....	2,147	2,147
			275
Outlays.....	0 .....	1,753	2,008
Salaries, officers and employees..801			
Appropriation, current.....	BA .....	24,324	26,408
			21,358
Outlays.....	0 .....	24,102	25,125
Committee employees.....801			
Appropriation, current.....	BA .....	24,705	24,705
Outlays.....	0 .....	22,795	22,234
Committee on Appropriations (Studies and Investigations)....801			
Appropriation, current.....	BA .....	2,776	2,895
			29
Outlays.....	0 .....	2,490	2,614
Committee on the Budget (Studies) 801			
Appropriation, current.....	BA .....	261	261
Outlays.....	0 .....	157	235
Office of the Law Revision Counsel 801			
Appropriation, current.....	BA .....	410	435
			214
Outlays.....	0 .....	389	406

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>House of Representatives—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Office of the Legislative Counsel..801				
Appropriation, current.....	BA	1,751	1,879 D60	1,987
Outlays.....	0	1,363	1,751	1,788
Members' clerk hire.....801				
Appropriation, current.....	BA	112,648	112,648 D5,142	118,308
Outlays.....	0	109,828	106,011	106,477
Allowances and expenses.....801				
Appropriation, current.....	BA	58,584	59,967 D774	62,377
Outlays.....	0	57,023	54,744	56,139
Stationery (revolving fund).....801				
Appropriation, current.....	BA	2,854		
Outlays.....	0	2,237		
Special and select committees.....801				
Appropriation, current.....	BA	40,563	46,762 D2,572	55,551
Outlays.....	0	39,172	44,658	49,996
New edition of the District of Columbia Code.....801				
Outlays.....	0	20		
<b>Public Enterprise Funds:</b>				
House of Representatives restaurant fund (revolving fund).....801				
Outlays.....	0	113		
Recording studio (revolving fund) 801				
Outlays.....	0	-73	-73	-73
Beauty shop (revolving fund).....801				
Outlays.....	0	27	27	27
Office of the attending physician (revolving fund).....801				
Outlays.....	0	2	2	2
Total Federal funds House of Representatives.	BA	299,108	316,020	326,415
	0	289,245	287,651	296,518
<b>Joint Items</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Joint Economic Committee.....801				
Appropriation, current.....	BA	1,800	2,353 D70	2,749
Outlays.....	0	1,337	2,423	2,749
Joint Committee on Atomic Energy 801				
Outlays.....	0	4		
Joint Committee on Printing.....801				
Appropriation, current.....	BA	1,117	656 A60	744
Outlays.....	0	689	656 A60	744
American Indian Policy Review Commission.....801				
Outlays.....	0	5		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>			
<b>Joint Items—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Joint Committee on Inaugural Ceremonies of 1977.....801			
Outlays.....	0	1	
Statements of appropriations, Senate 801			
Appropriation, current.....	BA	6	
Joint Committee on Taxation.....801			
Appropriation, current.....	BA	2,315	2,375 277
Outlays.....	0	2,169	2,215
Office of the Attending Physician.801			2,346
Appropriation, current.....	BA	344	465
Outlays.....	0	360	418
General expenses, Capitol police..801			413
Appropriation, current.....	BA	725	750
Outlays.....	0	698	675
Capitol Police Board.....801			729
Appropriation, current.....	BA	1,572	1,421
Outlays.....	0	1,364	1,421
Education of pages.....801			1,297
Appropriation, current.....	BA	194	206
Outlays.....	0	194	228 11
Official mail costs.....801			217
Appropriation, current.....	BA	64,944	64,944
Outlays.....	0	46,959	64,944
Capitol Guide Service.....801			70,707
Appropriation, current.....	BA	434	544
Outlays.....	0	401	520 29
Statements of appropriations, House of Representatives.....801			573
Appropriation, current.....	BA	6	420
Outlays.....	0		6
Joint Committee on Defense Production.....801			
Outlays.....	0	3	
Joint Committee on Congressional Operations.....801			
Outlays.....	0	1	
Total Federal funds Joint Items.	BA	73,457	74,022
	0	54,185	73,656
			80,238
			79,843
<b>Congressional Budget Office</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....801			
Appropriation, current.....	BA	10,400	10,800
Outlays.....	0	9,835	11,200
			261
			13,100

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Architect of the Capitol</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Office of the Architect of the Capitol:				
Salaries.....801				
Appropriation, current.....	BA	2,130	2,382 C15 D93	3,055
Outlays.....	O	2,045	2,485	3,020
Contingent expenses.....801				
Appropriation, current.....	BA	210	210	210
Outlays.....	O	100	440	210
Capitol buildings.....801				
Appropriation, current.....	BA	6,468	6,157 C167 D56	8,541
Outlays.....	O	6,299	7,446	8,216
Capitol grounds.....801				
Appropriation, current.....	BA	2,435	2,565 C74 D5	4,223
Outlays.....	O	2,042	3,159	3,327
West central front of the Capitol.....801				
Outlays.....	O	1,587	435	
Master plan for future development of the Capitol grounds and related areas.....801				
Appropriation, current.....	BA	100		
Outlays.....	O	3	180	
Acquisition of property as an addition to the Capitol grounds 801				
Outlays.....	O	3	36	
Senate office buildings.....801				
Appropriation, current.....	BA	10,697	10,274 C369 D20	10,983
Outlays.....	O	10,491	13,727	10,949
Construction of an extension to the New Senate Office Building.....801				
Appropriation, current.....	BA		49,500	
Outlays.....	O	11,744	39,853	23,490 420,920
Extension of additional Senate Office Building site.....801				
Outlays.....	O		78	
Acquisition of property as a site for parking facilities for the United States Senate.....801				
Outlays.....	O	6	6	
Plans for garage and related facilities for the United States Senate.....801				
Outlays.....	O		49	
Senate garage.....801				
Appropriation, current.....	BA	162	164 C7	196
Outlays.....	O	156	176	195

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Architect of the Capitol—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
House office buildings.....801				
Appropriation, current.....	BA	19,693	18,466 C570	20,391
Outlays.....	O	20,685	24,035	20,138
Acquisition of property, construction, and equipment, additional House Office Building.....801				
Outlays.....	O	4	81	
Installation of solar collectors in House office buildings.....801				
Appropriation, current.....	BA		43,000	
Outlays.....	O		4300	42,000
Capitol Power Plant.....801				
Appropriation, current.....	BA	13,054	13,255 C100	15,133
Outlays.....	O	10,210	13,322	14,317
Expansion of facilities, Capitol Power Plant.....801				
Outlays.....	O	18	247	
Modifications and enlargement, Capitol Power Plant.....801				
Outlays.....	O	5,070	5,669	7,688
Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped.....801				
Outlays.....	O	244	1,071	1,008
Structural and mechanical care, Library buildings and grounds.801				
Appropriation, current.....	BA	2,303	2,776 4425 C95	8,785
Outlays.....	O	2,320	3,077 4408	8,619 417
Library of Congress James Madison Memorial Building.....801				
Appropriation, current.....	BA	7,675		
Outlays.....	O	27,229	22,720	3,681
Total Federal funds Architect of the Capitol.	BA	64,927	110,745	71,517
	O	100,256	139,000	127,795
<b>Library of Congress</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....503				
Appropriation, current.....	BA	85,151	90,343 43,360 C186 D3,134	108,293
Outlays.....	O	81,099	98,065 43,216	106,833 4144
Copyright Office: Salaries and expenses.....376				
Appropriation, current.....	BA	8,560	8,561 D561	10,542
Outlays.....	O	8,360	9,780	10,461

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Library of Congress—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
National Commission on New Technological Usage of Copyrighted Works: Salaries and expenses.....376				
Appropriation, current.....	BA	520		
Outlays.....	O	463	58	
Congressional Research Service: Salaries and expenses.....801				
Appropriation, current.....	BA	23,041	24,275 p1,031	30,335
Outlays.....	O	22,057	25,898	29,857
Books for the blind and physically handicapped: Salaries and expenses.....503				
Appropriation, current.....	BA	28,854	34,130 cg p106	36,948
Outlays.....	O	23,049	35,812	35,348
Collection and distribution of library materials (special foreign currency program).....503				
Appropriation, current.....	BA	3,441	3,474 p17	3,902
Outlays.....	O	3,338	3,930	4,028
Furniture and furnishings.....503				
Appropriation, current.....	BA	7,031	5,060 p3,000	2,880
Outlays.....	O	1,660	15,038 p1,500	11,460 p1,500
Payments to copyright owners.....376				
Appropriation, permanent.....	BA	6,465	16,491	16,898
Outlays.....	O		5,885	15,796
Oliver Wendell Holmes devise fund 503				
Appropriation, permanent.....	BA	3	13	19
Outlays.....	O		20	20
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....503				
Outlays.....	O	291	-1,746	-4
<b>Trust Funds</b>				
Gift and trust fund accounts, non-revolving.....503				
Appropriation, permanent.....	BA	6,283	5,879	5,072
Outlays.....	O	6,122	5,945	5,209
Total Federal funds Library of Congress.	BA	163,066	193,751	209,817
	O	140,317	197,456	215,443
Total Trust funds Library of Congress.	BA	6,283	5,879	5,072
	O	6,122	5,945	5,209
<b>Government Printing Office</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Printing and binding.....801				
Appropriation, current.....	BA	12,952	11,476	19,541
Outlays.....	O	41,714	18,724	15,222

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Government Printing Office—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Congressional printing and binding				
801				
Appropriation, current.....	BA	71,674	68,529	76,212
Outlays.....	O	50,142	67,861	75,512
Office of Superintendent of Documents: Salaries and expenses				
806				
Appropriation, current.....	BA	22,045	23,200 2285	23,037
Outlays.....	O	23,613	27,645	24,037
Acquisition of site and general plans and designs of buildings.....806				
Appropriation, current.....	BA			19,396
Outlays.....	O			23,996
Project planning.....806				
Outlays.....	O		41	
<b>Intragovernmental Funds:</b>				
Government Printing Office revolving fund.....806				
Outlays.....	O	1,912	-22,289	-2,800
Total Federal funds Government Printing Office.	BA	106,671	103,490	138,186
	O	117,381	91,982	135,967
<b>General Accounting Office</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....801				
Appropriation, current.....	BA	175,680	176,476 45,500 27,281	206,763
Outlays.....	O	169,507	187,155 45,300	205,893 4200
<b>United States Tax Court</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....752				
Appropriation, current.....	BA	8,188	8,715 288	9,391
Outlays.....	O	7,954	8,769	9,333
Construction.....752				
Outlays.....	O	763	499	
<b>Trust Funds</b>				
Tax Court judges survivors annuity fund.....602				
Appropriation, permanent.....	BA	104	121	128
Outlays.....	O	42	44	44
Total Federal funds United States Tax Court.	BA	8,188	8,803	9,391
	O	8,717	9,268	9,333
Total Trust funds United States Tax Court.	BA	104	121	128
	O	42	44	44

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Other Legislative Branch Agencies</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Commission on Security and Cooperation in Europe: Salaries and expenses.....801				
Appropriation, current.....	BA	347	521	550
Outlays.....	O	324	478	534
Botanic Garden: Salaries and expenses.....801				
Appropriation, current.....	BA	1,371	1,392	1,473
Outlays.....	O	1,308	1,432	1,465
Copyright Royalty Tribunal: Salaries and expenses.....376				
Appropriation, current.....	BA	726	765	631
Outlays.....	O	421	716	654
Cost-Accounting Standards Board: Salaries and expenses.....801				
Appropriation, current.....	BA	1,837	1,758	1,800
Outlays.....	O	1,551	1,741	1,796
Temporary Commission on Financial Oversight of the District of Columbia: Salaries and expenses 801				
Appropriation, current.....	BA	3,000	3,000	500
Outlays.....	O	1,171	2,540	4,100
Office of Technology Assessment: Salaries and expenses.....801				
Appropriation, current.....	BA	8,681	9,215	12,500
Outlays.....	O	9,226	11,303	12,504
<b>Trust Funds</b>				
Office of Technology Assessment: Contributions and donations.....801				
Appropriation, permanent, indefinite.	BA	3	5	5
Outlays.....	O	-1	5	5
Total Federal funds Other	BA	15,962	16,903	17,454
Legislative Branch Agencies.	O	14,001	18,210	21,053
Total Trust funds Other	BA	3	5	5
Legislative Branch Agencies.	O	-1	5	5
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	1,083,883	1,219,021	1,279,988
	O	1,061,652	1,215,847	1,311,766
Deductions for offsetting receipts:				
Intrafund transactions.....803	BA }	-385	-385	-385
	O }			
902	BA }	-61	-1,826	-1,310
	O }			
Proprietary receipts from the public.....376	BA }	-6,465		
	O }			
503	BA }	-295	-40	-40
	O }			

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Legislative Branch—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Federal Funds:—CONTINUED</b>				
801	BA } O }	-8,620	-6,589	-6,581
Total Federal funds.....	BA O	<u>1,068,057</u> 1,045,826	<u>1,210,181</u> 1,207,007	<u>1,271,672</u> 1,303,450
<b>Trust Funds:</b>				
(As shown in detail above).....	BA O	<u>6,390</u> 6,163	<u>6,005</u> 5,994	<u>5,205</u> 5,258
Deductions for offsetting receipts:				
Proprietary receipts from the public.....	BA } O }	-3,100	-3,400	-3,600
503				
902	BA } O }	-109	-115	-115
Total Trust funds.....	BA O	<u>3,181</u> 2,954	<u>2,490</u> 2,479	<u>1,490</u> 1,543
Total Legislative Branch .....	BA O	<u>1,071,238</u> 1,048,780	<u>1,212,671</u> 1,209,486	<u>1,273,162</u> 1,304,993

**The Judiciary**

<b>Supreme Court of the United States</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....752				
Appropriation, current.....	BA	<u>8,691</u>	<u>9,690</u>	<u>10,250</u>
Outlays.....	O	8,074	9,882	10,050
Care of the buildings and grounds				
752				
Appropriation, current.....	BA	<u>1,588</u>	<u>1,450</u>	<u>2,157</u>
Outlays.....	O	890	2,486	1,778
Total Federal funds Supreme Court of the United States.	BA O	<u>10,279</u> 8,964	<u>11,576</u> 12,368	<u>12,407</u> 11,828
<b>Court of Customs and Patent Appeals</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....752				
Appropriation, current.....	BA	<u>1,066</u>	<u>1,099</u>	<u>1,719</u>
Outlays.....	O	<u>1,036</u>	<u>1,132</u>	<u>1,717</u>
<b>Customs Court</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....752				
Appropriation, current.....	BA	<u>2,985</u>	<u>3,055</u>	<u>4,983</u>
Outlays.....	O	<u>2,893</u>	<u>3,179</u>	<u>4,979</u>

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>The Judiciary—CONTINUED</b>				
<b>Court of Claims</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....752				
Appropriation, current.....	BA	3,000	3,520 <sup>D95</sup>	5,361
Outlays.....	0	2,739	3,564	5,356
<b>Courts of Appeals, District Courts, and other Judicial Services</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries of judges.....752				
Appropriation, current.....	BA	38,200	40,258 <sup>A3,550</sup>	48,814
Outlays.....	0	38,069	40,150 <sup>A3,400</sup>	48,550 <sup>A150</sup>
Salaries of supporting personnel.....752				
Appropriation, current.....	BA	156,900	166,195 <sup>A5,690</sup>	196,532
Outlays.....	0	154,801	174,917 <sup>D8,954</sup>	194,932 <sup>A5,581</sup>
Defender services.....752				
Appropriation, current.....	BA	24,000	24,800 <sup>D408</sup>	26,595
Outlays.....	0	21,815	24,090	25,771
Fees of jurors and commissioners.....752				
Appropriation, current.....	BA	23,250	20,750 <sup>A4,000</sup>	36,000
Outlays.....	0	19,288	26,100 <sup>A3,700</sup>	35,420 <sup>A300</sup>
Travel and miscellaneous expenses.....752				
Appropriation, current.....	BA	27,600	31,914 <sup>A7,229</sup>	40,272
Outlays.....	0	25,407	33,052 <sup>A6,314</sup>	39,972 <sup>A915</sup>
Salaries and expenses of magistrates.....752				
Appropriation, current.....	BA	17,500	19,441 <sup>A50</sup>	21,185
Outlays.....	0	16,858	19,450 <sup>D296</sup>	21,061 <sup>A50</sup>
Bankruptcy courts, salaries and expenses.....752				
Appropriation, current.....	BA	34,000	35,300 <sup>D1,358</sup>	67,818
Outlays.....	0	33,134	36,119	64,246
Space and facilities.....752				
Appropriation, current.....	BA	87,200	98,400 <sup>A2,377</sup>	125,928
Outlays.....	0	84,099	95,307 <sup>A2,377</sup>	120,322
Furniture and furnishings.....752				
Appropriation, current.....	BA	7,000	8,500 <sup>A8,505</sup>	
Outlays.....	0	4,654	7,764 <sup>A766</sup>	4,238 <sup>A4,613</sup>

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>The Judiciary—CONTINUED</b>			
<b>Courts of Appeals, District Courts, and other Judicial Services—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Speedy trial planning.....752			
Outlays.....	0	253	488
Pretrial services agencies, The Judiciary.....752			600
Appropriation, current.....	BA	5,000	
Outlays.....	0	3,114	3,279
Special rail reorganization court...752			3,322
Appropriation, current.....	BA	2,000	2,000
Outlays.....	0	1,623	2,127
Services for drug dependent offenders.....752			
Appropriation, current.....	BA		3,500
Outlays.....	0		3,200
Total Federal funds Courts of Appeals, District Courts, and other Judicial Services.	BA	417,650	492,975
	0	401,492	568,644
		484,527	569,848
<b>Administrative Office of the United States Courts</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....752			
Appropriation, current.....	BA	11,075	12,250
			<sup>A</sup> 338
			<sup>D</sup> 499
Outlays.....	0	10,457	12,193
			<sup>A</sup> 336
			<sup>A</sup> 2
<b>Intragovernmental Funds:</b>			
Consolidated working fund.....752			
Outlays.....	0	-93	41
Total Federal funds	BA	11,075	13,087
Administrative Office of the United States Courts.	0	10,364	12,570
			15,189
<b>Federal Judicial Center</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....752			
Appropriation, current.....	BA	6,749	8,025
			<sup>A</sup> 300
			<sup>D</sup> 132
Outlays.....	0	6,991	7,732
			<sup>A</sup> 300
<b>Bicentennial Expenses, The Judiciary</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Bicentennial activities.....806			
Outlays.....	0	235	375
			100

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>The Judiciary—CONTINUED</b>				
<b>Judiciary Trust Funds</b>				
<b>Trust Funds</b>				
Judicial survivors' annuities fund 602				
Appropriation, permanent.....	BA	6,364	6,830	7,373
Outlays.....	O	1,847	2,130	2,330
Operation of the Public Defender Service for the District of Columbia.....752				
Outlays.....	O	106		
Total Trust funds Judiciary	BA	6,364	6,830	7,373
Trust Funds.	O	1,953	2,130	2,330
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	452,804	534,032	618,761
	O	434,714	525,747	618,197
Deductions for offsetting receipts:				
Proprietary receipts from the public.....750	BA }	-1,466	-1,463	-1,463
	O }			
902	BA }	-77	-80	-80
	O }			
Total Federal funds.....	BA	451,261	532,489	617,218
	O	433,171	524,204	616,654
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	6,364	6,830	7,373
	O	1,953	2,130	2,330
Total The Judiciary.....	BA	457,625	539,319	624,591
	O	435,124	526,334	618,984
<b>Executive Office of the President</b>				
<b>Compensation of the President</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Compensation of the President.....802				
Appropriation, current.....	BA	250	250	250
Outlays.....	O	250	250	250
<b>The White House Office</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....802				
Appropriation, current.....	BA	16,415	16,711 D452	18,210
Outlays.....	O	16,572	16,050	18,210
<b>Executive Residence at the White House</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Operating expenses.....802				
Appropriation, current.....	BA	2,236	2,575 C48 D60	2,957
Outlays.....	O	2,338	2,683	2,957

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
Executive Office of the President—CONTINUED				
Official Residence of the Vice President				
Federal Funds				
General and Special Funds:				
Operating expenses.....802				
Appropriation, current.....	BA	121	129	233
Outlays.....	0	112	134	203
Special Assistance to the President				
Federal Funds				
General and Special Funds:				
Salaries and expenses.....802				
Appropriation, current.....	BA	1,327	1,280	1,404
			<sup>D</sup> 35	
Outlays.....	0	1,339	1,315	1,361
Council of Economic Advisers				
Federal Funds				
General and Special Funds:				
Salaries and expenses.....802				
Appropriation, current.....	BA	2,018	2,042	2,075
Outlays.....	0	2,024	2,037	2,078
Council on Environmental Quality and Office of Environmental Quality				
Federal Funds				
General and Special Funds:				
Council on Environmental Quality and Office of Environmental Quality.....802				
Appropriation, current.....	BA	2,854	3,026	3,126
Outlays.....	0	2,829	3,026	3,126
Intragovernmental Funds:				
Consolidated working fund.....802				
Outlays.....	0	-1,562	1,998	
Total Federal funds Council on Environmental Quality and Office of Environmental Quality.	BA	2,854	3,026	3,126
	0	1,267	5,024	3,126
Council on International Economic Policy				
Federal Funds				
General and Special Funds:				
Salaries and expenses.....802				
Outlays.....	0	91	8	
Council on Wage and Price Stability				
Federal Funds				
General and Special Funds:				
Salaries and expenses.....802				
Appropriation, current.....	BA	2,100	1,753	<sup>K</sup> 6,076
			<sup>B</sup> 4,108	
Outlays.....	0	1,922	1,753	5,904
			<sup>B</sup> 3,893	<sup>B</sup> 215

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Executive Office of the President—CONTINUED</b>			
<b>Domestic Policy Staff</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 2,755	2,500 <sup>D44</sup>	2,650
Outlays.....	0 2,203	2,939	2,635
<b>National Security Council</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 3,315	3,400 <sup>D125</sup>	3,557
Outlays.....	0 3,039	3,525	3,557
<b>Office of Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 4,267	7,279 <sup>D183</sup>	11,900
Outlays.....	0 2,954	7,774	10,709
<b>Office of Drug Abuse Policy</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 342		
Outlays.....	0 433		
<b>Office of Management and Budget</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 27,481	28,200 <sup>D844</sup>	28,054
Outlays.....	0 27,738	30,226	27,423
<b>Office of Federal Procurement Policy:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 2,890	3,000	<sup>K</sup> 3,000
Outlays.....	0 1,561	3,000	3,000
Total Federal funds Office of Management and Budget.	BA 30,371	32,044	31,054
	0 29,299	33,226	30,423
<b>Office of Science and Technology Policy</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....802			
Appropriation, current.....	BA 2,600	2,476 <sup>D37</sup>	2,900
Outlays.....	0 1,758	2,992	3,400

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Executive Office of the President—CONTINUED</b>				
<b>Office of the Special Representative for Trade Negotiations</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....802				
Appropriation, current.....	BA	2,751	2,665	4,173
			<sup>D</sup> 42	
Outlays.....	0	2,638	2,845	4,228
<b>Office of Telecommunications Policy</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....802				
Appropriation, current.....	BA	3,965		
Outlays.....	0	4,306		
<b>Special Action Office for Drug Abuse Prevention</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....554				
Outlays.....	0	1,047	561	
Special fund for drug abuse.....554				
Outlays.....	0	976	1,481	
Total Federal funds Special Action Office for Drug Abuse Prevention.	0	2,023	2,042	
<b>Summary</b>				
<b>Federal Funds:</b>				
Total Executive Office of the President.	BA	77,687	83,264	90,565
	0	74,568	88,490	89,256
<b>Funds Appropriated to the President</b>				
<b>Appalachian Regional Development Programs</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Appalachian regional development programs.....452				
Appropriation, current.....	BA	112,400	135,700	
			<sup>F-77</sup>	<sup>K</sup> 134,600
Contract authority, current.....	BA	21,000	233,000	224,000
Contract authority, permanent.....	BA	180,000		
Liquidation of contract authority, current.		(211,300)	(233,000)	(224,000)
Outlays.....	0	260,964	281,000	296,000
<b>Public Enterprise Funds:</b>				
Appalachian housing fund.....452				
Outlays.....	0	711	1,900	1,000
Total Federal funds Appalachian Regional Development Programs.	BA	313,400	368,623	358,600
	0	261,675	282,900	297,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>			
<b>Disaster Relief</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Disaster relief.....453			
Appropriation, current.....	BA 440,716	192,105	193,600
Outlays.....	O 461,007	275,600	241,397
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 440,716	192,105	193,600
	O 461,007	275,600	241,397
Deductions for offsetting receipts:			
Proprietary receipts from the public.....450	BA } .....	-300	-300
	O } .....		
902	BA } .....	-22	-22
	O } .....		
Total Disaster Relief.....	BA 440,716	191,783	193,278
	O 461,007	275,278	241,075
<b>Unanticipated Needs</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Unanticipated needs.....802			
Appropriation, current.....	BA 1,000	1,000	1,000
Outlays.....	O 154	1,000	1,000
<b>Expenses of Management Improvement</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Expenses of management improvement.....802			
Outlays.....	O 47	427	
<b>Foreign Assistance</b>			
<b>International Security Assistance</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Military assistance.....152			
Appropriation, current.....	BA 179,800	83,375	<sup>K</sup> 110,200
Reappropriation.....	BA .....	125,800	
Outlays.....	O 169,259	230,000	180,000
		<sup>A</sup> 13,000	<sup>A</sup> 20,000
International military education and training.....152			
Appropriation, current.....	BA 30,000	27,900	<sup>K</sup> 32,900
Reappropriation.....	BA .....	5,705	
Outlays.....	O 21,763	25,000	31,000
Military assistance, South Vietnamese Forces.....152			
Outlays.....	O 1,449	500	497
Foreign military credit sales.....152			
Appropriation, current.....	BA 675,850	654,500	<sup>K</sup> 656,300
Outlays.....	O 569,549	555,000	525,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>			
<b>Foreign Assistance—CONTINUED</b>			
<b>International Security Assistance—CON.</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
Security supporting assistance.....151			
Appropriation, current, indefinite ...	BA 2,219,300	1,909,400	*1,995,100
Reappropriation.....	BA	11,758	
Outlays.....	0 1,907,872	2,061,000	1,950,000
<b>Public Enterprise Funds:</b>			
Liquidation of foreign military sales fund.....152			
Outlays.....	0 -701	-2,500	-2,000
<b>Trust Funds</b>			
Advances, foreign military sales...155			
Contract authority, permanent.....	BA 9,643,085	11,900,000	12,800,000
Liquidation of contract authority, permanent.	(8,445,172)	(9,500,000)	(10,600,000)
Outlays.....	0 8,104,016	9,400,000	10,600,000
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 3,104,950	2,818,438	2,794,500
	0 2,669,191	2,882,000	2,704,497
Deductions for offsetting receipts:			
Proprietary receipts from the public.....152	BA } -250,681	-217,000	-210,800
	0 }		
902	BA } -73,707	-80,000	-84,200
	0 }		
Total Federal funds.....	BA 2,780,562	2,521,438	2,499,500
	0 2,344,803	2,585,000	2,409,497
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 9,643,085	11,900,000	12,800,000
	0 8,104,016	9,400,000	10,600,000
Deductions for offsetting receipts:			
Proprietary receipts from the public.....155	BA } -8,445,172	-9,500,000	-10,600,000
	0 }		
Total Trust funds.....	BA 1,197,913	2,400,000	2,200,000
	0 -341,156	-100,000	
Total International Security Assistance.	BA 3,978,475	4,921,438	4,699,500
	0 2,003,647	2,485,000	2,409,497
<b>International Development Assistance</b>			
<b>Multilateral Assistance</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Contribution to the International bank for reconstruction and development.....151			
Appropriation, current.....	BA 380,000	163,079	1,025,777
Outlays.....	0 38,000	16,308	102,578
Contribution to the International development association .....151			
Appropriation, current.....	BA 800,000	1,258,000	1,082,000
Outlays.....	0 323,325	421,000	525,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>				
<b>Foreign Assistance—CONTINUED</b>				
<b>International Development Assistance—CON.</b>				
<b>Multilateral Assistance—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
Contribution to the International finance corporation.....151				
Appropriation, current.....	BA	38,000	40,045	33,448
Outlays.....	O	38,000	22,299	22,299
Contribution to the Inter-American development bank.....151				
Appropriation, current.....	BA	480,000	763,728	150,277
				<sup>K</sup> 862,302
Outlays.....	O	381,722	356,400	321,900
Contribution to the Asian development bank.....151				
Appropriation, current.....	BA	217,500	265,000	308,215
				<sup>K</sup> 111,250
Outlays.....	O	67,171	40,800	49,007
Contribution to the African development fund.....151				
Appropriation, current.....	BA	10,000	25,000	
				<sup>K</sup> 41,667
Outlays.....	O	10,000	1,000	2,000
Payment to the International Fund for Agricultural Development.....151				
Outlays.....	O	19,600	20,400	40,000
International organizations and programs.....151				
Appropriation, current, indefinite ...	BA	240,250	260,000	
				<sup>K</sup> 277,190
Outlays.....	O	210,223	251,235	271,763
Total Federal funds Multilateral Assistance.	BA	2,165,750	2,774,852	3,902,126
	O	1,088,041	1,129,442	1,334,547
<b>Bilateral Assistance</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Functional development assistance program.....151				
Appropriation, current, indefinite ...	BA	931,000	1,132,000	
				<sup>K</sup> 1,333,879
Outlays.....	O	614,269	746,015	895,263
Sahel development program .....151				
Appropriation, current, indefinite ...	BA	50,000	75,000	
				<sup>K</sup> 105,000
Outlays.....	O	2,131	17,941	34,632
Payment to the Foreign Service retirement and disability fund .153				
Appropriation, current.....	BA		<sup>K</sup> 856	
Indefinite .....	BA	24,220	24,820	25,676
Outlays.....	O	24,220	24,820	25,676
			<sup>K</sup> 856	
American schools and hospitals abroad.....151				
Appropriation, current, indefinite ...	BA	23,750	25,000	
				<sup>K</sup> 15,000
Outlays.....	O	12,822	14,044	14,783

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>			
<b>Foreign Assistance—CONTINUED</b>			
<b>International Development Assistance—CON.</b>			
<b>Bilateral Assistance—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
International disaster assistance.151			
Appropriation, current, indefinite ...	BA 56,500	35,000	<sup>K</sup> 25,000
Reappropriation.....	BA .....	9,634	
Outlays.....	O 46,716	60,574	41,884
Operating expenses of the Agency for International Development.....151			
Appropriation, current, indefinite ...	BA 213,000	254,000	<sup>K</sup> 268,000
Outlays.....	O 206,620	248,884	264,469
Foundation for International Technological Cooperation.....151			
Appropriation, current.....	BA .....		<sup>J</sup> 25,000
Outlays.....	O .....		<sup>J</sup> 6,250
Miscellaneous appropriations.....151			
Outlays.....	O 46,298	31,916	17,215
<b>Public Enterprise Funds:</b>			
Development loans—revolving fund 151			
Outlays.....	O 60,359	40,024	30,115
Housing and other credit guaranty programs.....151			
Outlays.....	O 4,481	2,391	1,755
Overseas Private Investment Corporation.....151			
Outlays.....	O -65,395	-42,764	-42,094
Inter-American Foundation.....151			
Appropriation, current, indefinite ...	BA .....	10,000	15,964
Outlays.....	O 6,511	10,274	14,724
<b>Intragovernmental Funds:</b>			
Advance acquisition of property—revolving fund.....151			
Outlays.....	O 103		
Office of the Inspector General of Foreign Assistance.....151			
Outlays.....	O 102	139	
Consolidated working fund.....151			
Outlays.....	O 3,129		
<b>Trust Funds</b>			
Miscellaneous trust funds.....151			
Appropriation, permanent, indefinite.	BA 14,287	10,000	15,000
Outlays.....	O 6,467	10,468	15,000
Total Federal funds Bilateral Assistance.	BA 1,298,470	1,566,310	1,813,519
	O 962,366	1,155,114	1,304,672
Total Trust funds Bilateral Assistance.	BA 14,287	10,000	15,000
	O 6,467	10,468	15,000
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 3,484,220	4,341,162	5,715,845
	O 2,050,407	2,284,556	2,639,219

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>				
<b>Foreign Assistance—CONTINUED</b>				
<b>International Development Assistance—CON.</b>				
<b>Summary—CONTINUED</b>				
<b>Federal Funds:—CONTINUED</b>				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....150	BA } O }	-545	-145	-145
151	BA } O }	-301,796	-314,447	-330,986
902	BA } O }	-217,234	-303,341	-354,808
Total Federal funds.....	BA O	<u>2,944,645</u> <u>1,530,832</u>	<u>3,723,229</u> <u>1,666,623</u>	<u>5,029,706</u> <u>1,953,280</u>
<b>Trust Funds:</b>				
(As shown in detail above).....	BA O	<u>14,287</u> <u>6,467</u>	<u>10,000</u> <u>10,468</u>	<u>15,000</u> <u>15,000</u>
Deductions for offsetting receipts:				
Proprietary receipts from the public.....151	BA } O }	-14,287	-10,000	-15,000
Total Trust funds.....	O	<u>-7,820</u>	<u>468</u>	<u>.....</u>
Total International Development Assistance.	BA O	<u>2,944,645</u> <u>1,523,012</u>	<u>3,723,229</u> <u>1,667,091</u>	<u>5,029,706</u> <u>1,953,280</u>
<b>International Narcotics Control Assistance</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
International narcotics control.....151				
Appropriation, current.....	BA	<u>37,100</u>	<u>38,500</u>	<u>.....</u>
Outlays.....	O	<u>34,987</u>	<u>37,200</u>	<u>37,800</u> <u>37,000</u>
<b>Contingencies</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
President's foreign assistance contingency fund.....151				
Appropriation, current, indefinite ...	BA	<u>5,000</u>	<u>3,000</u>	<u>.....</u>
Outlays.....	O	<u>3,627</u>	<u>2,871</u>	<u>1,318</u>
Total Federal funds Foreign Assistance.	BA O	<u>5,767,307</u> <u>3,914,249</u>	<u>6,286,167</u> <u>4,291,694</u>	<u>7,567,006</u> <u>4,401,095</u>
Total Trust funds Foreign Assistance.	BA O	<u>1,197,913</u> <u>-348,976</u>	<u>2,400,000</u> <u>-99,532</u>	<u>2,200,000</u> <u>.....</u>
<b>International Commodity Agreements</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Investment in international tin buffer stock.....155				
Appropriation, current.....	BA		<u>60,000</u>	<u>.....</u>
Outlays.....	O		<u>60,000</u>	<u>.....</u>

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>			
<b>International Monetary Programs</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Supplementary financing facility, IMF			
155			
Appropriation, current.....	BA	<u>1,831,640</u>	<u></u>
<b>Israel-United States Binational Agreements</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Israel-United States binational			
agricultural research and			
development fund.....			
352			
Appropriation, current.....	BA	<u>40,000</u>	<u></u>
Outlays.....	O	<u>40,000</u>	<u></u>
<b>Petroleum Reserves</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Petroleum reserves:			
(Energy supply).....			
271			
(Outlays).....	O	<u>354,445</u>	<u>45,917</u>
			<u>168,000</u>
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	O	354,445	45,917
			168,000
Deductions for offsetting receipts:			
Proprietary receipts from the	BA	-192,813	192,813
public.....	O		-861,553
271			
	BA		886,212
	O		
Total Petroleum Reserves.....	BA	<u>-192,813</u>	<u>192,813</u>
	O	<u>161,632</u>	<u>238,730</u>
			<u>24,659</u>
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	<u>7,366,386</u>	<u>9,694,468</u>
	O	<u>5,835,540</u>	<u>5,912,471</u>
			<u>6,089,431</u>
Deductions for offsetting receipts:			
Proprietary receipts from the	BA	-545	-145
public.....	O		-145
150			
	BA	-301,796	-314,447
	O		-330,986
151			
	BA	-250,681	-217,000
	O		-210,800
152			
	BA	-192,813	192,813
	O		-861,553
271			
	BA		886,212
	O		
450			
	BA	-300	-300
	O		
902			
	BA	-290,941	-383,363
	O		-439,030
Total Federal funds.....	BA	<u>6,329,610</u>	<u>8,972,026</u>
	O	<u>4,798,764</u>	<u>5,190,029</u>
			<u>8,144,543</u>
			<u>5,132,829</u>

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Funds Appropriated to the President—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	9,657,372	11,810,000	12,815,000
	O	8,110,483	9,410,468	10,615,000
Deductions for offsetting receipts:				
Proprietary receipts from the	BA			
public.....151	O }	-14,287	-10,000	-15,000
155	BA }	-8,445,172	-9,500,000	-10,600,000
	O }			
Total Trust funds.....	BA	1,197,913	2,400,000	2,200,000
	O	-348,976	-99,532	
Total Funds Appropriated to the	BA	7,527,523	11,372,026	10,344,543
President.	O	4,449,788	5,090,497	5,132,829

**Department of Agriculture**

<b>Office of the Secretary</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Office of the Secretary.....352				
Appropriation, current.....	BA	4,349	4,291	4,534
			<sup>D</sup> 105	
Outlays.....	O	3,493	4,299	4,437
<b>Departmental Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Departmental administration.....352				
Appropriation, current.....	BA	15,590	18,511	20,909
			<sup>C</sup> 17	
			<sup>D</sup> 491	
Outlays.....	O	14,250	18,617	20,509
<b>Intragovernmental Funds:</b>				
Working capital fund.....352				
Outlays.....	O	-5,333		
Miscellaneous consolidated working				
funds.....352				
Outlays.....	O	-3,253		
Total Federal funds	BA	15,590	19,019	20,909
Departmental Administration.	O	5,664	18,617	20,509
<b>Office of the Inspector General</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Office of the Inspector General.....352				
Appropriation, current.....	BA	29,780	31,669	34,151
			<sup>D</sup> 557	
			<sup>C</sup> 303	
Outlays.....	O	28,921	31,959	33,573

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Office of the General Counsel</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Office of the General Counsel.....352				
Appropriation, current.....	BA	10,022	10,251 <sup>p347</sup>	11,305
Outlays .....	O	9,919	10,409	11,113
<b>Science and Education Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Agricultural research.....352				
Appropriation, current.....	BA	338,132	338,416 <sup>c1,479</sup> <sup>p8,571</sup>	344,872
Reappropriation.....	BA	2,000	2,000	
Outlays .....	O	310,055	323,368	310,190
Scientific activities overseas (special foreign currency program).....352				
Appropriation, current.....	BA	5,750	5,750	7,500
Outlays .....	O	7,504	6,900	7,100
Cooperative research.....352				
Appropriation, current.....	BA	143,148	174,395	178,317
Outlays .....	O	134,724	157,850	157,621
Extension activities.....352				
Appropriation, current.....	BA	269,058	275,399	259,227
Outlays .....	O	251,739	250,409	232,656
Technical information systems.....352				
Appropriation, current.....	BA	7,109	7,527 <sup>p200</sup>	7,835
Outlays .....	O	6,349	7,293	7,317
Buildings and facilities.....352				
Appropriation, current.....	BA		35,720	
Outlays .....	O		5,650	18,275
Library facilities.....352				
Outlays .....	O	13		
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....352				
Outlays .....	O	2,267	249	
<b>Trust Funds</b>				
Miscellaneous contributed funds.....352				
Appropriation, permanent, indefinite.....	BA	1,650	1,500	1,500
Outlays .....	O	846	976	976
Total Federal funds Science and Education Administration.....	BA	765,197	849,457	797,751
	O	712,651	751,719	733,159
Total Trust funds Science and Education Administration.....	BA	1,650	1,500	1,500
	O	846	976	976
<b>Economics, Statistics, and Cooperatives Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....352				
Appropriation, current.....	BA	6,751	80,112 <sup>c4</sup> <sup>p2,962</sup>	87,903
Outlays .....	O	5,704	82,711	87,536

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Economics, Statistics, and Cooperatives Service—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
Statistical Reporting Service.....352				
Appropriation, current.....	BA	38,711		
Outlays.....	0	39,587		
Economic Research Service.....352				
Appropriation, current.....	BA	31,721		
Outlays.....	0	28,844		
<b>Trust Funds</b>				
Miscellaneous contributed funds..352				
Appropriation, permanent, indefinite.	BA	88	101	101
Outlays.....	0	63	137	122
Total Federal funds Economics, Statistics, and Cooperatives Service.	BA	77,183	83,078	87,903
	0	74,135	82,711	87,536
Total Trust funds Economics, Statistics, and Cooperatives Service.	BA	88	101	101
	0	63	137	122
<b>World Food and Agricultural Outlook and Situation Board</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
World food and agricultural outlook and situation board.....352				
Appropriation, current.....	BA	1,005	1,009	1,045
			<sup>P40</sup>	
Outlays.....	0	396	1,131	995
<b>Foreign Agricultural Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Foreign Agricultural Service.....352				
Appropriation, current.....	BA	46,559	53,397	54,929
			<sup>P570</sup>	
Outlays.....	0	43,481	51,867	53,840
Salaries and expenses (special foreign currency program).....352				
Outlays.....	0	640	500	500
Total Federal funds Foreign Agricultural Service.	BA	46,559	53,967	54,929
	0	44,121	52,367	54,340
<b>Office of International Cooperation and Development</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....352				
Appropriation, current.....	BA	271	447	2,964
Outlays.....	0	59	646	2,964
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....151				
Outlays.....	0	3,611		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Office of International Cooperation and Development—CONTINUED</b>				
<i>Trust Funds</i>				
Miscellaneous contributed funds..352				
Appropriation, permanent, indefinite.	BA	234	5,500	5,547
Outlays.....	O	-195	6,341	5,547
Total Federal funds Office of International Cooperation and Development.	BA	271	447	2,964
	O	3,670	646	2,964
Total Trust funds Office of International Cooperation and Development.	BA	234	5,500	5,547
	O	-195	6,341	5,547
<b>Foreign Assistance Programs</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Expenses, Public Law 480, foreign assistance programs, Agriculture 151				
Appropriation, current.....	BA	922,885	805,900	719,476
Outlays.....	O	808,239	1,054,864	993,200
Increase (-) or decrease in amount owed by the Public Law 480 account to the Commodity Credit Corporation.....351				
Outlays.....	O	114,646	-248,964	-273,724
Total Federal funds Foreign Assistance Programs.	BA	922,885	805,900	719,476
	O	922,885	805,900	719,476
<b>Agricultural Stabilization and Conservation Service</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....351				
Appropriation, current.....	BA	227,986	227,527	190,586
Outlays.....	O	215,124	229,991	185,870
Sugar Act program.....351				
Outlays.....	O	-1		
Agricultural conservation program 302				
Appropriation, current.....	BA	36,600	190,000	125,000
Contract authority, current.....	BA	190,000		
Liquidation of contract authority, current.		(165,000)	(190,000)	
Outlays.....	O	264,949	231,700	118,600
Water Bank program.....302				
Appropriation, current.....	BA	10,000	10,000	
Outlays.....	O	6,210	7,100	7,100
Cropland adjustment program.....351				
Outlays.....	O	-30		
Emergency conservation program.453				
Appropriation, current.....	BA	30,000	10,000	20,000
Outlays.....	O	15,496	25,000	25,000
Dairy and beekeeper indemnity programs.....351				
Appropriation, current.....	BA	4,050	3,240	400
Outlays.....	O	4,410	3,240	400



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>			
<b>Agricultural Stabilization and Conservation Service—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
Forestry incentives program.....302			
Appropriation, current.....	BA 15,000	15,000	10,000
Outlays.....	0 16,265	15,661	17,145
Total Federal funds Agricultural Stabilization and Conservation Service.	BA 513,636	455,767	345,986
	0 522,423	512,692	354,115
<b>Federal Crop Insurance Corporation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Administrative and operating expenses.....351			
Appropriation, current.....	BA 11,986	12,000	12,000
Outlays.....	0 11,282	12,000	12,000
			12,000
			12,000
<b>Public Enterprise Funds:</b>			
Federal Crop Insurance Corporation fund.....351			
Appropriation, current, indefinite...	BA 50,000		
Outlays.....	0 46,154	9,496	8,126
			13,557
Limitation on administrative and operating expenses.		(12,669)	(13,557)
		<sup>D</sup> (560)	
Total Federal funds Federal Crop Insurance Corporation.	BA 61,986	12,000	
	0 57,436	21,496	-5,431
<b>Commodity Credit Corporation</b>			
<b>Support and Related Activities</b>			
<b>Federal Funds</b>			
<b>Public Enterprise Funds:</b>			
Price support and related programs:			
Reimbursement for net realized losses.....351			
Appropriation, current.....	BA 524,342	990,900	3,056,189
Authority to borrow, current.....	BA	5,500,000	
Outlays.....	0 5,623,347	4,737,007	2,511,320
		271,284	127,138
Limitation on administrative expenses.	(45,750)	(50,100)	(50,700)
			<sup>A</sup> (66,004)
Total Federal funds Support and Related Activities.	BA 524,342	6,490,900	3,056,189
	0 5,623,347	5,008,291	2,638,458
<b>Special Activities</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
National Wool Act (special fund)...351			
Appropriation, permanent, indefinite.	BA 10,428	33,038	39,462
Outlays.....	0 33,038	39,462	42,559

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>			
<b>Commodity Credit Corporation—CONTINUED</b>			
<b>Special Activities—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds:</b>			
Increase or decrease (–) in amount owed to the Corporation by the Public Law 480 account.....351			
Outlays.....	0	–114,646	248,964
			273,724
Total Federal funds Special Activities.....	BA 10,428	33,038	39,462
	0 –81,608	288,426	316,283
Total Federal funds Commodity Credit Corporation.....	BA 534,770	6,523,938	3,095,651
	0 5,541,739	5,296,717	2,954,741
<b>Rural Electrification Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....271			
Appropriation, current.....	BA 23,796	24,805	25,970
		756	
Outlays.....	0 23,429	25,449	26,574
<b>Farmers Home Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Rural water and waste disposal grants.....452			
Appropriation, current.....	BA 300,000	282,500	265,000
Outlays.....	0 180,034	284,136	243,066
Rural development grants.....452			
Appropriation, current.....	BA 10,000	10,000	10,000
Outlays.....	0 9,904	12,472	10,016
Rural development planning grants.....452			
Appropriation, current.....	BA 5,000	5,000	
Outlays.....	0 7,900	7,900	2,100
Salaries and expenses.....452			
Appropriation, current.....	BA 197,327	218,432	225,818
		cg	
		26,805	
Outlays.....	0 188,037	223,926	225,495
Rural community fire protection grants.....452			
Appropriation, current.....	BA 3,500	3,500	
Outlays.....	0 2,664	4,309	1,303
Rural housing for domestic farm labor.....604			
Appropriation, current.....	BA 7,500	33,000	25,000
Outlays.....	0 6,228	8,356	9,989
Mutual and self-help housing.....604			
Appropriation, current.....	BA 9,000	13,500	5,000
Outlays.....	0 4,471	8,427	7,763
Rural housing supervisory assistance grants.....371			
Appropriation, current.....	BA	2,500	1,200
Outlays.....	0	2,500	1,200
Very low income housing repair grants.....604			
Appropriation, current.....	BA 9,000	19,000	24,000
Outlays.....	0 8,688	19,003	23,900

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>			
<b>Farmers Home Administration—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Public Enterprise Funds:</b>			
Self-help housing land development fund.....371			
Appropriation, current.....	BA	1,000	
Outlays .....	O	704	-40
Rural housing insurance fund.....371			
Appropriation, current.....	BA	329,806	320,192
Indefinite .....	BA	46,861	320,209
		<sup>4</sup> 30,000	136,580
Appropriation, permanent, indefinite.	BA	726	455
Authority to borrow, current.....	BA	<sup>4</sup> 954,960	
Authority to borrow, permanent, indefinite.	BA	338,457	469,167
Outlays .....	O	449,087	184,971
		<sup>4</sup> 30,000	331,080
Agricultural credit insurance fund 351			<sup>4</sup> 30,000
Appropriation, current, indefinite ...	BA	164,735	143,565
Authority to borrow, permanent, indefinite.	BA	343,818	272,809
Outlays .....	O	653,451	-383,398
Rural development insurance fund 452			187,123
Appropriation, current, indefinite ...	BA	75,547	107,276
Authority to borrow, permanent, indefinite.	BA	375,019	355,370
Outlays .....	O	136,620	132,952
Community Services loan fund.....452			-8,148
Outlays .....	O	-1,605	250
Total Federal funds Farmers Home Administration.	BA	2,169,435	3,023,091
	O	1,637,821	2,583,086
		536,508	1,065,543
<b>Soil Conservation Service</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Conservation operations.....302			
Appropriation, current.....	BA	250,111	255,466
			<sup>2</sup> 8,587
Outlays .....	O	242,466	282,069
Rural clean water program.....304			
Appropriation, current.....	BA		75,000
Outlays .....	O		6,660
River basin surveys and investigations.....301			
Appropriation, current.....	BA	16,456	16,487
			<sup>2</sup> 490
Outlays .....	O	16,468	17,699
Watershed planning.....301			
Appropriation, current.....	BA	12,575	11,847
			<sup>2</sup> 446
Outlays .....	O	12,394	13,695
Watershed and flood prevention operations.....301			
Appropriation, current.....	BA	269,270	169,607
Outlays .....	O	174,628	257,875
			211,864

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Soil Conservation Service—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Great plains conservation program				
302				
Appropriation, current.....	BA	22,069	18,288 P401	8,426
Outlays.....	0	21,881	22,734	21,005
Resource conservation and development.....302				
Appropriation, current.....	BA	31,959	25,000 P441	2,943
Outlays.....	0	30,321	37,967	6,467
<b>Trust Funds</b>				
Miscellaneous contributed funds:				
(Water resources).....301				
(Appropriation, permanent, indefinite).	BA	808	1,092	1,050
(Outlays).....	0	1,208	1,380	950
(Conservation and land management).....302				
(Appropriation, permanent, indefinite).	BA	143	120	50
(Outlays).....	0	120	120	50
Total Miscellaneous contributed funds.	BA	951	1,212	1,100
	0	1,328	1,500	1,000
Total Federal funds Soil Conservation Service.	BA	602,440	507,060	547,003
	0	498,158	632,039	524,648
Total Trust funds Soil Conservation Service.	BA	951	1,212	1,100
	0	1,328	1,500	1,000
<b>Animal and Plant Health Inspection Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Animal and Plant Health Inspection Service.....352				
Appropriation, current.....	BA	208,427	232,315 P5,178	220,976
Outlays.....	0	200,338	237,191	198,846
Animal quarantine station.....352				
Outlays.....	0	-327	520	
<b>Trust Funds</b>				
Miscellaneous trust funds.....352				
Appropriation, permanent, indefinite.	BA	1,035	3,109	3,659
Outlays.....	0	767	3,109	3,659
Total Federal funds Animal and Plant Health Inspection Service.	BA	208,427	237,493	220,976
	0	200,011	237,711	198,846
Total Trust funds Animal and Plant Health Inspection Service.	BA	1,035	3,109	3,659
	0	767	3,109	3,659

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Federal Grain Inspection Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....352				
Appropriation, current.....	BA	17,460	22,680	23,372
Outlays.....	O	14,948	22,680	23,372
<b>Public Enterprise Funds:</b>				
Inspection and weighing services				
352				
Outlays.....	O	-3,675	1,675	1,675
Total Federal funds Federal	BA	17,460	22,680	23,372
Grain Inspection Service.	O	11,273	24,355	25,047
<b>Agricultural Marketing Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Marketing services.....352				
Appropriation, current.....	BA	43,039	46,502	50,707
			21,352	
Outlays.....	O	42,221	47,704	50,557
Payments to States and possessions				
352				
Appropriation, current.....	BA	1,600	1,600	
Outlays.....	O	566	2,627	
Perishable Agricultural Commodities				
Act fund.....352				
Appropriation, permanent,	BA	1,736	1,621	1,621
indefinite.				
Outlays.....	O	1,815	1,880	1,880
<b>Trust Funds</b>				
Miscellaneous trust funds.....352				
Appropriation, permanent,	BA	1,536	200	200
indefinite.				
Outlays.....	O	-126	429	200
Milk market orders assessment fund				
351				
Outlays.....	O	1,682		
Total Federal funds Agricultural	BA	46,375	51,075	52,328
Marketing Service.	O	44,602	52,211	52,437
Total Trust funds Agricultural	BA	1,536	200	200
Marketing Service.	O	1,556	429	200
<b>Food Safety and Quality Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....554				
Appropriation, current.....	BA	269,040	271,104	279,930
			210,677	
Outlays.....	O	261,997	281,085	278,403
Funds for strengthening markets,				
income, and supply (section 32)				
604				
Appropriation, permanent,	BA	364,600	223,191	314,842
indefinite.				
Outlays.....	O	272,910	319,825	297,966

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Food Safety and Quality Service—CON.</b>				
<i>Trust Funds</i>				
Expenses and refunds, inspection and grading of farm products.352				
Appropriation, permanent, indefinite.	BA	47,953	51,074	53,772
Outlays.....	O	46,107	50,950	53,420
Total Federal funds Food Safety and Quality Service.	BA	633,640	504,972	594,772
	O	534,907	600,910	576,369
Total Trust funds Food Safety and Quality Service.	BA	47,953	51,074	53,772
	O	46,107	50,950	53,420
<b>Food and Nutrition Service</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Food program administration.....604				
Appropriation, current.....	BA	69,821	75,141	84,422
			<sup>D</sup> 2,149	
Outlays.....	O	66,851	80,540	83,356
Food stamp program.....604				
Appropriation, current.....	BA	5,618,381	5,770,581	6,926,520
			<sup>A</sup> 245,000	
			<sup>F</sup> -303	
Outlays.....	O	5,498,775	6,075,700	6,876,600
			<sup>A</sup> 245,000	
Special milk program.....604				
Appropriation, current.....	BA	155,000	142,000	32,000
Outlays.....	O	138,596	139,900	32,000
Child nutrition programs.....604				
Appropriation, current.....	BA	1,486,734	1,285,535	1,450,218
				<sup>J</sup> -357,600
Appropriation, permanent.....	BA	1,014,557	1,411,575	1,711,083
Outlays.....	O	2,526,732	2,669,300	3,022,434
				<sup>J</sup> -357,600
Special supplemental food programs (WIC).....604				
Appropriation, current.....	BA	247,000	569,500	771,500
Outlays.....	O	370,569	538,800	730,200
Food donations program.....604				
Appropriation, current.....	BA	61,400	57,800	90,290
			<sup>A</sup> 24,901	
Outlays.....	O	51,686	57,800	90,290
			<sup>A</sup> 24,536	<sup>A</sup> 365
Total Federal funds Food and Nutrition Service.	BA	8,652,893	9,583,879	10,708,433
	O	8,653,209	9,831,576	10,477,645
<b>Forest Service</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Forest management, protection and utilization.....302				
Appropriation, current.....	BA	911,592	847,026	889,430
			<sup>A</sup> 60,000	
			<sup>D</sup> 28,759	
Outlays.....	O	782,379	848,961	750,928
			<sup>A</sup> 57,600	<sup>A</sup> 2,400

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>				
<b>Forest Service—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Construction and land acquisition				
302				
Appropriation, current.....	BA	253,208	279,311 <sup>D442</sup>	335,547
Outlays.....	O	65,719	204,524	207,331
Youth Conservation Corps.....	302			
Appropriation, current.....	BA	60,000	60,000	
Outlays.....	O	63,099	69,982	6,000
Forest roads and trails.....	302			
Appropriation, current.....	BA	187,224	224,275 <sup>D9,489</sup>	
Liquidation of contract authority, current.....		(78,781)		
Outlays.....	O	174,928	192,674	160,031
Other general appropriations.....	302			
Outlays.....	O	1	282	
Acquisition of lands for national forests, special acts.....	302			
Appropriation, current.....	BA	165	385	325
Outlays.....	O	88	358	325
Acquisition of lands to complete land exchanges.....	302			
Appropriation, current, indefinite ...	BA	38	239	155
Outlays.....	O		239	155
Rangeland improvements.....	302			
Appropriation, current, indefinite ...	BA	5,200	5,400	5,900
Outlays.....	O	2,829	5,826	4,135
Construction and operation of recreation facilities.....	303			
Appropriation, current, indefinite ...	BA	4,084	3,459	3,850
Outlays.....	O	3,227	4,129	2,850
Timber salvage sales.....	302			
Appropriation, current.....	BA		3,000	
Appropriation, permanent, indefinite.....	BA	8,397	14,228	11,000
Outlays.....	O	4,904	10,025	8,070
Rights of way.....	302			
Appropriation, current.....	BA		100	
Outlays.....	O		100	
Forest Service permanent appropriations.....	302			
Appropriation, permanent, indefinite.....	BA	120,908	124,854	150,724
Outlays.....	O	101,590	106,237	138,040
Forest Service permanent appropriations.....	852			
Appropriation, permanent, indefinite.....	BA	225,805	240,593	283,458
Outlays.....	O	225,702	240,593	283,458
<b>Intragovernmental Funds:</b>				
Working capital fund.....	302			
Outlays.....	O	-6,955		
Consolidated working fund.....	302			
Outlays.....	O	8,963	3,803	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Agriculture—CONTINUED</b>			
<b>Forest Service—CONTINUED</b>			
<b>Trust Funds</b>			
Cooperative work.....302			
Appropriation, permanent, indefinite.	BA 87,830	105,002	96,609
Outlays.....	O 77,261	78,174	84,980
Highland scenic highway.....401			
Appropriation, current.....	BA 1,500		
Outlays.....	O 5,732	3,050	3,869
Total Federal funds Forest Service.	BA 1,776,621	1,901,360	1,680,389
	O 1,426,474	1,745,333	1,563,723
Total Trust funds Forest Service	BA 89,330	105,002	96,609
	O 82,993	81,224	88,849
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 17,114,320	24,709,316	21,612,933
	O 20,957,337	21,276,755	19,482,359
Deductions for offsetting receipts:			
Intrafund transactions.....302	BA } -35,204	-188,350	-233,355
	O }		
Proprietary receipts from the public.....270	BA } -2		
	O }		
300	BA } -361,374	-379,606	-445,325
	O }		
302	BA } -201,164	-477,839	-387,115
	O }		
350	BA } 14,017	-2,806	-2,806
	O }		
450	BA } 1,577	-23	-23
	O }		
550	BA } -4	-69	-69
	O }		
600	BA } 1,239	-319	-319
	O }		
902	BA } -209	-189	-190
	O }		
Total Federal funds.....	BA 16,533,196	23,660,115	20,543,731
	O 20,376,213	20,227,554	18,413,157
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 142,777	167,696	162,488
	O 133,465	144,666	153,773
Deductions for offsetting receipts:			
Proprietary receipts from the public.....302	BA } -87,830	-105,002	-96,609
	O }		
352	BA } -53,447	-62,696	-65,879
	O }		
Total Trust funds.....	BA 1,500		
	O -7,812	-23,032	-8,715
Total Department of Agriculture	BA 16,534,696	23,660,115	20,543,731
	O 20,368,401	20,204,522	18,404,442



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce</b>				
<b>General Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....376				
Appropriation, current.....	BA	21,879	24,900 <sup>c2</sup>	26,612
			<sup>p778</sup>	
Outlays.....	0	22,741	25,826	25,902
White House conference on balanced national growth and economic development.....376				
Appropriation, current.....	BA	750		
Outlays.....	0	718		
Special foreign currency program..376				
Outlays.....	0	309	472	490
Participation in United States expositions.....376				
Appropriation, current.....	BA		<sup>4200</sup>	
Outlays.....	0	135	174	
			<sup>4200</sup>	
<b>Intragovernmental Funds:</b>				
Working capital fund.....376				
Outlays.....	0	16		
Consolidated working fund.....376				
Outlays.....	0	76	-687	
<b>Trust Funds</b>				
Miscellaneous trust funds.....376				
Appropriation, permanent.....	BA	154	200	200
Outlays.....	0	101	170	170
Total Federal funds General	BA	22,629	25,880	26,612
Administration.	0	23,995	25,985	26,392
Total Trust funds General	BA	154	200	200
Administration.	0	101	170	170
<b>Bureau of the Census</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....376				
Appropriation, current.....	BA	47,614	49,286	55,632
			<sup>p1,837</sup>	
Outlays.....	0	45,622	50,821	55,247
Periodic censuses and programs..376				
Appropriation, current.....	BA	82,848	196,800	630,974
			<sup>p5,398</sup>	
Outlays.....	0	67,637	161,514	520,387
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....376				
Outlays.....	0	2,213		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>				
<b>Bureau of the Census—CONTINUED</b>				
<i>Trust Funds</i>				
Special studies, services, and projects.....376				
Appropriation, permanent, indefinite.	BA	6,362	6,961	7,301
Outlays.....	O	6,000	6,961	7,301
Total Federal funds Bureau of the Census.	BA	130,462	253,321	686,606
	O	115,472	212,335	575,634
Total Trust funds Bureau of the Census.	BA	6,362	6,961	7,301
	O	6,000	6,961	7,301
<b>Economic and Statistical Analysis</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....376				
Appropriation, current.....	BA	14,110	16,430	17,898
			<sup>P</sup> 547	
Outlays.....	O	13,882	17,035	17,561
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....376				
Outlays.....	O	235		
<i>Trust Funds</i>				
Special studies, services, and projects.....376				
Appropriation, permanent, indefinite.	BA	154	200	200
Outlays.....	O	152	200	200
Total Federal funds Economic and Statistical Analysis.	BA	14,110	16,977	17,898
	O	14,117	17,035	17,561
Total Trust funds Economic and Statistical Analysis.	BA	154	200	200
	O	152	200	200
<b>Economic Development Assistance</b>				
<i>Economic Development Administration</i>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....452				
Appropriation, current.....	BA	28,285	29,300	42,667
			<sup>P</sup> 1,301	
Outlays.....	O	29,391	29,858	38,232
Economic development assistance programs.....452				
Appropriation, current.....	BA	494,000	507,525	92,000
				<sup>A</sup> 624,375
Outlays.....	O	329,856	350,187	501,635
Local public works program.....452				
Appropriation, current.....	BA	3,788	10,600	
			<sup>P</sup> 387	
Outlays.....	O	3,057,363	2,050,985	319,199
Drought assistance program.....453				
Outlays.....	O	132,594	16,848	5,000
Financial and technical assistance 376				
Outlays.....	O	263	1,000	954
Job opportunities program.....504				
Outlays.....	O	11,560	15,786	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>				
<b>Economic Development Assistance—CON.</b>				
<b>Economic Development Administration—CON.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>Public Enterprise Funds:</b>				
Economic development revolving fund.....452				
Outlays.....	O	-33,009	-32,000	-33,000
Total Federal funds Economic Development Administration.	BA	<u>526,073</u>	<u>549,113</u>	<u>759,042</u>
	O	<u>3,528,018</u>	<u>2,432,664</u>	<u>832,020</u>
<b>Regional Action Planning Commissions</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Regional development programs...452				
Appropriation, current.....	BA	64,748	62,800	.....
Outlays.....	O	59,833	67,711	*74,005
				70,157
<b>Trust Funds</b>				
Regional action planning commissions.....452				
Appropriation, permanent, indefinite.	BA	43,999	41,963	43,758
Outlays.....	O	43,316	41,252	36,908
Total Federal funds Economic Development Assistance.	BA	<u>590,821</u>	<u>611,913</u>	<u>833,047</u>
	O	<u>3,587,851</u>	<u>2,500,375</u>	<u>902,177</u>
Total Trust funds Economic Development Assistance.	BA	<u>43,999</u>	<u>41,963</u>	<u>43,758</u>
	O	<u>43,316</u>	<u>41,252</u>	<u>36,908</u>
<b>Promotion of Industry and Commerce</b>				
<b>Industry and Trade Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Operations and administration.....376				
Appropriation, current.....	BA	69,366	71,775	73,728
Outlays.....	O	65,841	*1,888	*11,480
			73,629	84,408
<b>Trust Funds</b>				
Miscellaneous trust funds.....376				
Appropriation, permanent, indefinite.	BA	5,495	5,522	9,475
Outlays.....	O	6,447	5,726	9,475
<b>Minority Business Enterprise</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Minority business development.....376				
Appropriation, current.....	BA	49,397	57,965	58,703
Outlays.....	O	54,542	53,000	56,248
<b>United States Travel Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....376				
Appropriation, current.....	BA	14,364	13,500	.....
Outlays.....	O	13,847	*97	14,097

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>			
<b>Promotion of Industry and Commerce—CON.</b>			
<b>United States Travel Service—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds:</b>			
Consolidated working fund .....376			
Outlays .....	0	-113	122
Total Federal funds United States Travel Service.	BA	14,364	13,597
	0	13,734	14,219
Total Federal funds Promotion of Industry and Commerce.	BA	133,127	145,225
	0	134,117	140,848
Total Trust funds Promotion of Industry and Commerce.	BA	5,495	5,522
	0	6,447	5,726
<b>Science and Technology</b>			
<b>National Oceanic and Atmospheric Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operations, research, and facilities			
306			
Appropriation, current.....	BA	627,142	663,850
			662,766
			<sup>A</sup> 54,816
			<sup>C</sup> 1,427
			<sup>D</sup> 14,713
			<sup>E</sup> 363
Indefinite .....	BA	817	800
Outlays .....	0	636,529	670,830
Construction .....306			707,676
Appropriation, current.....	BA	15,500	
Outlays .....	0	2,416	10,000
Coastal zone management.....302			3,726
Appropriation, current.....	BA	50,850	57,200
			61,354
			<sup>A</sup> 4,624
			<sup>A</sup> 7,000
			<sup>D</sup> 140
Outlays .....	0	27,647	43,098
			<sup>A</sup> 2,000
Promote and develop fishery products and research pertaining to American fisheries.....376			
Appropriation, current.....	BA		<sup>J</sup> -23,000
Appropriation, permanent, indefinite.	BA	12,984	12,436
Outlays .....	0	6,608	13,947
			15,400
			<sup>J</sup> -12,000
Fishing vessel and gear damage compensation fund .....376			
Appropriation, current.....	BA		<sup>A</sup> 3,500
Indefinite .....	BA		3,500
Outlays .....	0		2,800
			<sup>A</sup> 2,800
Fishermen's contingency fund .....376			
Appropriation, current.....	BA		600
			<sup>A</sup> 600
Outlays .....	0		600
			<sup>A</sup> 600

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>			
<b>Science and Technology—CONTINUED</b>			
<b>National Oceanic and Atmospheric Administration—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Public Enterprise Funds:</b>			
Fisheries loan fund.....376			
Outlays.....	0	-114	85
Fishermen's guaranty fund.....376			
Outlays.....	0	-279	-100
Coastal energy impact fund.....452			
Appropriation, current.....	BA	115,000	4,043
Outlays.....	0	383	11,193
Federal ship financing fund, fishing vessels.....376			
Outlays.....	0	-292	-50
<b>Intragovernmental Funds:</b>			
Consolidated working fund.....306			
Outlays.....	0	-1,999	
<b>Trust Funds</b>			
Miscellaneous trust funds.....306			
Appropriation, permanent, indefinite.....	BA	10,838	12,000
Outlays.....	0	11,217	12,000
Total Federal funds National Oceanic and Atmospheric Administration.....	BA	822,293	762,029
	0	670,899	754,403
Total Trust funds National Oceanic and Atmospheric Administration.....	BA	10,838	12,000
	0	11,217	12,000
<b>Patent and Trademark Office</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA	94,321	93,600
			69
			2,985
Outlays.....	0	91,763	95,746
<b>Science and Technical Research</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Scientific and technical research and services.....376			
Appropriation, current.....	BA	73,801	84,370
			459
			2,281
Outlays.....	0	72,531	78,918
<b>Intragovernmental Funds:</b>			
Working capital fund.....376			
Appropriation, current.....	BA	3,208	3,330
Outlays.....	0	3,559	1,530
Consolidated working fund.....376			
Outlays.....	0	1,494	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>				
<b>Science and Technology—CONTINUED</b>				
<b>Science and Technical Research—CON.</b>				
<b>Trust Funds</b>				
Information products and services				
376				
Appropriation, permanent, indefinite.	BA	18,273	19,787	22,000
Outlays .....	O	18,442	19,787	22,000
Total Federal funds Science and Technical Research.	BA	77,009	90,440	100,454
	O	77,584	80,448	100,238
Total Trust funds Science and Technical Research.	BA	18,273	19,787	22,000
	O	18,442	19,787	22,000
<b>National Telecommunications and Information Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses .....				
376				
Appropriation, current .....	BA	7,831	11,864	18,762
			<sup>A</sup> 541	
			<sup>D</sup> 130	
Outlays .....	O	4,005	11,361	17,264
			<sup>A</sup> 500	<sup>A</sup> 41
Public telecommunications facilities, planning and construction .....				
376				
Appropriation, current .....	BA		18,000	23,705
Outlays .....	O		12,769	15,805
Total Federal funds National Telecommunications and Information Administration.	BA	7,831	30,535	42,467
	O	4,005	24,630	33,110
Total Federal funds Science and Technology.	BA	1,001,454	979,658	1,033,022
	O	844,251	955,227	1,067,319
Total Trust funds Science and Technology.	BA	29,111	31,787	34,000
	O	29,659	31,787	34,000
<b>Ocean Shipping</b>				
<b>Maritime Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Ship construction .....				
403				
Appropriation, current .....	BA	135,000	157,000	<sup>K</sup> 101,000
Outlays .....	O	156,657	162,000	218,000
Operating-differential subsidies .....				
403				
Contract authority, permanent, indefinite.	BA	284,709	278,904	308,065
Liquidation of contract authority, current.		(352,000)	(250,000)	(256,208)
Outlays .....	O	303,194	292,526	306,714
Research and development .....				
403				
Appropriation, current .....	BA	18,325	17,500	<sup>K</sup> 16,360
Outlays .....	O	17,227	19,500	16,360

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>			
<b>Ocean Shipping—CONTINUED</b>			
<b>Maritime Administration—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Operations and training.....403			
Appropriation, current.....	BA 56,044	56,525	61,472
		C192	
		D1,245	
Outlays.....	0 55,000	58,781	60,956
<b>Public Enterprise Funds:</b>			
Federal ship financing fund .....403			
Outlays.....	0 66,303	41,800	-52,500
Vessel operations revolving fund.....403			
Outlays.....	0 10	655	
War risk insurance revolving fund 403			
Outlays.....	0 -440	-404	-549
<b>Intragovernmental Funds:</b>			
Consolidated working fund .....403			
Outlays.....	0 -83		
<b>Trust Funds</b>			
Special studies, services and projects .....403			
Appropriation, permanent, indefinite.	BA 513	400	420
Outlays.....	0 410	586	420
Total Federal funds Maritime Administration.	BA 494,078	511,366	486,897
	0 597,868	491,258	548,981
Total Trust funds Maritime Administration.	BA 513	400	420
	0 410	586	420
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 2,386,681	2,544,340	3,228,073
	0 5,317,671	4,343,063	3,278,720
<b>Deductions for offsetting receipts:</b>			
Proprietary receipts from the public.....300	BA } -550	-866	-866
	0 }		
370	BA } -5,136	-406	-252
	0 }		
400	BA } -64,055	-6,537	-6,586
	0 }		
450	BA } -479	-418	-418
	0 }		
902	BA } -9,089	-3,331	-3,274
	0 }		
Total Federal funds.....	BA 2,307,372	2,532,782	3,216,677
	0 5,238,362	4,331,505	3,267,324
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 85,788	87,033	95,354
	0 86,085	86,682	88,474
<b>Deductions for offsetting receipts:</b>			
Intrafund transactions.....376	BA } -985	-985	-985
	0 }		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Commerce—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds:—CONTINUED</b>				
Proprietary receipts from the public.....	306 BA } O }	-10,838	-12,000	-12,000
	376 BA } O }	-26,523	-28,548	-34,721
	403 BA } O }	-513	-400	-420
	452 BA } O }	-1,606	-1,706	-1,982
Total Trust funds.....	BA O	45,323 45,620	43,394 43,043	45,246 38,366
Interfund transactions.....	376 BA } O }	-2,800	-2,967	-3,300
	452 BA } O }	-42,393	-40,257	-41,776
Total Department of Commerce.	BA O	2,307,502 5,238,789	2,532,952 4,331,324	3,216,847 3,260,614

**Department of Defense—Military**

<b>Military Personnel</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Military personnel, Army.....	051			
Appropriation, current.....	BA	9,176,733	9,154,325 ^100,100 ^440,375	9,754,500
Outlays .....	O	9,197,825	9,444,900 ^100,100	9,594,000
Military personnel, Navy.....	051			
Appropriation, current.....	BA	6,444,413	6,461,600 ^32,700 ^306,700	6,892,500
Outlays .....	O	6,384,533	6,672,300 ^32,700	6,792,000
Military personnel, Marine Corps.....	051			
Appropriation, current.....	BA	2,022,200	2,014,975 ^12,100 ^97,425	2,135,000
Outlays .....	O	2,007,804	2,071,900 ^12,100	2,088,000
Military personnel, Air Force.....	051			
Appropriation, current.....	BA	7,568,090	7,525,001 ^17,200 ^366,199	7,876,400
Outlays .....	O	7,526,267	7,802,800 ^17,200	7,822,000
Reserve personnel, Army.....	051			
Appropriation, current.....	BA	532,600	547,350 ^18,950	597,600
Outlays .....	O	518,782	547,000	578,000
Reserve personnel, Navy.....	051			
Appropriation, current.....	BA	225,400	227,025 ^8,975	184,100
Outlays .....	O	213,765	228,000	184,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>			
<b>Military Personnel—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Reserve personnel, Marine Corps..051			
Appropriation, current.....	BA 82,424	84,125 <sup>A</sup> 500 <sup>E</sup> 3,075	87,000
Outlays.....	O 82,559	84,500 <sup>A</sup> 500	85,000
Reserve personnel, Air Force.....051			
Appropriation, current.....	BA 183,800	186,850 <sup>A</sup> 4,100 <sup>E</sup> 7,750	214,700
Outlays.....	O 175,257	184,900 <sup>A</sup> 4,100	204,000
National Guard personnel, Army...051			
Appropriation, current.....	BA 772,500	759,200 <sup>A</sup> 5,300 <sup>E</sup> 36,600	874,200
Outlays.....	O 733,557	760,700 <sup>A</sup> 5,300	834,000
National Guard personnel, Air Force 051			
Appropriation, current.....	BA 237,600	256,477 <sup>E</sup> 8,123	273,500
Outlays.....	O 234,999	251,000	266,000
Total Federal funds Military Personnel.	BA 27,245,760 O 27,075,348	28,683,100 28,220,000	28,889,500 28,447,000
<b>Retired Military Personnel</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Retired pay, Defense.....051			
Appropriation, current.....	BA 9,179,600	10,139,838 <sup>A</sup> 178,662	11,451,500
Outlays.....	O 9,171,474	10,102,338 <sup>A</sup> 178,662	11,435,000
<b>Operation and Maintenance</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operation and maintenance, Army 051			
Appropriation, current.....	BA 8,631,789	9,119,967 <sup>A</sup> 92,300 <sup>C</sup> 77,200 <sup>D</sup> 97,080	9,907,400
Outlays.....	O 8,476,147	9,051,600 <sup>A</sup> 76,400	9,635,100 <sup>A</sup> 15,900
Operation and maintenance, Navy 051			
Appropriation, current.....	BA 11,065,506	11,695,895 <sup>A</sup> 67,600 <sup>C</sup> 95,800 <sup>D</sup> 32,400	12,801,600
Outlays.....	O 10,319,924	11,111,700 <sup>A</sup> 46,300	12,099,700 <sup>A</sup> 21,300

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>				
<b>Operation and Maintenance—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Operation and maintenance, Marine Corps.....051				
Appropriation, current.....	BA	658,976	733,000 C2,800	735,800
Outlays.....	O	624,998	676,000	723,000
Operation and maintenance, Air Force.....051				
Appropriation, current.....	BA	8,605,176	9,249,784 A58,480 C40,800 D57,100	10,091,600
Outlays.....	O	8,541,356	8,932,600 A50,400	9,722,000 A8,000
Operation and maintenance, Defense agencies.....051				
Appropriation, current.....	BA	2,955,322	3,001,984 A2,300 C8,000 D94,200	3,578,200
Outlays.....	O	2,857,253	3,013,700 A2,300	3,416,000
Operation and maintenance, Army Reserve.....051				
Appropriation, current.....	BA	391,494	416,900 D3,400	418,100
Outlays.....	O	393,712	408,000	410,000
Operation and maintenance, Navy Reserve.....051				
Appropriation, current.....	BA	319,298	382,900	381,600
Outlays.....	O	306,707	359,000	312,000
Operation and maintenance, Marine Corps Reserve.....051				
Appropriation, current.....	BA	16,613	19,900	20,967
Outlays.....	O	14,712	18,000	20,000
Operation and maintenance, Air Force Reserve.....051				
Appropriation, current.....	BA	384,849	384,700 C3,500 D5,100	410,600
Outlays.....	O	370,131	386,000	405,000
Operation and maintenance, Army National Guard.....051				
Appropriation, current.....	BA	766,346	786,000 C1,000 D8,700	791,400
Outlays.....	O	746,371	755,000	757,000
Operation and maintenance, Air National Guard.....051				
Appropriation, current.....	BA	849,107	932,700 C8,000 D11,200	1,039,500
Outlays.....	O	845,784	930,000	1,021,000
National Board for the Promotion of Rifle Practice, Army.....051				
Appropriation, current.....	BA	365	365 D10	.....
Outlays.....	O	334	377	42

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>				
<b>Operation and Maintenance—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Claims, Defense.....051				
Appropriation, current.....	BA	<b>82,500</b>	<b>87,500</b>	<b>113,200</b>
Outlays.....	O	79,329	83,000	112,000
Contingencies, Defense.....051				
Appropriation, current.....	BA	<b>2,500</b>	<b>2,500</b>	
Outlays.....	O	8	1,023	758
Court of Military Appeals, Defense 051				
Appropriation, current.....	BA	<b>1,735</b>	<b>1,750</b>	<b>2,033</b>
Outlays.....	O	964	1,800	2,000
Foreign currency fluctuations, Defense.....051				
Appropriation, current.....	BA		<b>500,000</b>	
XIII olympic winter games.....051				
Appropriation, current.....	BA		<b>2,000</b>	
Outlays.....	O		1,800	<sup>K</sup> 10,000
Miscellaneous expired accounts.....051				9,200
Outlays.....	O	49		
Total Federal funds Operation and Maintenance.	BA O	<b>34,731,568</b> 33,577,779	<b>38,084,745</b> 35,905,000	<b>40,222,000</b> 38,690,000
<b>Procurement</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Aircraft procurement, Army.....051				
Appropriation, current.....	BA	<b>656,100</b>	<b>949,709</b>	<sup>K</sup> 946,400
Outlays.....	O	380,259	417,000	625,000
Missile procurement, Army.....051				
Appropriation, current.....	BA	<b>554,220</b>	<b>736,900</b>	<sup>K</sup> 1,250,500
Outlays.....	O	417,738	<sup>B</sup> 27,800 281,500 <sup>B</sup> 2,500	546,100 <sup>B</sup> 10,900
Procurement of weapons and tracked combat vehicles, Army.....051				
Appropriation, current.....	BA	<b>1,408,563</b>	<b>1,511,100</b>	<sup>K</sup> 1,888,900
Outlays.....	O	837,290	847,000	1,151,000
Procurement of ammunition, Army 051				
Appropriation, current.....	BA	<b>1,159,300</b>	<b>1,218,100</b>	<b>1,260,410</b>
Reappropriation.....	BA		<b>30,000</b>	<sup>K</sup> 82,990
Outlays.....	O	731,689	859,000	946,000
Other procurement, Army.....051				
Appropriation, current.....	BA	<b>1,408,625</b>	<b>1,642,250</b>	<b>1,694,200</b>
Reappropriation.....	BA		<sup>A</sup> 69,900 <b>40,000</b>	
Outlays.....	O	839,017	958,400 <sup>A</sup> 2,600	1,195,100 <sup>A</sup> 16,900
Aircraft procurement, Navy.....051				
Appropriation, current.....	BA	<b>3,528,900</b>	<b>4,358,700</b>	<sup>K</sup> 3,967,900
Outlays.....	O	2,601,666	2,965,000	3,337,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>			
<b>Procurement—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Weapons procurement, Navy.....051			
Appropriation, current.....	BA 2,238,100	1,955,600	<sup>^</sup> 1,973,500
		<sup>B</sup> 24,000	
Outlays.....	O 1,302,388	1,426,100	1,701,200
		<sup>B</sup> 1,900	<sup>B</sup> 7,800
Shipbuilding and conversion, Navy 051			
Appropriation, current.....	BA 5,760,500	3,759,600	<sup>^</sup> 6,173,800
		<sup>B</sup> 834,700	
Outlays.....	O 3,047,606	3,834,500	3,736,600
		<sup>B</sup> 45,500	<sup>B</sup> 107,400
Other procurement, Navy.....051			
Appropriation, current.....	BA 2,176,410	2,641,600	2,694,500
		<sup>^</sup> 6,000	
Outlays.....	O 1,910,874	1,964,000	2,307,000
		<sup>^</sup> 1,000	<sup>^</sup> 2,000
Procurement, Marine Corps.....051			
Appropriation, current.....	BA 435,750	356,000	159,500
			<sup>^</sup> 124,700
Outlays.....	O 306,214	324,000	359,000
Aircraft procurement, Air Force.....051			
Appropriation, current.....	BA 5,823,300	6,885,207	<sup>^</sup> 7,931,200
		<sup>B</sup> 259,500	
Outlays.....	O 3,989,465	4,572,200	5,332,700
		<sup>B</sup> 14,800	<sup>B</sup> 84,300
Missile procurement, Air Force.....051			
Appropriation, current.....	BA 1,751,300	1,513,500	<sup>^</sup> 2,268,600
			1,635,000
Outlays.....	O 1,376,242	1,541,000	
Other procurement, Air Force.....051			
Appropriation, current.....	BA 2,300,345	2,356,650	2,671,100
		<sup>^</sup> 11,500	
Outlays.....	O 1,969,235	2,143,700	2,348,100
		<sup>^</sup> 1,300	<sup>^</sup> 3,900
Procurement, Defense agencies.....051			
Appropriation, current.....	BA 327,826	273,800	294,000
		<sup>^</sup> 800	
Outlays.....	O 219,657	237,900	267,700
		<sup>^</sup> 100	<sup>^</sup> 300
Procurement of aircraft and missiles, Navy.....051			
Outlays.....	O 28,390	25,000	20,000
Procurement of equipment and missiles, Army.....051			
Outlays.....	O 17,824	10,000	8,000
Total Federal funds	BA 29,529,239	31,462,916	35,402,200
Procurement.	O 19,975,554	22,476,000	25,749,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>				
<b>Research, Development, Test, and Evaluation</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Research, development, test, and evaluation, Army.....051				
Appropriation, current.....	BA	2,408,327	2,635,864	2,927,000
			<sup>B</sup> 73,600	
Outlays.....	O	2,342,208	2,453,000	2,777,000
			<sup>B</sup> 45,000	<sup>B</sup> 23,000
Research, development, test, and evaluation, Navy.....051				
Appropriation, current.....	BA	4,018,291	4,468,871	4,484,000
			<sup>B</sup> 38,000	
Reappropriation.....	BA		15,000	
Outlays.....	O	3,824,871	4,197,600	4,415,400
			<sup>B</sup> 23,400	<sup>B</sup> 14,600
Research, development, test, and evaluation, Air Force.....051				
Appropriation, current.....	BA	4,165,266	4,211,040	5,005,100
			<sup>B</sup> 386,600	
Outlays.....	O	3,626,026	3,975,300	4,611,700
			<sup>B</sup> 212,700	<sup>B</sup> 154,300
Research, development, test, and evaluation, Defense agencies...051				
Appropriation, current.....	BA	754,278	892,887	1,086,600
			<sup>B</sup> 24,500	
Outlays.....	O	690,994	785,000	983,400
			<sup>B</sup> 13,000	<sup>B</sup> 8,600
Director of test and evaluation, Defense.....051				
Appropriation, current.....	BA	25,000	27,600	33,400
				<sup>B</sup> 33,400
Outlays.....	O	23,865	21,000	27,000
Total Federal funds Research, Development, Test, and Evaluation.	BA	11,371,162	12,773,962	13,536,100
	O	10,507,964	11,726,000	13,015,000
<b>Military Construction</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Military construction, Army.....051				
Appropriation, current.....	BA	527,769	711,509	55,700
			<sup>B</sup> 118,034	666,600
Outlays.....	O	626,549	570,200	559,500
			<sup>B</sup> 6,800	<sup>B</sup> 38,500
Military construction, Navy.....051				
Appropriation, current.....	BA	471,556	760,145	62,110
			<sup>B</sup> 1,053	489,790
Outlays.....	O	604,256	587,300	496,700
			<sup>B</sup> 700	<sup>B</sup> 300

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>				
<b>Military Construction—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Military construction, Air Force.....051				
Appropriation, current.....	BA	415,566	483,264	47,000 K492,700
Outlays.....	O	481,137	B37,567 491,800 B2,200	600,000 B14,000
Military construction, Defense agencies.....051				
Appropriation, current.....	BA	49,429	194,880	14,000 K230,300
Outlays.....	O	23,113	B22,677 23,300 B700	72,100 B5,900
Military construction, Army National Guard.....051				
Appropriation, current.....	BA	49,400	52,200	5,463 K14,537
Outlays.....	O	58,038	47,000	48,000
Military construction, Air National Guard.....051				
Appropriation, current.....	BA	43,300	44,750	6,500 K23,500
Outlays.....	O	40,532	38,000	43,000
Military construction, Army Reserve 051				
Appropriation, current.....	BA	50,500	37,100	5,176 K19,824
Appropriation, permanent, indefinite.	BA	662		
Outlays.....	O	52,607	45,000	40,000
Military construction, Naval Reserve 051				
Appropriation, current.....	BA	21,700	21,850	2,210 K12,790
Outlays.....	O	29,789	26,000	20,000
Military construction, Air Force Reserve.....051				
Appropriation, current.....	BA	11,200	13,000	2,500 K7,500
Outlays.....	O	15,483	15,000	13,000
Total Federal funds Military Construction.	BA	1,641,082	2,498,029	2,158,200
	O	1,931,504	1,854,000	1,951,000
<b>Family Housing</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Family housing, Defense.....051				
Appropriation, current.....	BA	1,344,082	1,560,665	..... K1,570,000
Outlays.....	O	1,402,993	B51,730 C3,622 D4,997 1,401,800 B34,200	1,477,100 B9,900

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>				
<b>Family Housing—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>Public Enterprise Funds:</b>				
Homeowners assistance fund,				
Defense.....051				
Appropriation, current.....	BA	1,500	1,500	.....
				*5,000
Outlays.....	0	1,780	5,000	6,000
Total Federal funds Family	BA	1,345,582	1,622,514	1,575,000
Housing.	0	1,404,773	1,441,000	1,493,000
<b>Special Foreign Currency Program</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Special foreign currency program.051				
Appropriation, current.....	BA	2,480	14,362	746
				*5,921
Outlays.....	0	2,355	3,021	4,099
<b>Revolving and Management Funds</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Defense production guarantees ....051				
Outlays.....	0	-724	15	-484
Laundry service, Naval Academy..051				
Outlays.....	0	131	.....	.....
<b>Intragovernmental Funds:</b>				
Army stock fund.....051				
Appropriation, current.....	BA	100,000	74,000	.....
Outlays.....	0	-186,056	64,300	-48,800
Navy stock fund.....051				
Appropriation, current.....	BA	30,000	.....	.....
Contract authority, permanent,	BA	457	.....	.....
indefinite.				
Outlays.....	0	33,393	132,800	2,400
Marine Corps stock fund.....051				
Appropriation, current.....	BA	1,800	.....	.....
Outlays.....	0	-1,643	18,000	10,500
Air Force stock fund.....051				
Appropriation, current.....	BA	34,600	26,800	.....
Contract authority, permanent,	BA	252,107	.....	.....
indefinite.				
Outlays.....	0	104,650	71,000	45,900
Defense stock fund.....051				
Appropriation, current.....	BA	4,300	.....	.....
Outlays.....	0	-245,383	11,000	83,100
Army industrial fund.....051				
Outlays.....	0	-4,511	41,035	-29,545
Navy industrial fund.....051				
Outlays.....	0	-62,941	56,635	36,310
Marine Corps industrial fund.....051				
Outlays.....	0	-355	-1,380	891
Air Force industrial fund.....051				
Outlays.....	0	-36,126	-52,384	24,362
Defense industrial fund.....051				
Outlays.....	0	-10,201	-2,978	5,410
Army management fund.....051				
Outlays.....	0	9,709	.....	.....
Navy management fund.....051				
Outlays.....	0	-29,756	.....	.....

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Military—CONTINUED</b>			
<b>Revolving and Management Funds—CON.</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds—CONTINUED</b>			
Air Force management fund .....051			
Outlays .....	0	1,194	849
Total Federal funds Revolving and Management Funds.	BA	423,364	100,800
	0	-428,619	338,892
			130,044
<b>Allowances</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Civilian and military pay raises ...051			
Appropriation, current.....	BA		2,256,110
			-81,000
Outlays .....	0		2,234,000
			-80,000
Other legislation.....051			
Appropriation, current.....	BA		61,123
Outlays .....	0		61,000
Total Federal funds Allowances.	BA		2,236,233
	0		2,215,000
<b>Trust Funds</b>			
<b>Trust Funds</b>			
Miscellaneous trust funds.....051			
Appropriation, permanent, indefinite.	BA	12,369	10,600
			10,500
Outlays .....	0	11,285	10,657
			10,534
Miscellaneous trust revolving funds 051			
Outlays .....	0	-27,339	4,730
			6,923
Total Trust funds Trust Funds...	BA	12,369	10,600
	0	-16,054	15,387
			17,457
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	115,469,837	125,558,928
	0	103,218,132	112,244,913
			135,477,400
Deductions for offsetting receipts:			
Proprietary receipts from the public.....051	BA } -149,123	-350,700	-436,800
	0 }		
Total Federal funds .....	BA	115,320,714	125,208,228
	0	103,069,009	111,894,213
			135,040,600
<b>Trust Funds:</b>			
(As shown in detail above).....	BA	12,369	10,600
	0	-16,054	15,387
			17,457
Interfund transactions.....051	BA } -11,050	-9,600	-9,800
	0 }		
Total Department of Defense—Military.	BA	115,322,033	125,209,228
	0	103,041,905	111,900,000
			132,700,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Civil</b>			
<b>Cemeterial Expenses, Army</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....705			
Appropriation, current.....	BA 5,000	5,100	7,943
Outlays.....	O 4,688	7,500	7,000
<b>Corps of Engineers—Civil</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
General investigations.....301			
Appropriation, current.....	BA 107,046	137,978	133,166
Outlays.....	O 96,145	108,000	135,000
Construction, general.....301			
Appropriation, current.....	BA 1,537,820	1,343,711	1,504,694
Outlays.....	O 1,428,768	1,393,427	1,392,888
Operation and maintenance, general 301			
Appropriation, current.....	BA 768,870	795,500 C 8,428 D 8,097 E 75	825,500
Outlays.....	O 757,278	811,600	830,000
Flood control and coastal emergencies.....301			
Appropriation, current.....	BA 18,000	20,000	.....
Outlays.....	O 5,663	-5,000	10,000
General expenses.....301			
Appropriation, current.....	BA 60,000	66,500 D 2,261 E 139	73,200
Outlays.....	O 55,998	68,400	73,000
Flood control, Mississippi River and tributaries.....301			
Appropriation, current.....	BA 253,081	223,035	193,140
Outlays.....	O 224,679	230,000	202,400
Special recreation use fees.....303			
Appropriation, current.....	BA 6,000	3,300	4,000
Outlays.....	O 5,169	3,500	4,000
Permanent appropriations:			
(Water resources).....301			
(Appropriation, permanent, indefinite).	BA 5,586	3,074	1,398
(Outlays).....	O 1,405	7,285	1,398
(Other general purpose fiscal assistance).....852			
(Appropriation, permanent, indefinite).	BA 6,134	5,202	5,302
(Outlays).....	O 4,656	6,134	5,202
Total Permanent appropriations.	BA 11,720	8,276	6,700
	O 6,061	13,419	6,600
<b>Public Enterprise Funds:</b>			
Alaska hydro-electric power development fund.....271			
Appropriation, current.....	BA 5,450	.....	.....

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Civil—CONTINUED</b>				
<b>Corps of Engineers—Civil—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>Intragovernmental Funds:</b>				
Revolving fund.....301				
Appropriation, current.....	BA	21,525	46,000	50,000
Outlays.....	O	-53,383	10,000	60,000
Consolidated working fund.....301				
Outlays.....	O	46,749	6,830	7,112
<b>Trust Funds</b>				
Rivers and harbors contributed funds 301				
Appropriation, permanent, indefinite.	BA	39,153	28,100	27,600
Outlays.....	O	38,500	28,100	27,600
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	2,789,512	2,663,300	3,060,400
	O	2,573,127	2,640,176	2,721,000
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the public.....271	BA } O }	-12	-15	-15
300	BA } O }	-15,780	-17,215	-18,705
902	BA } O }	-2,883	-2,270	-2,280
Total Federal funds.....	BA	2,770,837	2,643,800	3,039,400
	O	2,554,452	2,620,676	2,700,000
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	39,153	28,100	27,600
	O	38,500	28,100	27,600
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the public.....301	BA } O }	-39,153	-28,100	-27,600
Total Trust funds.....	O	-653		
Total Corps of Engineers—Civil	BA	2,770,837	2,643,800	3,039,400
	O	2,553,799	2,620,676	2,700,000
<b>Ryukyu Islands, Army</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Administration.....806				
Outlays.....	O	3		
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	O	3		
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the public.....800	BA } O }	-452	-410	-410
Total Ryukyu Islands, Army.....	BA	-452	-410	-410
	O	-449	-410	-410

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Civil—CONTINUED</b>				
<b>Soldiers' and Airmen's Home</b>				
<i>Trust Funds</i>				
Operation and maintenance.....705				
Appropriation, current.....	BA	16,882	16,939 C212 D378	18,471
Outlays.....	O	16,486	17,529	18,471
Payment of claims.....705				
Appropriation, permanent, indefinite.....	BA	5	5	5
Outlays.....	O	5	5	5
Soldiers' and Airmen's Home revolving fund.....705				
Outlays.....	O	16		
<i>Summary</i>				
<b>Federal Funds:</b>				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....705	BA } O }	-1		
Total Federal funds.....	BA O	-1 -1		
<b>Trust Funds:</b>				
(As shown in detail above).....	BA O	16,887 16,507	17,534 17,534	18,476 18,476
Deductions for offsetting receipts:				
Proprietary receipts from the public.....705	BA } O }	-1,881	-1,913	-2,066
Total Trust funds.....	BA O	15,006 14,626	15,621 15,621	16,410 16,410
Total Soldiers' and Airmen's Home.....	BA O	15,005 14,625	15,621 15,621	16,410 16,410
<b>The Panama Canal</b>				
<b>Canal Zone Government</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Operating expenses.....806				
Appropriation, current.....	BA	71,067	74,000 A4,934 D1,234	
Outlays.....	O	68,534	75,180 A2,734	3,128 A2,200
Capital outlay.....806				
Appropriation, current.....	BA	2,130	1,035	
Outlays.....	O	2,621	3,597	
Total Federal funds Canal Zone Government.....	BA O	73,197 71,155	81,203 81,511	5,328

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Civil—CONTINUED</b>			
<b>The Panama Canal—CONTINUED</b>			
<b>Panama Canal Company</b>			
<b>Federal Funds</b>			
<b>Public Enterprise Funds:</b>			
Corporation: Panama Canal Company			
403			
Outlays.....	0	-23,613	-5,260
Limitation on general and administrative expenses.		(26,731)	(27,580)
			<sup>4</sup> (1,837)
			<sup>5</sup> (795)
Total Federal funds Panama Canal Company.	0	-23,613	-5,260
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	73,197	81,203
	0	47,542	76,251
			5,328
Deductions for offsetting receipts:			
Intrafund transactions.....806	BA } -20,431	-26,414	-1,930
	0 }		
Proprietary receipts from the public.....800	BA } -46,324	-49,367	-4,301
	0 }		
902	BA } -46	-70	
	0 }		
Total The Panama Canal .....	BA	6,396	5,352
	0	-19,259	400
			-6,231
			-903
<b>Wildlife Conservation Military Reservations</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Wildlife conservation, Army.....303			
Appropriation, current.....	BA		700
Appropriation, permanent, indefinite.	BA	724	706
			743
Outlays .....	0	576	648
			1,437
Wildlife conservation, Navy.....303			
Appropriation, current.....	BA		400
Appropriation, permanent, indefinite.	BA	79	92
			94
Outlays .....	0	46	100
			500
Wildlife conservation, Air Force.....303			
Appropriation, current.....	BA		400
Appropriation, permanent, indefinite.	BA	138	130
			130
Outlays .....	0	115	130
			530
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	941	928
	0	737	878
			2,467
Deductions for offsetting receipts:			
Proprietary receipts from the public.....300	BA } -941	-928	-967
	0 }		
Total Wildlife Conservation Military Reservations.	BA		1,500
	0	-204	-50
			1,500

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Defense—Civil—CONTINUED</b>				
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	2,868,650	2,750,531	3,070,810
	O	2,626,097	2,724,805	2,735,795
Deductions for offsetting receipts:				
Intrafund transactions.....806	BA } O }	-20,431	-26,414	-1,930
Proprietary receipts from the public.....271	BA } O }	-12	-15	-15
300	BA } O }	-16,721	-18,143	-19,672
705	BA } O }	-1		
800	BA } O }	-46,776	-49,777	-4,711
902	BA } O }	-2,929	-2,340	-2,280
Total Federal funds.....	BA	2,781,780	2,653,842	3,042,202
	O	2,539,227	2,628,116	2,707,187
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	56,040	45,634	46,076
	O	55,007	45,634	46,076
Deductions for offsetting receipts:				
Proprietary receipts from the public.....301	BA } O }	-39,153	-28,100	-27,600
705	BA } O }	-1,881	-1,913	-2,066
Total Trust funds.....	BA	15,006	15,621	16,410
	O	13,973	15,621	16,410
Total Department of Defense—Civil.	BA	2,796,786	2,669,463	3,058,612
	O	2,553,200	2,643,737	2,723,597
<b>Department of Energy</b>				
<b>Atomic Energy Defense Activities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Atomic energy defense activities - operating expenses.....053				
Appropriation, current.....	BA	1,944,549	2,122,283	<sup>a</sup> 2,394,364
			<sup>b</sup> 1,176	
Outlays.....	O	1,669,743	2,038,918	2,320,006
Atomic energy defense activities - plant and capital equipment...053				
Appropriation, current.....	BA	569,144	458,500	<sup>a</sup> 627,924
			<sup>a</sup> 32,000	
Outlays.....	O	400,551	452,650	639,729
			<sup>a</sup> 17,500	<sup>a</sup> 8,000
Total Federal funds Atomic Energy Defense Activities.	BA	2,513,693	2,613,959	3,022,288
	O	2,070,294	2,509,068	2,967,735

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Energy—CONTINUED</b>				
<b>Energy Programs</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
General science and research - operating expenses.....251				
Appropriation, current.....	BA	<b>300,564</b>	<b>308,244</b>	<sup>K</sup> <b>337,638</b>
Outlays.....	O	274,195	304,512	332,038
General science and research - plant and capital equipment.....251				
Appropriation, current.....	BA	<b>104,485</b>	<b>121,700</b>	<sup>K</sup> <b>136,500</b>
Outlays.....	O	81,081	114,000	120,900
Energy supply, R&D - operating expenses.....271				
Appropriation, current.....	BA	<b>2,060,678</b>	<b>2,103,925</b>	<sup>K</sup> <b>2,283,991</b>
			<sup>B</sup> 13,750	
			<sup>D</sup> 447	
Outlays.....	O	1,327,003	2,043,417	2,188,604
			<sup>B</sup> 7,000	<sup>B</sup> 6,750
Energy supply, R&D - plant and capital equipment.....271				
Appropriation, current.....	BA	<b>439,555</b>	<b>411,516</b>	<sup>K</sup> <b>408,521</b>
Outlays.....	O	291,292	367,769	439,907
Uranium enrichment - operating expenses.....271				
Appropriation, current.....	BA	<b>49,617</b>	<b>400</b>	
			<sup>D</sup> 32	
Outlays.....	O	-102,708	-42,929	11,892
Uranium enrichment - plant and capital equipment.....271				
Appropriation, current.....	BA	<b>477,933</b>	<b>46,800</b>	
Outlays.....	O	373,065	163,711	4,310
Fossil fuel - operating expenses...271				
Appropriation, current.....	BA	<b>682,167</b>	<b>656,088</b>	<sup>K</sup> <b>670,592</b>
			<sup>D</sup> 1,694	
Outlays.....	O	645,320	721,218	700,384
Fossil energy construction.....271				
Appropriation, current.....	BA	<b>72,800</b>	<b>99,709</b>	<sup>K</sup> <b>77,050</b>
			<sup>H</sup> -50,000	
Outlays.....	O	2,835	90,314	73,410
			<sup>H</sup> -10,000	<sup>H</sup> -20,000
Energy production, demonstration and distribution.....271				
Appropriation, current.....	BA	<b>181,599</b>	<b>163,258</b>	<sup>K</sup> <b>122,299</b>
			<sup>B</sup> 1,000	
Outlays.....	O	84,487	170,811	119,499
			<sup>B</sup> 1,000	
Energy conservation.....272				
Appropriation, current.....	BA	<b>526,650</b>	<b>618,750</b>	<sup>K</sup> <b>555,295</b>
			<sup>B</sup> 40,325	
Outlays.....	O	221,214	473,358	636,545
			<sup>B</sup> 16,450	<sup>B</sup> 23,875

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Energy—CONTINUED</b>				
<b>Energy Programs—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Strategic petroleum reserve.....274				
Appropriation, current.....	BA	3,174,617	3,006,854	κ8,391
Outlays.....	O	897,148	2,366,811	1,960,700
Energy information administration 276				
Appropriation, current.....	BA	50,654	63,386	κ88,657
			<sup>B</sup> 14,780	
			<sup>D</sup> 1,258	
Outlays.....	O	39,156	64,594	83,507
			<sup>B</sup> 7,780	<sup>B</sup> 7,000
Economic regulatory administration 276				
Appropriation, current.....	BA	92,218	90,633	κ159,646
			<sup>B</sup> 42,100	
Outlays.....	O	78,894	87,273	137,385
			<sup>B</sup> 23,000	<sup>B</sup> 19,100
Federal Energy Regulatory Commission.....276				
Appropriation, current.....	BA	41,600	51,300	κ73,937
			<sup>B</sup> 10,600	
			<sup>D</sup> 1,930	
Outlays.....	O	38,211	51,631	66,406
			<sup>B</sup> 7,400	<sup>B</sup> 3,200
Geothermal resources development fund.....271				
Appropriation, current.....	BA	15,000		κ6,288
Outlays.....	O	357	6,000	1,000
Payments to states under Federal Power Act.....852				
Appropriation, permanent.....	BA	218	85	85
Outlays.....	O	112	85	85
<b>Public Enterprise Funds:</b>				
Spent fuel storage fund.....271				
Authority to borrow, current, indefinite.	BA			κ300,000
Outlays.....	O			κ100,000
<b>Trust Funds</b>				
Advances for cooperative work.....271				
Appropriation, permanent.....	BA	4,061	2,500	12,536
Outlays.....	O	5,090	2,500	12,536
Total Federal funds Energy Programs.	BA	8,270,355	7,820,564	5,228,890
	O	4,251,662	7,035,205	6,816,497
Total Trust funds Energy Programs.	BA	4,061	2,500	12,536
	O	5,090	2,500	12,536

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Energy—CONTINUED</b>				
<b>Power Marketing Administrations</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Operation and maintenance, Alaska				
Power Administration.....271				
Appropriation, current.....	BA	2,163	2,614	<sup>K</sup> 2,660
Outlays.....	O	2,041	2,582	2,660
<b>Public Enterprise Funds:</b>				
Bonneville Power Administration fund				
271				
Outlays.....	O	52,872	73,500	-88,600
<b>General and Special Funds:</b>				
Operation and maintenance,				
Southeastern Power Administration				
271				
Appropriation, current.....	BA	1,197	1,212	<sup>K</sup> 1,400
Outlays.....	O	984	<sup>D</sup> 41 1,249	1,392
Continuing fund, Southeastern Power				
Administration.....271				
Appropriation, permanent.....	BA		50	
Outlays.....	O		50	
<b>General and Special Funds:</b>				
Operation and maintenance,				
Southwestern Power				
Administration.....271				
Appropriation, current.....	BA	25,891	35,909	<sup>K</sup> 32,180
Outlays.....	O	12,048	<sup>D</sup> 168 33,077	32,180
Continuing fund, Southwestern Power				
Administration.....271				
Appropriation, permanent.....	BA		228	
Outlays.....	O		228	
Construction, rehabilitation,				
operation and maintenance,				
Western Area Power				
Administration.....271				
Appropriation, current.....	BA	89,237	103,252	<sup>K</sup> 122,800
Outlays.....	O	91,301	<sup>D</sup> 1,248 104,500	122,800
Emergency fund, Western Area Power				
Administration.....271				
Appropriation, current.....	BA		200	<sup>K</sup> 200
Outlays.....	O		400	200
<b>Public Enterprise Funds:</b>				
Colorado river basins power				
marketing fund, Western Area				
Power Administration.....271				
Appropriation, current.....	BA	3,813	2,286	<sup>K</sup> 5,152
Outlays.....	O	6,438	786	5,152
Total Federal funds Power	BA	122,301	147,208	164,392
Marketing Administrations.	O	165,684	216,372	75,784

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Energy—CONTINUED</b>				
<b>Departmental Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Departmental administration:				
(Energy information, policy, and regulation).....276				
(Appropriation, current).....	BA	367,054	328,108	<sup>A</sup> 307,829
			<sup>B</sup> 33,500	
			<sup>D</sup> 15,495	
(Outlays).....	O	371,140	400,422	301,049
			<sup>B</sup> 27,000	<sup>B</sup> 6,500
Special foreign currency program.271				
Appropriation, current.....	BA	1,500	2,000	
Outlays.....	O	6,263	2,500	883
Total Federal funds	BA	368,554	379,103	307,829
Departmental Administration.	O	377,403	429,922	308,432
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	11,274,903	10,960,834	8,723,399
	O	6,865,043	10,190,567	10,168,448
Deductions for offsetting receipts:				
Proprietary receipts from the public.....270	BA } -25,424	-96,234	-83,970	
	O }			
271	BA } -553,709	-1,148,201	-305,754	
	O }			
	BA } <sup>J</sup> -886,212			
	O }			
300	BA } -441			
	O }			
902	BA } -1	-1	-1	
	O }			
Total Federal funds.....	BA	10,695,328	9,716,398	7,447,462
	O	6,285,468	8,946,131	8,892,511
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	4,061	2,500	12,536
	O	5,090	2,500	12,536
Deductions for offsetting receipts:				
Proprietary receipts from the public.....271	BA } -4,061	-2,500	-12,536	
	O }			
Total Trust funds.....	O	1,029		
Total Department of Energy.....	BA	10,695,328	9,716,398	7,447,462
	O	6,286,497	8,946,131	8,892,511

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare</b>				
<b>Health Programs</b>				
<b>Public Health Service</b>				
<b>Food and Drug Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....554				
Appropriation, current.....	BA	286,710	295,154 <sup>C</sup> 140	316,296
			<sup>D</sup> 7,990	
			<sup>E</sup> 575	
Outlays.....	O	274,557	300,702	310,479
Buildings and facilities.....554				
Appropriation, current.....	BA	6,665	10,459	4,372
Outlays.....	O	2,079	4,799	6,514
<b>Public Enterprise Funds:</b>				
Revolving fund for certification and other services.....554				
Outlays.....	O	-665		
Total Federal funds Food and Drug Administration.	BA	293,375	314,318	320,668
	O	275,971	305,501	316,993
<b>Health Services Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Health services.....551				
Appropriation, current.....	BA	1,219,239	1,260,342	1,319,447
			<sup>A</sup> 100,219	<sup>A</sup> 51,450
			<sup>F</sup> -3,600	
Outlays.....	O	1,078,694	1,198,324	1,297,986
			<sup>A</sup> 51,702	448,517
Indian health services.....551				
Appropriation, current.....	BA	442,010	483,829	535,116
			<sup>C</sup> 11,152	
Outlays.....	O	386,231	475,544	524,612
Indian health facilities.....551				
Appropriation, current.....	BA	71,257	76,960	50,240
Outlays.....	O	81,001	103,748	75,539
Emergency health.....054				
Outlays.....	O	-9		
Total Federal funds Health Services Administration.	BA	1,732,506	1,928,902	1,956,253
	O	1,545,917	1,829,318	1,946,654
<b>Center for Disease Control</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Preventive health services: (Health care services).....551				
(Appropriation, current).....	BA	171,176	184,805	236,283
			<sup>A</sup> 20,600	
			<sup>D</sup> 2,410	
(Outlays).....	O	136,098	191,501	201,615
			<sup>A</sup> 5,562	<sup>A</sup> 15,038

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Health Programs—CONTINUED</b>				
<b>Public Health Service—CONTINUED</b>				
<b>Center for Disease Control—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
(Health research).....552				
(Appropriation, current).....	BA	56,265	61,994	76,552
			P563	
(Outlays).....	O	51,884	60,717	60,479
Total Preventive health services	BA	227,441	270,372	312,835
	O	187,982	257,780	277,132
Total Federal funds Center for Disease Control.	BA	227,441	270,372	312,835
	O	187,982	257,780	277,132
<b>National Institutes of Health</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
<b>National Cancer Institute:</b>				
(Health research).....552				
(Appropriation, current).....	BA	852,259	917,000	916,548
			F-392	
(Outlays).....	O	861,357	815,355	903,709
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	20,129	20,129	20,410
(Outlays).....	O	19,160	20,036	20,076
Total National Cancer Institute..	BA	872,388	936,737	936,958
	O	880,517	835,391	923,785
<b>National Heart, Lung and Blood Institute:</b>				
(Health research).....552				
(Appropriation, current).....	BA	425,314	484,160	480,560
			F-392	
(Outlays).....	O	374,114	438,781	469,177
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	22,595	22,616	26,784
(Outlays).....	O	19,879	20,513	26,150
Total National Heart, Lung and Blood Institute.	BA	447,909	506,384	507,344
	O	393,993	459,294	495,327
<b>National Institute of Dental Research:</b>				
(Health research).....552				
(Appropriation, current).....	BA	57,997	61,371	61,418
(Outlays).....	O	57,538	57,554	59,220
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	3,731	3,842	4,700
(Outlays).....	O	3,656	4,280	4,771
Total National Institute of Dental Research.	BA	61,728	65,213	66,118
	O	61,194	61,834	63,991
<b>National Institute of Arthritis, Metabolism, and Digestive Diseases:</b>				

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Health Programs—CONTINUED</b>				
<b>Public Health Service—CONTINUED</b>				
<b>National Institutes of Health—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Health research).....552				
(Appropriation, current).....	BA	242,976	287,327	287,002
(Outlays).....	O	207,533	269,449	282,450
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	17,277	15,440	18,744
(Outlays).....	O	15,496	16,578	16,367
Total National Institute of Arthritis, Metabolism, and Digestive Diseases.	BA O	260,253 223,029	302,767 286,027	305,746 298,817
<b>National Institute of Neurological and Communicative Disorders and Stroke:</b>				
(Health research).....552				
(Appropriation, current).....	BA	170,578	204,437	204,437
(Outlays).....	O	168,592	176,034	202,448
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	7,860	7,928	7,885
(Outlays).....	O	6,500	7,543	7,670
Total National Institute of Neurological and Communicative Disorders and Stroke.	BA O	178,438 175,092	212,365 183,577	212,322 210,118
<b>National Institute of Allergy and Infectious Diseases:</b>				
(Health research).....552				
(Appropriation, current).....	BA	153,474	182,702	181,863
(Outlays).....	O	149,728	156,057	180,564
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	8,867	8,626	8,339
(Outlays).....	O	8,651	7,367	8,496
Total National Institute of Allergy and Infectious Diseases.	BA O	162,341 158,379	191,328 163,424	190,202 189,060
<b>National Institute of General Medical Sciences:</b>				
(Health research).....552				
(Appropriation, current).....	BA	182,319	228,947	233,440
(Outlays).....	O	170,028	182,446	202,100
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	48,477	48,681	46,938
(Outlays).....	O	45,197	40,466	51,347
Total National Institute of General Medical Sciences.	BA O	230,796 215,225	277,628 222,912	280,378 253,447
<b>National Institute of Child Health and Human Development:</b>				

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Health Programs—CONTINUED</b>				
<b>Public Health Service—CONTINUED</b>				
<b>National Institutes of Health—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Health research).....552				
(Appropriation, current).....	BA	155,390	179,058	193,676
			110,713	
(Outlays).....	O	155,695	146,845	181,107
			43,750	46,963
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	11,000	11,072	10,705
(Outlays).....	O	11,020	9,851	9,983
Total National Institute of Child Health and Human Development.	BA	166,390	200,843	204,381
	O	166,715	160,446	198,053
<b>National Institute of Aging:</b>				
(Health research).....552				
(Appropriation, current).....	BA	34,720	54,326	54,343
(Outlays).....	O	29,595	41,732	51,182
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	2,585	2,585	2,167
(Outlays).....	O	2,221	1,981	2,307
Total National Institute of Aging.	BA	37,305	56,911	56,510
	O	31,816	43,713	53,489
<b>National Eye Institute:</b>				
(Health research).....552				
(Appropriation, current).....	BA	80,577	100,479	99,811
(Outlays).....	O	66,929	87,124	98,660
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	4,823	4,713	4,717
(Outlays).....	O	4,033	4,058	4,518
Total National Eye Institute.....	BA	85,400	105,192	104,528
	O	70,962	91,182	103,178
<b>National Institute of Environmental Health Sciences:</b>				
(Health research).....552				
(Appropriation, current).....	BA	59,378	73,489	72,724
(Outlays).....	O	57,581	60,136	72,423
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	4,863	4,591	6,288
(Outlays).....	O	4,182	5,138	4,919
Total National Institute of Environmental Health Sciences.	BA	64,241	78,080	79,012
	O	61,763	65,274	77,342
<b>Research resources:</b>				
(Health research).....552				
(Appropriation, current).....	BA	144,561	153,630	153,634
(Outlays).....	O	129,371	144,050	151,277

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>			
<b>Health Programs—CONTINUED</b>			
<b>Public Health Service—CONTINUED</b>			
<b>National Institutes of Health—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
(Education and training of health care work force).....553			
(Appropriation, current).....	BA 534	534	565
(Outlays).....	O 512	500	548
Total Research resources.....	BA 145,095	154,164	154,199
	O 129,883	144,550	151,825
John E. Fogarty International Center for Advanced Study in the Health Sciences.....552			
Appropriation, current.....	BA 8,483	8,989	8,989
Outlays.....	O 8,310	7,564	8,405
National Library of Medicine:			
(Health research).....552			
(Appropriation, current).....	BA 7,825	9,411	8,792
(Outlays).....	O 5,936	8,809	8,588
(Education and training of health care work force).....553			
(Appropriation, current).....	BA 29,794	32,020	32,639
(Outlays).....	O 28,066	30,261	32,544
Total National Library of Medicine.....	BA 37,619	41,431	41,431
	O 34,002	39,070	41,132
Office of the Director:			
(Health research).....552			
(Appropriation, current).....	BA 17,300	18,166	18,792
		G784	
(Outlays).....	O 16,509	19,594	18,399
(Education and training of health care work force).....553			
(Appropriation, current).....	BA 1,800	1,507	2,270
(Outlays).....	O 1,820	1,662	2,103
Total Office of the Director.....	BA 18,800	20,457	21,062
	O 18,329	21,256	20,502
Buildings and facilities.....552			
Appropriation, current.....	BA 65,850	67,950	3,250
		H-37,000	
Outlays.....	O 47,011	69,778	76,301
		H-4,000	H-12,000
<b>Intragovernmental Funds:</b>			
General research support grants.....552			
Outlays.....	O 78		
National Institutes of Health management fund.....552			
Outlays.....	O 31		
Consolidated working fund.....552			
Outlays.....	O 3,001	419	44
Service and supply fund.....552			
Outlays.....	O -3,627	-290	
Total Federal funds National Institutes of Health.....	BA 2,842,936	3,189,439	3,172,430
	O 2,675,703	2,851,421	3,152,816

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Health Programs—CONTINUED</b>				
<b>Public Health Service—CONTINUED</b>				
<b>Alcohol, Drug Abuse, and Mental Health Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Alcohol, drug abuse, and mental health:				
(Health care services).....551				
(Appropriation, current).....	BA	651,768	697,233	269,569
			<sup>F</sup> -3,428	<sup>K</sup> 276,026
(Outlays).....	O	642,089	660,119	<sup>J</sup> 198,100
				660,686
				<sup>J</sup> 33,681
(Health research).....552				
(Appropriation, current).....	BA	180,572	216,112	234,345
			<sup>I</sup> 1,564	<sup>K</sup> 25,078
(Outlays).....	O	179,712	197,992	227,828
			<sup>I</sup> 704	<sup>I</sup> 860
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	109,328	115,613	111,492
			<sup>I</sup> 2,554	
(Outlays).....	O	110,109	109,556	113,667
			<sup>I</sup> 226	<sup>I</sup> 2,328
Total Alcohol, drug abuse, and mental health.	BA	941,668	1,029,648	1,114,610
	O	931,910	968,597	1,039,050
Construction and renovation, St. Elizabeths Hospital.....551				
Appropriation, current.....	BA	54,210		
Outlays.....	O	814	3,316	11,628
Saint Elizabeths Hospital.....551				
Appropriation, current.....	BA	79,075	75,824	85,119
			<sup>C</sup> 3,428	
Outlays.....	O	73,338	77,530	83,814
<b>Intragovernmental Funds:</b>				
Working capital fund, Lexington Addiction Research Center.....551				
Outlays.....	O	5		
Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration.	BA	1,074,953	1,108,900	1,199,729
	O	1,006,067	1,049,443	1,134,492
<b>Health Resources Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Health resources:				
(Health care services).....551				
(Appropriation, current).....	BA	161,547	168,164	18,263
			<sup>F</sup> -7,552	<sup>K</sup> 175,400
(Reappropriation).....	BA	260	39,940	
(Outlays).....	O	229,350	195,898	182,510
(Health research).....552				
(Outlays).....	O	38,179	12,473	4,521

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Health Programs—CONTINUED</b>				
<b>Public Health Service—CONTINUED</b>				
<b>Health Resources Administration—CON.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Education and training of health care work force).....553				
(Appropriation, current).....	BA	553,608	554,808	258,027
				<sup>K</sup> 14,743
			<sup>H</sup> -167,893	
(Outlays).....	O	650,938	452,004	422,960
			<sup>H</sup> -30,000	<sup>H</sup> -109,060
Total Health resources.....	BA	715,415	587,467	466,433
	O	918,467	630,375	500,931
<b>Public Enterprise Funds:</b>				
Health education loans.....553				
Appropriation, current.....	BA	1,814	1,899	1,495
Outlays.....	O	-1,031	1,899	1,495
Nurse training fund.....553				
Appropriation, current.....	BA	778	513	505
Outlays.....	O	-334	513	505
Medical facilities guarantee and loan fund.....551				
Appropriation, current.....	BA	41,000	42,000	45,000
Outlays.....	O	32,606	40,438	41,591
Total Federal funds Health Resources Administration.	BA	759,007	631,879	513,433
	O	949,708	673,225	544,522
<b>Office of Assistant Secretary for Health</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses:				
(Health care services).....551				
(Appropriation, current).....	BA	51,657	49,688	177,713
			<sup>A</sup> 23,490	
			<sup>C</sup> 14	
			<sup>D</sup> 780	
			<sup>E</sup> 47	
(Outlays).....	O	32,554	47,057	111,225
			<sup>A</sup> 12,118	<sup>A</sup> 11,372
(Health research).....552				
(Appropriation, current).....	BA	71,250	71,982	82,880
			<sup>D</sup> 780	
			<sup>E</sup> 51	
(Outlays).....	O	35,777	55,709	80,229
Total Salaries and expenses.....	BA	122,907	146,832	260,593
	O	68,331	114,884	202,826
Retirement pay and medical benefits for commissioned officers.....551				
Appropriation, current, indefinite ...	BA	57,399	65,083	76,925
Outlays.....	O	52,141	60,270	70,522
Scientific activities overseas (special foreign currency program).....552				
Appropriation, current.....	BA	11,387	11,387	6,520
Outlays.....	O	5,853	8,603	14,586

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>			
<b>Health Programs—CONTINUED</b>			
<b>Public Health Service—CONTINUED</b>			
<b>Office of Assistant Secretary for Health—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Public Enterprise Funds:</b>			
Health maintenance organization loan and loan guarantee fund.551			
Outlays.....	0	-478	-5,427
			19,507
<b>Intragovernmental Funds:</b>			
Service and supply fund.....551			
Outlays.....	0	-510	
Grants management fund.....551			
Outlays.....	0	-6,495	6,495
Miscellaneous consolidated working funds.....552			
Outlays.....	0	-9,192	
<b>Trust Funds</b>			
Miscellaneous trust funds.....551			
Appropriation, permanent, indefinite.	BA	6,151	4,636
Outlays.....	0	6,528	5,205
			4,779
Total Federal funds Office of Assistant Secretary for Health.	BA	191,693	223,302
	0	109,650	184,825
			344,038
			307,441
Total Trust funds Office of Assistant Secretary for Health.	BA	6,151	4,636
	0	6,528	5,205
			4,779
Total Federal funds Public Health Service.	BA	7,121,911	7,667,112
	0	6,750,998	7,151,513
			7,819,386
			7,680,050
Total Trust funds Public Health Service.	BA	6,151	4,636
	0	6,528	5,205
			4,779
<b>Other Health Programs</b>			
<b>Health Care Financing Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Grants to States for Medicaid.....551			
Appropriation, current.....	BA	10,593,190	11,250,000
			11,250,000
			11,250,000
			11,250,000
Outlays.....	0	10,679,881	11,250,000
			11,250,000
			11,250,000
			11,250,000
Payments to health care trust funds.....551			
Appropriation, current.....	BA	7,242,941	7,760,913
			7,760,913
			7,760,913
Outlays.....	0	7,242,941	7,760,913
			7,760,913
			7,760,913
			7,760,913
Program management: (Health care services).....551			
(Appropriation, current).....	BA	80,553	87,862
			87,862
			87,862
			87,862
(Outlays).....	0	43,323	92,942
			92,942
			92,942
			92,942

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>			
<b>Health Programs—CONTINUED</b>			
<b>Other Health Programs—CONTINUED</b>			
<b>Health Care Financing Administration—CON.</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
(Health research).....552			
(Appropriation, current).....	BA 28,742	18,750	34,990
(Outlays).....	O 15,221	12,187	15,994
Total Program management.....	BA 109,295	109,212	133,950
	O 58,544	105,129	118,104
<b>Intragovernmental Funds:</b>			
Miscellaneous consolidated working fund.....551			
Outlays.....	O 265		
<b>Trust Funds</b>			
Federal hospital insurance trust fund 551			
Appropriation, current.....	BA 28,000	28,000	28,000
Appropriation, permanent, indefinite.	BA 18,543,022	21,942,849	25,467,906
Outlays.....	O 17,861,676	20,727,619	23,670,029
		2,350,000	2,168,085
Federal supplementary medical insurance trust fund.....551			
Appropriation, current.....	BA 27,000	27,000	27,000
Appropriation, permanent, indefinite.	BA 9,045,490	9,804,064	10,341,000
Outlays.....	O 7,349,594	8,771,054	10,153,169
			2,62,300
Limitation on administrative expenses.	(270,869)		
Limitation on administrative expenses.	(382,735)		
Total Federal funds Health Care Financing Administration.	BA 17,945,426	19,621,554	20,631,355
	O 17,981,631	19,617,471	20,372,509
Total Trust funds Health Care Financing Administration.	BA 27,588,512	31,754,913	35,810,906
	O 25,211,270	29,148,673	32,080,013
Total Federal funds Health Programs.	BA 25,067,337	27,288,666	28,450,741
	O 24,732,629	26,768,984	28,052,559
Total Trust funds Health Programs.	BA 27,594,863	31,759,549	35,815,526
	O 25,217,798	29,153,878	32,084,792
<b>Education Division</b>			
<b>Office of Education</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Elementary and secondary education 501			
Appropriation, current.....	BA 3,181,050	3,521,282	3,952,882
		258,000	
Appropriation, permanent.....	BA 8,478		
Outlays.....	O 2,814,994	3,028,841	3,264,500
		45,200	4182,800
Indian education.....501			
Appropriation, current.....	BA 59,732	71,735	76,875
Outlays.....	O 58,697	61,500	71,202

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Education Division—CONTINUED</b>				
<b>Office of Education—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
School assistance in federally affected areas.....501				
Appropriation, current.....	BA	805,000	816,100	528,000
Outlays.....	O	766,349	799,584	619,456
Emergency school aid.....501				
Appropriation, current.....	BA	335,200	341,350	354,100
Outlays.....	O	231,699	345,316	321,162
Education for the handicapped.....501				
Appropriation, current.....	BA	660,625	976,637	1,027,825
Outlays.....	O	327,032	525,219	814,116
Occupational, vocational, and adult education.....501				
Appropriation, current.....	BA	725,750	774,453	765,203
Appropriation, permanent.....	BA	7,161	7,161	7,161
Outlays.....	O	692,967	808,014	840,000
Student assistance.....502				
Appropriation, current.....	BA	3,254,503	3,922,650	2,961,035
Reappropriation.....	BA			726,000
Outlays.....	O	2,515,494	3,097,143	3,375,813
Higher and continuing education.....502				
Appropriation, current.....	BA	338,500	393,000	346,380
Appropriation, permanent.....	BA	2,700	2,700	2,700
Outlays.....	O	294,200	587,015	360,254
Library resources.....503				
Appropriation, current.....	BA	253,212	266,475	233,837
Outlays.....	O	208,989	236,836	230,441
Special projects and training.....503				
Appropriation, current.....	BA	100,659	134,472	117,628
			<sup>1</sup> 1,000	
			<sup>H</sup> 22,365	
Outlays.....	O	59,742	105,319	110,361
			<sup>1</sup> 250	<sup>1</sup> 750
			<sup>H</sup> 4,473	<sup>H</sup> 7,111
Educational activities overseas (special foreign currency program).....503				
Appropriation, current.....	BA	2,000		2,000
			<sup>1</sup> 2,000	
Outlays.....	O	1,999	1,880	685
			<sup>1</sup> 220	<sup>1</sup> 335
Salaries and expenses.....503				
Appropriation, current.....	BA	133,407	126,495	128,353
Outlays.....	O	129,513	123,657	122,842
Educational development.....503				
Outlays.....	O	744	1,000	700
<b>Public Enterprise Funds:</b>				
Student loan insurance fund.....502				
Appropriation, current.....	BA	479,663	714,314	959,621
			<sup>1</sup> 243,189	
Authority to borrow, current.....	BA	40,000	25,000	
Outlays.....	O	545,697	859,017	782,994
			<sup>1</sup> 78,058	<sup>1</sup> 165,131

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Education Division—CONTINUED</b>				
<b>Office of Education—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>Public Enterprise Funds—CONTINUED</b>				
Higher education facilities loan and insurance fund.....502				
Appropriation, current.....	BA	1,847	2,204	2,189
Appropriation, permanent, indefinite.	BA	971	1,052	931
Outlays.....	O	29,074	5,571	7,920
Health professions graduate student loan insurance fund.....553				
Authority to borrow, current.....	BA		2,500	
Outlays.....	O		-351	-300
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....503				
Outlays.....	O	-2,846		
Total Federal funds Office of Education.	BA	10,391,458	12,581,404	12,192,720
	O	8,674,344	10,664,816	11,265,051
<b>National Institute of Education</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
National Institute of Education.....503				
Appropriation, current.....	BA	90,100	92,300	98,285
			2160	
Outlays.....	O	68,532	86,543	88,419
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....503				
Outlays.....	O	-4,239	2,441	1,272
Total Federal funds National Institute of Education.	BA	90,100	92,460	98,285
	O	64,293	88,984	89,691
<b>Office of the Assistant Secretary for Education</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses:				
(Higher education).....502				
(Appropriation, current).....	BA	12,000	13,000	14,000
(Outlays).....	O	10,925	11,729	12,683
(Research and general education aids).....503				
(Appropriation, current).....	BA	24,279	25,483	21,930
(Outlays).....	O	13,951	24,043	21,319
Total Salaries and expenses.....	BA	36,279	38,483	35,930
	O	24,876	35,772	34,002
Institute of Museum Services.....503				
Appropriation, current.....	BA	4,010	7,852	10,900
Outlays.....	O	74	4,736	5,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>			
<b>Education Division—CONTINUED</b>			
<i>Office of the Assistant Secretary for Education—CONTINUED</i>			
<i>Trust Funds</i>			
Special statistical compilations and surveys.....503			
Appropriation, permanent, indefinite.	BA 71	80	100
Outlays.....	O 33	40	50
Total Federal funds Office of the Assistant Secretary for Education.	BA 40,289	46,335	46,830
	O 24,950	40,508	39,002
Total Trust funds Office of the Assistant Secretary for Education.	BA 71	80	100
	O 33	40	50
Total Federal funds Education Division.	BA 10,521,847	12,720,199	12,337,835
	O 8,763,587	10,794,308	11,393,744
Total Trust funds Education Division.	BA 71	80	100
	O 33	40	50
<b>Social and Rehabilitation Service</b>			
<i>Federal Funds</i>			
<i>General and Special Funds:</i>			
Program Administration .....506			
Outlays.....	O -2		
<b>Social Security Administration</b>			
<i>Federal Funds</i>			
<i>General and Special Funds:</i>			
Payments to social security trust funds.....601			
Appropriation, current.....	BA 741,203	760,774	676,933
Outlays.....	O 740,930	758,863	676,933
Special benefits for disabled coal miners.....601			
Appropriation, current.....	BA 967,623	1,016,608	1,005,202
Outlays.....	O 982,230	994,867	1,004,202
Supplemental security income program.....604			
Appropriation, current.....	BA 5,250,000	5,557,854	6,396,436
Outlays.....	O 5,854,560	5,557,564	6,339,767
Assistance payments program.....604			
Appropriation, current.....	BA 6,354,412	6,663,000	7,079,210
		<sup>4</sup> 4,895	
		<sup>2</sup> 1,105	
Outlays.....	O 6,639,462	6,696,725	<sup>2</sup> -212,000
		<sup>4</sup> 4,895	6,960,810
			<sup>2</sup> -212,000
Refugee assistance.....604			
Appropriation, current.....	BA 195,950	175,300	75,540
		<sup>4</sup> 51,664	
Outlays.....	O 143,290	193,098	<sup>2</sup> 90,000
		<sup>4</sup> 33,581	107,840
			<sup>4</sup> 18,082
			<sup>2</sup> 90,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Social Security Administration—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Payments to states from receipts for child support.....604				
Appropriation, permanent.....	BA	27	400	438
Outlays.....	O	19	408	438
<b>Trust Funds</b>				
Gifts and donations, refugee assistance.....604				
Outlays.....	O	5		
Federal old-age and survivors insurance trust fund.....601				
Appropriation, current.....	BA			<sup>1</sup> 12,000
Appropriation, permanent, indefinite.....	BA	76,811,029	86,610,200	99,764,106
Outlays.....	O	81,205,455	89,649,225 <sup>2</sup> 4,000	101,546,000 <sup>2</sup> —505,000
Federal disability insurance trust fund.....601				
Appropriation, current.....	BA			<sup>1</sup> 2,000
Appropriation, permanent, indefinite.....	BA	12,783,707	15,192,663	17,415,827
Outlays.....	O	12,655,285	14,055,570	15,740,253 <sup>2</sup> —104,000
Limitation on administrative expenses.....		(2,108,761)	(2,292,764)	(2,325,035)
		<sup>D</sup> (4,434)	<sup>D</sup> (20,831)	<sup>D</sup> (23,337)
Total Federal funds Social Security Administration.....	BA	13,509,215	14,231,600	15,111,759
	O	14,360,491	14,240,001	14,986,072
Total Trust funds Social Security Administration.....	BA	89,594,736	101,802,863	117,193,933
	O	93,860,745	103,708,795	116,677,253
<b>Special Institutions</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
American Printing House for the Blind.....501				
Appropriation, current.....	BA	3,498	3,906	4,349
Outlays.....	O	3,498	3,906	4,349
National Technical Institute for the Deaf.....502				
Appropriation, current.....	BA	14,630	16,625	17,349
Outlays.....	O	14,783	16,625	17,349
Gallaudet College.....502				
Appropriation, current.....	BA	45,976	44,833	48,341
Outlays.....	O	35,852	51,176	52,912
Howard University.....502				
Appropriation, current.....	BA	99,118	113,393	121,893
Outlays.....	O	97,659	109,308	115,028
Total Federal funds Special Institutions.....	BA	163,222	178,757	191,932
	O	151,792	181,015	189,638

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Human Development Services</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Grants to states for social services and child welfare services.....506				
Appropriation, current.....	BA	2,614,460	2,776,352 ^188,548	2,632,325 ^433,925
Outlays.....	O	2,808,723	2,776,352 ^188,548	2,586,325 ^433,925
Human development services: (Elementary, secondary, and vocational education).....501				
(Appropriation, current).....	BA	675,527	675,589 ^55,000 ^596	751,231
(Outlays).....	O	560,877	689,221 ^10,000	717,983 ^40,000
(Social services).....506				
(Appropriation, current).....	BA	1,553,175	1,547,064 ^74,028 ^1,791	1,657,667
(Outlays).....	O	1,516,744	1,443,668 ^55,000	1,671,523 ^8,214
Total Human development services.	BA	2,228,702	2,354,068	2,408,898
	O	2,077,621	2,197,889	2,437,720
Work incentives.....504				
Appropriation, current.....	BA	365,000	385,000	385,000
Outlays.....	O	364,099	372,000	378,000
Research and training activities overseas (special foreign currency program).....506				
Appropriation, current.....	BA			4,400
			^3,490	
Outlays.....	O	1,821	2,980	2,892 ^1,000
Total Federal funds Human Development Services.	BA	5,208,162	5,707,458	5,864,548
	O	5,252,264	5,537,769	5,839,862
<b>Departmental Management</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
General Departmental management 604				
Appropriation, current.....	BA	87,090	127,986 ^3,545	135,060
Outlays.....	O	80,752	132,657	134,569
Office of Inspector General.....604				
Appropriation, current.....	BA	28,743	35,606	39,668
Outlays.....	O	25,304	34,525	39,107
Office for Civil Rights.....751				
Appropriation, current.....	BA	41,807	68,227	65,092
Outlays.....	O	36,494	67,814	65,198
Office of Consumer Affairs.....506				
Appropriation, current.....	BA	1,800	1,700 ^32	1,861
Outlays.....	O	1,806	1,704	1,851

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Departmental Management—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Policy research.....604				
Appropriation, current.....	BA	30,000	25,000	24,715
Outlays.....	O	23,802	28,546	25,603
<b>Intragovernmental Funds:</b>				
Working capital fund.....506				
Outlays.....	O	10,001	2,459	
Consolidated working fund.....506				
Outlays.....	O	-3,890	10,773	
Grants management fund.....552				
Outlays.....	O	-65		
Total Federal funds	BA	189,440	262,096	266,596
Departmental Management.	O	174,204	278,478	266,328
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	54,659,223	60,388,776	62,223,411
	O	53,434,965	57,800,555	60,728,203
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the public.....500	BA } O }	-6,361	-5,622	-5,602
550	BA } O }	-18,389	-15,196	-14,221
902	BA } O }	-4,561	-3,781	-3,765
Total Federal funds.....	BA	54,629,912	60,364,177	62,199,823
	O	53,405,654	57,775,956	60,704,615
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	117,189,470	133,562,492	153,009,559
	O	119,078,576	132,862,713	148,762,095
<b>Deductions for offsetting receipts:</b>				
Intrafund transactions.....601	BA } O }	-1,618,461	-1,386,000	-1,440,000
902	BA } O }	-17,238	-15,000	-18,000
Proprietary receipts from the public.....503	BA } O }	-71	-80	-100
551	BA } O }	-14		
554	BA } O }	-5,605	-4,111	-4,095
601	BA } O }	-73		
Total Trust funds.....	BA	115,548,008	132,157,301	151,547,364
	O	117,437,114	131,457,522	147,299,900
Interfund transactions.....551	BA } O }	-7,245,441	-7,760,913	-7,969,906
	BA } O }			-70,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Health, Education, and Welfare—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds:—CONTINUED</b>				
601	BA } O }	-740,930	-758,863	-676,933
Total Department of Health, Education, and Welfare.	BA O	162,191,549 162,856,397	184,001,702 180,713,702	205,170,348 199,427,676
<b>Department of Housing and Urban Development</b>				
<b>Housing Programs</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Subsidized housing programs.....604				
Contract authority, current.....	BA	31,507,863	24,395,848	κ26,480,128
			κ-600,000	
Indefinite.....	BA	-5,754		
Contract authority, permanent.....	BA	39,158	38,169	39,700
Liquidation of contract authority, current.		(3,948,109)	(4,460,000)	
Outlays.....	O	2,920,223	3,588,000	κ(5,529,000)
Payments for operation of low income housing projects.....604				4,404,000
Appropriation, current.....	BA	685,000	727,000	κ741,500
Outlays.....	O	691,329	652,000	720,000
Congregate services program.....604				
Appropriation, current.....	BA		10,000	
Outlays.....	O		1,800	2,000
Troubled projects operating subsidy 604				
Appropriation, current.....	BA		74,000	κ82,000
Outlays.....	O		30,000	78,000
<b>Public Enterprise Funds:</b>				
Federal Housing Administration fund 371				
Appropriation, current, indefinite...	BA	15,000	252,290	102,250
Authority to borrow, permanent.....	BA	536,985	57,600	κ92,600
Outlays.....	O	356,764	110,895	34,131
Housing for the elderly or handicapped fund.....371				
Authority to borrow, current.....	BA	750,000	800,000	800,000
Outlays.....	O	176,366	476,000	700,000
College housing—loans and other expenses.....502				
Appropriation, current.....	BA	10,299	14,619	
Appropriation, permanent.....	BA	285	287	
Outlays.....	O	-61,259	60,000	
Low-rent public housing—loans and other expenses.....604				
Outlays.....	O	10,945		
Nonprofit sponsor assistance.....604				
Outlays.....	O	1,097	2,300	1,993
Community disposal operations fund 451				
Outlays.....	O	-697	-620	-540

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Housing and Urban Development—CONTINUED</b>			
<b>Housing Programs—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Public Enterprise Funds—CONTINUED</b>			
Rental housing assistance fund...604			
Outlays.....	0	-12,191	69,311
Revolving fund (liquidating programs).....451			
Appropriation, current.....	BA	2,149	2,158
Appropriation, permanent, indefinite.	BA	814	877
Outlays.....	0	8,676	13,636
Outlays.....			31,758
<b>Intragovernmental Funds:</b>			
Disaster assistance fund.....453			
Outlays.....	0	-33,717	-16,812
Total Federal funds Housing Programs.	BA	33,541,799	25,772,848
	0	4,057,536	4,986,510
			28,403,943
			5,971,342
<b>Government National Mortgage Association</b>			
<b>Federal Funds</b>			
<b>Public Enterprise Funds:</b>			
Special assistance functions fund 371			
Appropriation, current.....	BA	4,139	3,700
Appropriation, permanent, indefinite.	BA	3,260	3,100
Authority to borrow, permanent.....	BA		500,000
Outlays.....	0	-54,629	143,912
Emergency mortgage purchase assistance.....371			
Outlays.....	0	359,778	164,865
Management and liquidating functions fund.....371			
Outlays.....	0	-42,638	-32,000
Guarantees of mortgage-backed securities.....371			
Outlays.....	0	-41,393	-41,820
Participation sales fund:			
(Mortgage credit and thrift insurance).....371			
(Outlays).....	0	-10,405	22,306
(Other advancement and regulation of commerce).....376			
(Outlays).....	0	-3,858	-4,027
(Community development).....451			
(Outlays).....	0	2,147	1,970
(Higher education).....502			
(Outlays).....	0	5,092	-721
(Health research).....552			
(Outlays).....	0	-477	-824
(Veterans housing).....704			
(Outlays).....	0	-13,028	-17,044
Total Participation sales fund ...	0	-20,529	1,660
Total Federal funds Government National Mortgage Association.	BA	7,399	506,800
	0	200,589	236,617
			335,787

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Housing and Urban Development—CONTINUED</b>				
<b>Community Planning and Development</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Community development grants...451				
Appropriation, current.....	BA	3,600,000	3,750,000	3,900,000
Outlays.....	O	2,464,267	2,875,000	3,272,000
Urban development action grants 451				
Appropriation, current.....	BA	400,000	400,000	400,000
Outlays.....	O		44,000	162,000
Comprehensive planning grants...451				
Appropriation, current.....	BA	57,000	53,000	
Outlays.....	O	67,083	59,000	<sup>K</sup> 40,000
Urban homesteading.....451				
Appropriation, current.....	BA		20,000	
Outlays.....	O			15,000
Miscellaneous appropriations.....451				
Outlays.....	O	10,750	12,934	18,378
<b>Public Enterprise Funds:</b>				
Rehabilitation loan fund.....451				
Appropriation, current.....	BA		230,000	130,000
Outlays.....	O	47,176	91,000	125,000
Urban renewal programs.....451				
Liquidation of contract authority, permanent.		(700,000)		
Outlays.....	O	375,678	280,000	265,000
Total Federal funds Community Planning and Development.	BA	4,057,000	4,453,000	4,470,000
	O	2,964,954	3,361,934	3,913,378
<b>New Communities Development Corporation</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
New community assistance grants 451				
Appropriation, current.....	BA		<sup>H</sup> 8,167	
Outlays.....	O	1,275	4,507	4,000
<b>Public Enterprise Funds:</b>				
New communities fund.....451				
Authority to borrow, permanent, indefinite.	BA	110,961	30,169	34,582
Outlays.....	O	97,202	42,981	34,582
Total Federal funds New Communities Development Corporation.	BA	110,961	22,002	34,582
	O	98,477	47,488	38,582
<b>Neighborhoods, Voluntary Associations, and Consumer Protection</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Housing counseling assistance.....506				
Appropriation, current.....	BA	5,000	9,000	9,000
Outlays.....	O	4,219	7,356	9,000
Neighborhood self-help development program.....451				
Appropriation, current.....	BA			15,000
Outlays.....	O		<sup>A</sup> 15,000	5,000
			<sup>A</sup> 3,000	<sup>A</sup> 9,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Housing and Urban Development—CONTINUED</b>			
<b>Neighborhoods, Voluntary Associations, and Consumer Protection—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
Livable cities program .....451			
Appropriation, current.....	BA		5,000
		45,000	
Outlays .....	O	42,000	2,000
			43,000
Mobile home standards program...376			
Outlays .....	O	495	940
Interstate land sales.....376			
Appropriation, permanent, indefinite.	BA	342	423
Outlays .....	O	405	789
			423
Total Federal funds	BA	5,342	29,423
Neighborhoods, Voluntary Associations, and Consumer Protection.	O	5,119	14,085
			28,423
<b>Policy Development and Research</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Research and technology.....451			
Appropriation, current.....	BA	52,000	57,500
			53,000
Outlays .....	O	50,834	53,300
			53,800
<b>Fair Housing and Equal Opportunity</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Fair housing assistance.....751			
Appropriation, current.....	BA		3,700
Outlays .....	O		3,700
<b>Management and Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses, Department of Housing and Urban Development: (Other advancement and regulation of commerce).....376			
(Appropriation, current).....	BA	7,825	8,033
			8,444
(Outlays) .....	O	7,505	8,131
(Community development).....451			
(Appropriation, current).....	BA	156,951	164,457
			166,987
(Outlays) .....	O	145,417	166,334
(Public assistance and other income supplements).....604			
(Appropriation, current).....	BA	48,595	68,044
			68,903
(Outlays) .....	O	46,611	73,806
			74,378

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Housing and Urban Development—CONTINUED</b>				
<b>Management and Administration—CON.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
(Federal law enforcement activities).....751				
(Appropriation, current).....	BA	16,216	14,743 2556	17,241
(Outlays).....	0	15,554	14,674	16,538
Total Salaries and expenses, Department of Housing and Urban Development.	BA	229,587	272,167	296,002
	0	215,087	262,945	290,989
Urban transportation.....401				
Outlays.....	0		89	
Low income-housing demonstration program.....451				
Outlays.....	0	-2	689	
<b>Intragovernmental Funds:</b>				
Working capital fund.....451				
Outlays.....	0	478	-184	-183
Joint grants management fund.....451				
Outlays.....	0	67	19	
Total Federal funds	BA	229,587	272,167	296,002
Management and Administration.	0	215,630	263,558	290,806
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	38,004,088	31,113,740	33,297,150
	0	7,593,139	8,963,492	10,635,818
Deductions for offsetting receipts:				
Proprietary receipts from the public.....450	BA } 0 }	-2,510	-367	-367
902	BA } 0 }	-1,141	-1,300	-1,300
Total Department of Housing and Urban Development.	BA	38,000,437	31,112,073	33,295,483
	0	7,589,488	8,961,825	10,634,151

**Department of the Interior****Land and Water Resources****Bureau of Land Management****Federal Funds****General and Special Funds:****Management of lands and resources**

302

Appropriation, current..... BA 306,955 286,792 287,931

44,850

24,418

Outlays..... 0 274,808 296,980 280,962

40,000

44,850

Acquisition, construction and  
maintenance.....302

Appropriation, current..... BA 18,707 19,011 16,343

Liquidation of contract authority,  
current.

Outlays..... 0 16,877 20,200 15,829

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>			
<b>Land and Water Resources—CONTINUED</b>			
<b>Bureau of Land Management—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
Payments in lieu of taxes.....852			
Appropriation, current.....	BA 100,000	105,000	108,000
Outlays.....	O 97,608	105,000	108,000
Oregon and California grant lands			
302			
Appropriation, current, indefinite ...	BA 43,145	55,000	55,000
Outlays.....	O 43,877	50,600	54,200
Range improvements.....302			
Appropriation, current, indefinite ...	BA 9,172	8,665	10,900
Outlays.....	O 8,340	9,400	10,900
Recreation development and			
operation of recreation facilities			
302			
Appropriation, current, indefinite ...	BA 300	300	300
Outlays.....	O 381	400	300
Service charges, deposits, and			
forfeitures.....302			
Appropriation, current, indefinite ...	BA 9,975	13,750	13,750
Outlays.....	O 7,955	12,400	12,000
Miscellaneous permanent			
appropriations:			
(Conservation and land			
management).....302			
(Appropriation, permanent,	BA 2,484	2,002	2,002
indefinite).			
(Outlays).....	O 2,909	2,411	2,202
(Other general purpose fiscal			
assistance).....852			
(Appropriation, permanent,	BA 287,323	308,598	356,048
indefinite).			
(Outlays).....	O 287,027	308,689	356,098
Total Miscellaneous permanent	BA 289,807	310,600	358,050
appropriations.	O 289,936	311,100	358,300
<b>Intragovernmental Funds:</b>			
Working capital fund.....302			
Appropriation, current.....	BA 2,000		
Outlays.....	O -675	-672	300
<b>Trust Funds</b>			
Miscellaneous trust funds.....302			
Appropriation, current, indefinite ...	BA 100	100	100
Appropriation, permanent,	BA 721	600	600
indefinite.			
Outlays.....	O 757	700	700
Total Federal funds Bureau of	BA 780,061	848,386	850,274
Land Management.	O 739,107	845,408	845,641
Total Trust funds Bureau of	BA 821	700	700
Land Management.	O 757	700	700
<b>Bureau of Reclamation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Loan program.....301			
Appropriation, current.....	BA 27,753	36,366	76,221
Outlays.....	O 20,823	34,000	42,792

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Land and Water Resources—CONTINUED</b>				
<b>Bureau of Reclamation—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Recreational and fish and wildlife facilities.....303				
Appropriation, current.....	BA	4,890	10,600	12,026
Outlays.....	O	4,760	10,000	10,025
Colorado River Basin Salinity control projects.....301				
Appropriation, current.....	BA	22,675	17,315	38,054 *140
Outlays.....	O	20,782	31,000	33,360
Drought emergency assistance.....301				
Outlays.....	O	39,943	3,018	.....
General investigations.....301				
Appropriation, current.....	BA	25,106	30,870	34,320
Outlays.....	O	25,593	31,000	30,568
Emergency fund.....301				
Appropriation, current.....	BA	.....	.....	1,000
Outlays.....	O	14,862	7,000	1,000
Construction and rehabilitation.....301				
Appropriation, current.....	BA	357,850	221,572	313,153
Outlays.....	O	323,735	230,582	254,044
Operation and maintenance.....301				
Appropriation, current.....	BA	81,331	88,355 C1,158 P1,205	100,653
Outlays.....	O	79,266	85,252	94,611
General administrative expenses.....301				
Appropriation, current.....	BA	24,845	25,250 P760	27,400
Outlays.....	O	24,913	25,730	27,394
Miscellaneous permanent appropriations.....852				
Appropriation, permanent.....	BA	600	600	600
Indefinite.....	BA	2,140	2,100	2,100
Outlays.....	O	2,750	2,700	2,700
<b>Public Enterprise Funds:</b>				
Colorado River Basin project.....301				
Appropriation, current.....	BA	78,145	74,770	89,217
Outlays.....	O	82,850	78,000	74,586
Upper Colorado River storage project.....301				
Appropriation, current.....	BA	63,253	76,799	57,277
Outlays.....	O	45,493	76,000	58,806
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....301				
Outlays.....	O	-21,628	.....	.....
<b>Trust Funds</b>				
Reclamation trust funds.....301				
Appropriation, permanent.....	BA	4,936	12,623	5,300
Outlays.....	O	4,452	10,000	8,200
Total Federal funds Bureau of Reclamation.....	BA	688,588	585,720	752,161
	O	664,142	614,282	629,886
Total Trust funds Bureau of Reclamation.....	BA	4,936	12,623	5,300
	O	4,452	10,000	8,200

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Land and Water Resources—CONTINUED</b>				
<i>Office of Water Research and Technology</i>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses .....				
Appropriation, current .....	BA	25,307	28,351	30,739
Outlays .....	O	17,585	24,233	25,338
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....				
Outlays .....	O	35	3	
Total Federal funds Office of	BA	25,307	28,351	30,739
Water Research and	O	17,620	24,236	25,338
Technology.				
Total Federal funds Land and	BA	1,493,956	1,462,457	1,633,174
Water Resources.	O	1,420,869	1,483,926	1,500,865
Total Trust funds Land and	BA	5,757	13,323	6,000
Water Resources.	O	5,209	10,700	8,900
<b>Fish and Wildlife Parks</b>				
<i>Heritage Conservation and Recreation</i>				
<i>Service</i>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses .....				
Appropriation, current .....	BA	18,154	14,871	14,954
			<sup>2</sup> 406	
Outlays .....	O	23,530	25,226	<sup>3</sup> 3,566
				15,701
				<sup>3</sup> 3,459
Urban park and recreation grants				
303				
Appropriation, current .....	BA			150,000
Outlays .....	O		<sup>4</sup> 37,500	10,000
			<sup>4</sup> 2,500	<sup>4</sup> 10,250
Land and water conservation fund				
303				
Appropriation, current .....	BA			<sup>7</sup> 12,000
Indefinite .....	BA	831,000	738,025	598,000
Contract authority, current .....	BA			<sup>7</sup> 30,000
Contract authority, permanent .....	BA	30,000	30,000	30,000
Outlays .....	O	632,101	543,000	479,000
				<sup>7</sup> 7,000
Historic preservation fund .....				
303				
Appropriation, current .....	BA	45,000	60,000	45,000
Outlays .....	O	11,299	9,000	15,000
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....				
303				
Outlays .....	O	48		

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Fish and Wildlife Parks—CONTINUED</b>				
<b>Heritage Conservation and Recreation Service—CONTINUED</b>				
<b>Trust Funds</b>				
Donations.....303				
Appropriation, permanent, indefinite.	BA	5	264	264
Outlays.....	O	36	264	264
Total Federal funds Heritage Conservation and Recreation Service.	BA	924,154	880,802	823,520
	O	666,978	579,726	540,410
Total Trust funds Heritage Conservation and Recreation Service.	BA	5	264	264
	O	36	264	264
<b>United States Fish and Wildlife Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Resource management.....303				
Appropriation, current.....	BA	177,082	200,087 C486 D4,924	207,055
Outlays.....	O	167,251	200,364	202,944
Construction and anadromous fish 303				
Appropriation, current.....	BA	68,660	97,856	47,574
Outlays.....	O	33,585	36,753	34,804
Migratory bird conservation account 303				
Appropriation, current.....	BA	10,000	10,000	10,000
Appropriation, permanent, indefinite.	BA	11,219	12,000	18,000
Outlays.....	O	21,640	22,000	22,000
Development and operation of recreation facilities.....303				
Appropriation, current.....	BA	150	150	200
Outlays.....	O	39	150	200
Miscellaneous permanent appropriations:				
(Recreational resources).....303				
(Appropriation, permanent, indefinite).	BA	94,314	114,544	117,755
(Outlays).....	O	87,584	78,357	83,613
(Other general purpose fiscal assistance).....852				
(Appropriation, permanent, indefinite).	BA	4,083	4,100	3,700
(Outlays).....	O	5,395	4,827	4,300
Total Miscellaneous permanent appropriations.	BA	98,397	118,644	121,455
	O	92,979	83,184	87,913
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....303				
Outlays.....	O	-2,273		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Fish and Wildlife Parks—CONTINUED</b>				
<b>United States Fish and Wildlife Service</b>				
<b>—CONTINUED</b>				
<b>Trust Funds</b>				
Contributed funds .....	303			
Appropriation, permanent, indefinite.	BA	2,324	3,000	3,400
Outlays .....	O	2,383	2,800	3,200
Total Federal funds United States Fish and Wildlife Service.	BA	365,508	444,147	404,284
	O	313,221	342,451	347,861
Total Trust funds United States Fish and Wildlife Service.	BA	2,324	3,000	3,400
	O	2,383	2,800	3,200
<b>National Park Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Operation of the national park system .....	303			
Appropriation, current .....	BA	340,851	379,999 41,727 C2,955 D6,166	382,777
Outlays .....	O	331,454	388,557 41,727	371,697
Construction .....	303			
Appropriation, current .....	BA	161,442	118,488	85,358
Outlays .....	O	77,649	93,488	74,340
Road construction .....	303			
Liquidation of contract authority, current.		(30,198)		
Outlays .....	O	16,912	13,912	7,222
John F. Kennedy Center for the Performing Arts .....	303			
Appropriation, current .....	BA	3,855	4,055 C49 D34	4,287
Outlays .....	O	3,938	4,055	4,244
Planning, development, and operation of recreation facilities .....	303			
Appropriation, current, indefinite ...	BA	14,468	15,478 D350	28,465
Outlays .....	O	15,368	17,814	28,074
Commemorative activities fund .....	303			
Appropriation, permanent, indefinite.	BA	252		
Outlays .....	O	611	330	330
Miscellaneous permanent appropriations .....	303			
Appropriation, permanent, indefinite.	BA	446	435	435
Outlays .....	O	325	435	435
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....	303			
Outlays .....	O	1,246		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Fish and Wildlife Parks—CONTINUED</b>				
<b>National Park Service—CONTINUED</b>				
<b>Trust Funds</b>				
Miscellaneous trust funds.....303				
Appropriation, permanent, indefinite.	BA	927	2,200	2,200
Outlays.....	O	1,005	2,265	2,200
Total Federal funds National Park Service.	BA	521,314	529,736	501,322
	O	447,503	520,318	486,342
Total Trust funds National Park Service.	BA	927	2,200	2,200
	O	1,005	2,265	2,200
Total Federal funds Fish and Wildlife Parks.	BA	1,810,976	1,854,685	1,729,126
	O	1,427,702	1,442,495	1,374,613
Total Trust funds Fish and Wildlife Parks.	BA	3,256	5,464	5,864
	O	3,424	5,329	5,664
<b>Energy and Minerals</b>				
<b>Geological Survey</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Surveys, investigations and research 306				
Appropriation, current.....	BA	375,899	409,008 ^1,700 ^300 ^10,114	451,021
Outlays.....	O	361,926	398,080 ^1,600	432,217 ^100
Exploration of national petroleum reserve in Alaska.....271				
Appropriation, current.....	BA	209,541	231,048	4,427
Outlays.....	O	141,554	220,606	82,753
Payments from proceeds, sale of water.....301				
Appropriation, permanent, indefinite.	BA	3		
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....306				
Outlays.....	O	-1,685		
Total Federal funds Geological Survey.	BA	585,443	652,170	455,448
	O	501,795	620,286	515,070
<b>Office of Surface Mining Reclamation and Enforcement</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Regulation and technology.....302				
Appropriation, current.....	BA	30,880	53,939 ^2,241	81,320
Outlays.....	O	4,198	45,000 ^1,570	70,623 ^671

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Energy and Minerals—CONTINUED</b>				
<b>Office of Surface Mining Reclamation and Enforcement—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
Abandoned mine reclamation fund				
302				
Appropriation, current.....	BA	36,647	61,451	113,916
Outlays.....	O	1,214	24,800	76,803
Total Federal funds Office of	BA	67,527	117,631	195,236
Surface Mining Reclamation	O	5,412	71,370	148,097
and Enforcement.				
<b>Mining Enforcement and Safety Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....554				
Appropriation, current.....	BA	48,825		
Outlays.....	O	48,405		
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....554				
Outlays.....	O	83		
Total Federal funds Mining	BA	48,825		
Enforcement and Safety	O	48,488		
Administration.				
<b>Bureau of Mines</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Mines and minerals.....306				
Appropriation, current.....	BA	138,200	146,976	135,194
			<sup>D</sup> 2,186	
Outlays.....	O	121,792	155,721	137,319
Drainage of anthracite mines.....306				
Outlays.....	O	51	800	500
<b>Public Enterprise Funds:</b>				
Helium fund.....306				
Authority to borrow, current.....	BA		<sup>H</sup> 3,127	
Contract authority, current.....	BA	-47,500	-47,500	
				<sup>J</sup> 47,500
Contract authority, permanent.....	BA	47,500	47,500	47,500
Outlays.....	O	-574	2,412	1,323
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....306				
Outlays.....	O	-579		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>			
<b>Energy and Minerals—CONTINUED</b>			
<b>Bureau of Mines—CONTINUED</b>			
<b>Trust Funds</b>			
Contributed funds.....306			
Appropriation, permanent, indefinite.	BA 731	800	800
Outlays.....	O 722	800	800
Total Federal funds Bureau of Mines.	BA 138,200	146,035	135,194
	O 120,690	158,933	139,142
Total Trust funds Bureau of Mines.	BA 731	800	800
	O 722	800	800
Total Federal funds Energy and Minerals.	BA 839,995	915,036	785,878
	O 676,385	850,589	802,309
Total Trust funds Energy and Minerals.	BA 731	800	800
	O 722	800	800
<b>Indian Affairs</b>			
<b>Bureau of Indian Affairs</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operation of Indian programs:			
(Conservation and land management).....302			
(Appropriation, current).....	BA 76,967	67,370 47,000 C122 P1,053	64,692
(Outlays).....	O 68,337	62,382 47,000	56,822
(Area and regional development) 452			
(Appropriation, current).....	BA 390,091	449,946 C1,605 P4,558	465,245
(Outlays).....	O 345,770	414,326	408,646
(Elementary, secondary, and vocational education).....501			
(Appropriation, current).....	BA 258,203	257,272 C917 P5,449	262,083
(Outlays).....	O 229,836	240,030	230,203
Total Operation of Indian programs.	BA 725,261	795,292	792,020
	O 643,943	723,738	695,671
Construction.....452			
Appropriation, current.....	BA 67,144	126,554	67,721
Outlays.....	O 89,657	85,337	50,664
Road construction.....452			
Appropriation, current.....	BA 75,335	79,253	58,379
Liquidation of contract authority, current.	(22,912)		
Outlays.....	O 76,186	74,395	47,113
Eastern Indian land claims settlement fund.....806			
Appropriation, current.....	BA	3,500	
Outlays.....	O	3,500	
Miscellaneous permanent appropriations:			

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Indian Affairs—CONTINUED</b>				
<b>Bureau of Indian Affairs—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Area and regional development)				
452				
(Appropriation, permanent, indefinite).	BA	20,981	17,000	17,000
(Outlays).....	0	19,040	16,000	17,000
(Other general government).....	806			
(Appropriation, current).....	BA	30,000	30,000	30,000
(Appropriation, permanent, indefinite).	BA	787	200	200
(Outlays).....	0	30,781	30,200	30,200
Total Miscellaneous permanent appropriations.	BA	51,768	47,200	47,200
	0	49,821	46,200	47,200
<b>Public Enterprise Funds:</b>				
Revolving fund for loans.....	452			
Outlays.....	0	5,860	6,600	2,000
Indian loan guaranty and insurance fund.....	452			
Outlays.....	0	761	2,158	6,000
Liquidation of Hoonah Housing Project revolving fund.....	452			
Outlays.....	0	30	55	
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....	452			
Outlays.....	0	13,299	-20,556	
<b>Trust Funds</b>				
Miscellaneous trust funds:				
(Area and regional development)				
452				
(Appropriation, current).....	BA	1,594	3,000	3,000
(Indefinite).....	BA	25,293	23,000	23,000
(Appropriation, permanent, indefinite).	BA	218,630	265,000	250,900
(Outlays).....	0	195,660	203,300	199,000
(Other general government).....	806			
(Appropriation, permanent).....	BA	30,000	30,000	30,000
(Indefinite).....	BA	35,660	48,700	61,000
(Outlays).....	0	60,166	76,700	91,000
Total Miscellaneous trust funds	BA	311,177	367,700	367,900
	0	255,826	280,000	290,000
Total Federal funds Bureau of Indian Affairs.	BA	919,508	1,051,799	965,320
	0	879,557	921,427	848,648
Total Trust funds Bureau of Indian Affairs.	BA	311,177	367,700	367,900
	0	255,826	280,000	290,000

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Territorial Affairs</b>				
<b>Office of Territorial Affairs</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Administration of territories.....806				
Appropriation, current.....	BA	71,968	52,023 +1,419 +100	46,804
Outlays.....	O	68,815	73,084 +1,419	44,604
Trust Territory of the Pacific Islands 806				
Appropriation, current.....	BA	117,666	114,606 +130	99,010
Outlays.....	O	85,454	91,268	92,511
Micronesian claims fund, Trust Territory of the Pacific Islands.806				
Appropriation, current.....	BA		12,600	
Outlays.....	O	170	14,288	
Payments to the Virgin Islands, fiscal assistance.....852				
Appropriation, permanent, indefinite.	BA		24,000	24,000
Outlays.....	O		24,000	24,000
Office of the Comptroller for Guam 806				
Outlays.....	O	198		
Internal revenue collections for the Virgin Islands.....852				
Appropriation, permanent, indefinite.	BA	24,662	24,000	
Outlays.....	O	22,171	28,826	2,360
Total Federal funds Office of Territorial Affairs.	BA	214,296	228,880	169,814
	O	176,808	232,885	163,475
<b>Secretarial Offices</b>				
<b>Office of the Solicitor and Office of the Secretary</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Office of the Solicitor, salaries and expenses.....306				
Appropriation, current.....	BA	14,407	14,582 +526	15,619
Outlays.....	O	13,547	15,102	14,592
Departmental management.....306				
Appropriation, current.....	BA	39,015	41,095 +200 +1,217	48,761
Outlays.....	O	34,639	45,561 +195	43,924 +5
Salaries and expenses (special foreign currency program).....306				
Appropriation, current.....	BA	1,000	1,000	1,000
Outlays.....	O	295	2,200	1,000
<b>Intragovernmental Funds:</b>				
Working capital fund.....306				
Outlays.....	O	-9,983		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>			
<b>Secretarial Offices—CONTINUED</b>			
<i>Office of the Solicitor and Office of the Secretary—CONTINUED</i>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds—CONTINUED</b>			
Consolidated working fund, Office of the Secretary.....306			
Outlays .....	0	239	
Total Federal funds Office of the Solicitor and Office of the Secretary.	BA	54,422	58,620
	O	38,737	63,058
			59,521
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	5,333,153	5,572,277
	O	4,620,058	4,994,380
			4,749,431
Deductions for offsetting receipts:			
Proprietary receipts from the public.....300	BA } -707,728	-853,197	-873,337
	O }		
301	BA } -21	-30	-30
	O }		
302	BA } -11,213	-15,750	-15,750
	O }		
450	BA } -21,402	-17,500	-17,433
	O }		
500	BA } -38	-70	-35
	O }		
800	BA } -1,063	-1,100	-1,500
	O }		
902	BA } -5,306	-5,888	-6,092
	O }		
Total Federal funds .....	BA	4,586,382	4,678,742
	O	3,873,287	4,100,845
			3,835,254
<b>Trust Funds:</b>			
(As shown in detail above).....	BA	320,921	387,287
	O	265,181	296,829
			380,564
Deductions for offsetting receipts:			
Proprietary receipts from the public.....301	BA } -4,936	-12,623	-5,300
	O }		
302	BA } -808	-700	-700
	O }		
303	BA } -2,324	-3,000	-3,400
	O }		
306	BA } -731	-800	-800
	O }		
452	BA } -207,074	-223,651	-243,801
	O }		



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Interior—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds:—CONTINUED</b>				
902	BA } O }	-32,132	-32,230	-32,600
Total Trust funds.....	BA O	72,916 17,176	114,283 23,825	93,963 18,763
Interfund transactions.....452	BA } O }	-39,610	-80,000	-60,000
806	BA } O }	-30,000	-30,000	-30,000
Total Department of the Interior	BA O	4,589,688 3,820,853	4,683,025 4,014,670	4,438,478 3,764,017

**Department of Justice****General Administration****Federal Funds****General and Special Funds:**

Salaries and expenses.....751				
Appropriation, current.....	BA	27,582	28,474 C18 D949	25,917
Outlays.....	O	25,702	28,896	25,197

**Intragovernmental Funds:**

Consolidated working fund.....751				
Outlays.....	O	-407	1,917	
Working capital fund.....751				
Outlays.....	O	-1,851	-282	-396
Total Federal funds General Administration.	BA O	27,582 23,444	29,441 30,531	25,917 24,801

**United States Parole Commission****Federal Funds****General and Special Funds:**

Salaries and expenses.....751				
Appropriation, current.....	BA			5,555
Outlays.....	O			5,430

**Legal Activities****Federal Funds****General and Special Funds:**

Salaries and expenses, General Legal Activities.....752				
Appropriation, current.....	BA	81,653	90,550 D457	98,119
Outlays.....	O	79,573	88,400	95,695
Salaries and expenses, Antitrust Division.....752				
Appropriation, current.....	BA	42,371	46,377 D1,131	43,592
Outlays.....	O	35,749	46,054	46,661

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Justice—CONTINUED</b>				
<b>Legal Activities—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Salaries and expenses, United States Attorneys and Marshals.....752				
Appropriation, current.....	BA	190,570	196,700 <sup>A</sup> 226 <sup>D</sup> 7,293	234,632 <sup>J</sup> -6,470
Outlays.....	O	184,014	203,399 <sup>A</sup> 215	227,286 <sup>A</sup> 11 <sup>J</sup> -5,969
Support of United States prisoners 752				
Appropriation, current.....	BA	21,000	25,100	25,100
Outlays.....	O	19,298	24,200	25,000
Fees and expenses of witnesses...752				
Appropriation, current.....	BA	20,050	20,000 <sup>A</sup> 6,464	27,052 <sup>A</sup> 65
Outlays.....	O	16,906	19,701 <sup>A</sup> 6,399	26,683
Salaries and expenses, Community Relations Service.....752				
Appropriation, current.....	BA	5,192	4,781	4,473
Outlays.....	O	4,805	4,755	4,459
Total Federal funds Legal Activities.	BA	360,836	399,079	426,498
	O	340,345	393,123	419,891
<b>Federal Bureau of Investigation</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	553,954	561,341 <sup>D</sup> 20,506	575,608
Outlays.....	O	552,001	578,030	574,927
<b>Immigration and Naturalization Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	283,087	299,350 <sup>D</sup> 6,000	298,817
Outlays.....	O	274,681	301,319	296,952
<b>Drug Enforcement Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	188,295	193,525 <sup>D</sup> 700	193,836 <sup>A</sup> 193,836
Outlays.....	O	177,883	190,420	193,108

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Justice—CONTINUED</b>				
<b>Federal Prison System</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses, Bureau of Prisons.....753				
Appropriation, current.....	BA	269,576	315,200	328,167
Outlays.....	O	263,134	310,058	326,838
National Institute of Corrections...754				
Appropriation, current.....	BA	9,900	9,920	9,884
Outlays.....	O	4,862	9,514	11,456
				✓-11,456
Buildings and facilities.....753				
Appropriation, current.....	BA	38,850	35,280	5,960
Outlays.....	O	46,047	57,339	50,300
<b>Intragovernmental Funds:</b>				
Federal Prison Industries, Incorporated.....753				
Outlays.....	O	-1,808		
Limitation on administrative expenses.		(1,500)	(2,041)	(2,062)
Limitation on vocational expenses.		(3,905)	(2,863)	(2,904)
<b>Trust Funds</b>				
Commissary funds, Federal prisons (trust revolving fund).....753				
Outlays.....	O	-210		
Total Federal funds Federal Prison System.	BA	318,326	360,400	334,127
	O	312,235	376,911	377,138
Total Trust funds Federal Prison System.	O	-210		
<b>Law Enforcement Assistance Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....754				
Appropriation, current.....	BA	644,582	646,488	✓170,853
			✓1,437	
Outlays.....	O	724,076	723,661	✓-170,853
				524,512
				✓-524,512
Law enforcement assistance.....754				
Appropriation, current.....	BA			✓497,936
Outlays.....	O			✓591,486
Research and statistics.....754				
Appropriation, current.....	BA			✓48,411
Outlays.....	O			✓30,247
<b>Public Enterprise Funds:</b>				
Revolving fund.....754				
Outlays.....	O	-8		
Total Federal funds Law Enforcement Assistance Administration.	BA	644,582	647,925	546,347
	O	724,068	723,661	621,733
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	2,376,662	2,518,267	2,406,705
	O	2,404,657	2,593,995	2,513,980

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Justice—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Federal Funds:—CONTINUED</b>				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....750	BA } O }	-6,779	-8,141	-8,882
902	BA } O }	-294	-250	-250
Total Federal funds.....	BA O	<u>2,369,589</u> 2,397,584	<u>2,509,876</u> 2,585,604	<u>2,397,573</u> 2,504,848
<b>Trust Funds:</b>				
(As shown in detail above).....	O	-210		
Total Department of Justice.....	BA O	<u>2,369,589</u> 2,397,374	<u>2,509,876</u> 2,585,604	<u>2,397,573</u> 2,504,848

**Department of Labor**

<b>Employment and Training Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Program administration.....504				
Appropriation, current.....	BA	90,832	90,190 2676	86,260
Outlays.....	O	89,299	90,143	79,453
Employment and training assistance 504				
Appropriation, current.....	BA	3,440,930	6,769,758 400,000	6,841,754
Reappropriation.....	BA		7,164	122,133
Outlays.....	O	4,763,675	7,060,310 450,000	6,842,099 4150,000
Community service employment for older Americans.....504				
Appropriation, current.....	BA	211,700	211,700 48,900	234,800
Outlays.....	O	134,333	208,035 42,225	211,946 46,675
Temporary employment assistance 504				
Appropriation, current.....	BA		3,474,954	2,190,500
Outlays.....	O	4,769,404	3,180,992	2,571,000
Federal unemployment benefits and allowances.....603				
Appropriation, current.....	BA	1,200,000	950,000	950,000
Outlays.....	O	1,165,356	820,000	950,000
Grants to States for unemployment insurance and employment services.....504				
Appropriation, current.....	BA	53,600	21,600	22,300
Outlays.....	O	46,356	21,600	22,300
Advances to the unemployment trust fund and other funds:				
(General retirement and disability insurance).....601				
(Appropriation, current).....	BA		200,000	300,000
(Outlays).....	O	23,650	73,180	206,044

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Labor—CONTINUED</b>				
<b>Employment and Training Administration</b>				
<b>—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Unemployment compensation)				
603				
(Outlays).....	O	1,086,257		
Total Advances to the unemployment trust fund and other funds.	BA		200,000	300,000
	O	1,109,907	73,180	206,044
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....				
Outlays.....	O	-1,057	4,353	
<b>Trust Funds</b>				
Gifts and bequests, National Commission for Employment Policy				
504				
Appropriation, permanent, indefinite.	BA	30	100	100
Outlays.....	O	77	100	100
Unemployment trust fund:				
(Training and employment).....				
(Appropriation, permanent, indefinite).	BA	640,216	723,721	740,148
(Outlays).....	O	606,313	723,721	740,148
(Unemployment compensation)				
603				
(Appropriation, permanent, indefinite).	BA	14,520,668	15,576,279	15,659,852
(Outlays).....	O	10,562,815	10,276,279	12,359,852
Total Unemployment trust fund.	BA	15,160,884	16,300,000	16,400,000
	O	11,169,128	11,000,000	13,100,000
Total Federal funds	BA	4,997,062	12,134,942	10,747,747
Employment and Training Administration.	O	12,077,273	11,510,838	11,039,517
Total Trust funds Employment and Training Administration.	BA	15,160,914	16,300,100	16,400,100
	O	11,169,205	11,000,100	13,100,100
<b>Labor-Management Services Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....				
Appropriation, current.....	BA	50,796	53,773	53,941
Outlays.....	O	48,523	51,632	51,824
<b>Employment Standards Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....				
Appropriation, current.....	BA	119,632	154,634	164,923
			18,218	
			26,069	
Outlays.....	O	107,226	157,307	160,800
			18,013	1205
Special benefits:				
See footnotes at end of table.				

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Labor—CONTINUED</b>				
<b>Employment Standards Administration—CON.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(General retirement and disability insurance).....601				
(Appropriation, current).....	BA	27,035	3,063	3,369
(Outlays).....	O	17,532	3,063	3,369
(Federal employee retirement and disability).....602				
(Appropriation, current).....	BA	292,325	228,137	304,017
(Outlays).....	O	173,937	228,137	304,017
Total Special benefits .....	BA	319,360	231,200	307,386
	O	191,469	231,200	307,386
<b>Trust Funds</b>				
Black lung disability trust fund ..601				
Appropriation, current.....	BA	181,689	422,265	466,667
Indefinite .....	BA			756
Outlays .....	O	112,143	313,905	455,044
Special workers' compensation expenses.....601				
Appropriation, permanent, indefinite.	BA	5,520	6,108	6,478
Outlays .....	O	4,998	5,192	5,712
Total Federal funds	BA	438,992	400,121	472,309
Employment Standards Administration.	O	298,695	396,520	468,391
Total Trust funds Employment Standards Administration.	BA	187,209	428,373	473,901
	O	117,141	319,097	460,756
<b>Occupational Safety and Health Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses .....554				
Appropriation, current.....	BA	139,070	171,224	179,520
			21,810	
Outlays .....	O	147,751	161,740	172,060
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....554				
Outlays .....	O	-371	711	712
Total Federal funds	BA	139,070	173,034	179,520
Occupational Safety and Health Administration.	O	147,380	162,451	172,772
<b>Mine Safety and Health Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses .....554				
Appropriation, current.....	BA	64,461	125,500	131,710
			2,730	
Outlays .....	O	60,680	124,924	126,126
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....554				
Outlays .....	O	8	4	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Labor—CONTINUED</b>			
<b>Mine Safety and Health Administration—CON.</b>			
<i>Trust Funds</i>			
Contributed funds .....554			
Outlays .....	0	19	
Total Federal funds Mine Safety and Health Administration.	BA 64,461	128,230	131,710
	O 60,688	124,928	126,126
Total Trust funds Mine Safety and Health Administration.	O	19	
<b>Bureau of Labor Statistics</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses .....505			
Appropriation, current.....	BA 84,015	94,752	102,028
		<sup>D</sup> 715	
Outlays .....	O 79,025	93,501	94,700
<b>Intragovernmental Funds:</b>			
Consolidated working fund .....505			
Outlays .....	O 784		
Total Federal funds Bureau of Labor Statistics.	BA 84,015	95,467	102,028
	O 79,809	93,501	94,700
<b>Departmental Management</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses .....505			
Appropriation, current.....	BA 66,058	78,912	86,197
		<sup>D</sup> 2,442	
Outlays .....	O 60,720	77,836	81,887
Special foreign currency program.505			
Appropriation, current.....	BA 70	70	70
Outlays .....	O 175	100	70
<b>Intragovernmental Funds:</b>			
Working capital fund.....505			
Outlays .....	O -3,644	1,445	544
Consolidated working fund .....505			
Outlays .....	O 313		
Total Federal funds	BA 66,128	81,424	86,267
Departmental Management.	O 57,564	79,381	82,501
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 5,840,524	13,066,991	11,773,522
	O 12,769,932	12,419,251	12,035,831
Deductions for offsetting receipts:			
Proprietary receipts from the public.....500	BA } -5,263	-6,341	-6,341
	O }		
550	BA } -94	-120	-120
	O }		
600	BA } -829	-69	-69
	O }		
902	BA } -1,023	-470	-470
	O }		
Total Federal funds.....	BA 5,833,315	13,059,991	11,766,522
	O 12,762,723	12,412,251	12,028,831

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Labor—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	15,348,123	16,728,473	16,874,001
	O	11,286,346	11,319,216	13,560,856
Interfund transactions.....601	BA	-108,258	-77,905	-206,044
	O			
603	BA	-1,045,000	-800,000	-900,000
	O			
Total Department of Labor.....	BA	20,028,180	28,910,559	27,534,479
	O	22,895,811	22,853,562	24,483,643
<b>Department of State</b>				
<b>Administration of Foreign Affairs</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....153				
Appropriation, current.....	BA	621,037	660,945	<sup>K</sup> 717,911
			<sup>A</sup> 13,892	
			<sup>C</sup> 93	
			<sup>D</sup> 13,367	
Outlays.....	O	655,217	594,331	695,671
			<sup>A</sup> 12,722	<sup>A</sup> 1,170
Representation allowances.....153				
Appropriation, current.....	BA	2,500	2,900	<sup>K</sup> 3,200
				3,100
Outlays.....	O	2,513	2,800	
Acquisition, operation, and maintenance of buildings abroad 153				
Appropriation, current.....	BA	113,310	125,000	<sup>K</sup> 64,443
			<sup>D</sup> 177	
Outlays.....	O	43,529	90,706	120,158
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153				
Appropriation, current.....	BA	7,520	6,025	<sup>K</sup> 18,150
				19,700
Outlays.....	O	13,754	10,200	
Emergencies in the diplomatic and consular service.....153				
Appropriation, current.....	BA	2,350	2,350	<sup>K</sup> 2,350
				2,350
Outlays.....	O	1,764	2,268	
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current.....	BA	37,607	38,107	<sup>K</sup> 43,369
			<sup>A</sup> 3,462	
Appropriation, permanent, indefinite.	BA	69,800	97,800	112,800
Outlays.....	O	107,407	135,907	156,169
			<sup>A</sup> 3,462	
<b>Intragovernmental Funds:</b>				
Working capital fund.....153				
Outlays.....	O	-648	337	51

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of State—CONTINUED</b>			
<b>Administration of Foreign Affairs—CON.</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds—CONTINUED</b>			
Consolidated working fund .....153			
Outlays .....	0	-151	3,232 .....
<b>Trust Funds</b>			
Foreign Service retirement and disability fund.....602			
Appropriation, current, indefinite... BA		<sup>4</sup> 4,318	
Appropriation, permanent, indefinite. BA	199,061	224,027	247,445
Outlays .....	0	93,683	113,028
Miscellaneous trust funds.....153			127,927
Appropriation, permanent, indefinite. BA	1,682	950	950
Outlays .....	0	995	950
Total Federal funds BA	854,124	964,118	962,223
Administration of Foreign Affairs. O	823,385	855,965	998,369
Total Trust funds BA	200,743	229,295	248,395
Administration of Foreign Affairs. O	94,678	113,978	128,877
<b>International Organizations and Conferences</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Contributions to international organizations.....153			
Appropriation, current..... BA	390,106	327,676	<sup>4</sup> 411,552
Outlays .....	0	331,585	<sup>4</sup> 58,357
Contributions for international peacekeeping activities .....153			355,745
Appropriation, current..... BA	47,400	27,000	<sup>4</sup> 15,173
Outlays .....	0	27,003	<sup>4</sup> 43,184
Missions to international organizations.....153			
Appropriation, current..... BA	11,118	12,000	<sup>4</sup> 70,000
Outlays .....	0	27,003	<sup>4</sup> 40,000
Missions to international organizations.....153			47,397
Appropriation, current..... BA	11,118	12,000	<sup>4</sup> 20,000
Outlays .....	0	10,019	<sup>4</sup> 20,000
International conferences and contingencies .....153			
Appropriation, current..... BA	8,000	8,000	<sup>4</sup> 961
Outlays .....	0	8,462	<sup>4</sup> 235
International trade negotiations...153			11,810
Appropriation, current..... BA	4,297	4,717	<sup>4</sup> 925
Outlays .....	0	4,575	<sup>4</sup> 36

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of State—CONTINUED</b>				
<b>International Organizations and Conference:</b>				
<b>—CONTINUED</b>				
<b>Trust Funds</b>				
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation.....153				
Appropriation, permanent, indefinite.	BA	45	50	50
Outlays.....	O	26	45	45
Total Federal funds	BA	460,921	478,946	502,945
International Organizations and Conferences.	O	381,644	466,021	531,887
Total Trust funds International Organizations and Conferences.	BA	45	50	50
	O	26	45	45
<b>International Commissions</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
International Boundary and Water Commission, United States and Mexico:				
Salaries and expenses.....301				
Appropriation, current.....	BA	6,620	6,800	7,708
			104	
			85	
Outlays.....	O	6,508	6,977	7,699
Construction.....301				
Appropriation, current.....	BA	17,000	3,900	8,248
Outlays.....	O	6,875	10,500	12,000
American sections, international commissions.....301				
Appropriation, current.....	BA	2,288	2,500	3,261
			65	
Outlays.....	O	1,892	2,195	2,887
International fisheries commissions 302				
Appropriation, current.....	BA	6,245	6,600	7,516
			30	
Outlays.....	O	5,999	6,270	7,470
			30	
Total Federal funds	BA	32,153	20,084	26,733
International Commissions.	O	21,274	25,972	30,056

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of State—CONTINUED</b>				
<b>Other</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Migration and refugee assistance				
151				
Appropriation, current.....	BA	66,869	91,544	136,885
			<sup>B</sup> 53,257	
			<sup>D</sup> 35	
Outlays.....	O	62,212	81,614	115,020
			<sup>B</sup> 10,651	<sup>B</sup> 39,943
United States emergency refugee and migration assistance fund.....				
151				
Appropriation, current, indefinite...	BA	12,500	9,500	15,000
			<sup>A</sup> 10,000	
Outlays.....	O	13,083	13,339	13,360
			<sup>A</sup> 5,000	<sup>A</sup> 5,000
United States-Yugoslavia bilateral science and technology agreement				
153				
Appropriation, current.....	BA			7,000
Outlays.....	O			1,400
Special assistance to refugees from Cambodia and Vietnam.....				
604				
Outlays.....	O	-4,482	1,652	
Eighth Pan American games.....				
154				
Outlays.....	O	3,311	6,689	
Payment to the Republic of Panama				
153				
Appropriation, permanent.....	BA	2,328	2,328	
Outlays.....	O	2,328	2,328	
International Center, Washington, D.C.....				
153				
Appropriation, permanent, indefinite.	BA		1,235	200
Outlays.....	O	701	1,437	508
Total Federal funds Other.....	BA	81,697	167,899	159,085
	O	77,153	122,710	175,231
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	1,428,895	1,631,047	1,650,986
	O	1,303,456	1,470,668	1,735,543
Deductions for offsetting receipts:				
Intrafund transactions.....	BA	-519	-519	
153	O }			
Proprietary receipts from the public.....	BA	-11,704	-17,654	-3,219
150	O }			
	271 BA }	-1,031	-1,000	-1,000
	O }			
	300 BA }	-64	-64	-64
	O }			
	400 BA }	-924	-925	-925
	O }			

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of State—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
902	BA } 0 }	-302	-305	-305
Total Federal funds.....	BA 0	<u>1,414,351</u> <u>1,288,912</u>	<u>1,610,580</u> <u>1,450,201</u>	<u>1,645,473</u> <u>1,730,030</u>
<b>Trust Funds:</b>				
(As shown in detail above).....	BA 0	<u>200,788</u> <u>94,704</u>	<u>229,345</u> <u>114,023</u>	<u>248,445</u> <u>128,922</u>
Deductions for offsetting receipts:				
Intrafund transactions.....602	BA } 0 }	-453	-500	-500
Total Trust funds.....	BA 0	<u>200,335</u> <u>94,251</u>	<u>228,845</u> <u>113,523</u>	<u>247,945</u> <u>128,422</u>
Interfund transactions.....153	BA } 0 }	-131,627	-165,045	-181,845
Total Department of State.....	BA 0	<u>1,483,059</u> <u>1,251,536</u>	<u>1,674,380</u> <u>1,398,679</u>	<u>1,711,573</u> <u>1,676,607</u>

**Department of Transportation**

<b>Office of the Secretary</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....407				
Appropriation, current.....	BA	34,904	32,931	35,540
			<sup>D</sup> 843	
			<sup>C</sup> 83	
Outlays.....	O	33,580	34,076	34,250
Transportation planning, research, and development.....407				
Appropriation, current.....	BA	25,000	11,450	11,530
			<sup>A</sup> 5,000	
Outlays.....	O	14,460	16,000	14,000
			<sup>A</sup> 3,000	<sup>A</sup> 2,000
Transportation research activities overseas (special foreign currency program).....407				
Appropriation, current.....	BA		<sup>F</sup> -63	
Outlays.....	O	58	38	
<b>Intragovernmental Funds:</b>				
Working capital fund.....407				
Outlays.....	O	-6,243	1,650	800
Total Federal funds Office of the Secretary.	BA O	<u>59,904</u> <u>41,855</u>	<u>50,224</u> <u>54,764</u>	<u>47,070</u> <u>51,050</u>

**Coast Guard****Federal Funds**

<b>General and Special Funds:</b>				
Operating expenses.....403				
Appropriation, current.....	BA	923,829	964,876	
			<sup>C</sup> 1,638	
			<sup>D</sup> 1,996	
			<sup>E</sup> 20,836	
Outlays.....	O	897,803	967,777	1,016,446

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>				
<b>Coast Guard—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Acquisition, construction, and improvements.....403				
Appropriation, current.....	BA	256,000	283,117	<sup>K</sup> 284,361
Appropriation, permanent.....	BA		3,500	
Outlays.....	O	131,650	195,545	199,000
Alteration of bridges.....403				
Appropriation, current.....	BA	15,100	14,900	<sup>K</sup> 14,900
Outlays.....	O	8,681	10,000	14,000
Retired pay.....403				
Appropriation, current.....	BA	157,401	173,500	198,500
Outlays.....	O	156,465	173,500	198,200
Reserve training.....403				
Appropriation, current.....	BA	38,560	39,000	10,189
			<sup>D</sup> 94	<sup>K</sup> 31,066
			<sup>E</sup> 1,586	
Outlays.....	O	36,902	40,680	40,680
Research, development, test, and evaluation.....403				
Appropriation, current.....	BA	20,000	20,000	<sup>K</sup> 21,825
Outlays.....	O	20,304	17,000	20,000
State boating safety assistance.....403				
Appropriation, current.....	BA	5,790	5,000	
Outlays.....	O	5,817	6,455	
Pollution fund.....304				
Appropriation, permanent.....	BA	7,144	3,500	7,000
Outlays.....	O	10,836	7,000	7,000
Offshore oil pollution compensation fund.....304				
Appropriation, current.....	BA		<sup>A</sup> 5,000	
Indefinite.....	BA			12,000
				<sup>J</sup> —6,000
Authority to borrow, current.....				
Indefinite.....	BA		<sup>A</sup> 3,000	
	BA			2,000
				<sup>J</sup> —1,000
Outlays.....	O			14,000
			<sup>A</sup> 8,000	
				<sup>J</sup> —7,000
Oil pollution liability and compensation fund.....304				
Appropriation, current.....	BA			<sup>J</sup> 25,000
Outlays.....	O			<sup>J</sup> 25,000
<b>Intragovernmental Funds:</b>				
Coast Guard supply fund.....403				
Outlays.....	O	—1,097	500	400
Coast Guard yard fund.....403				
Outlays.....	O	16,796	—5,000	—5,000
<b>Trust Funds</b>				
Coast Guard general gift fund.....403				
Appropriation, permanent, indefinite.....	BA	18	30	30
Outlays.....	O	8	30	30

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>			
<b>Coast Guard—CONTINUED</b>			
<b>Trust Funds—CONTINUED</b>			
Special statistical work.....403			
Outlays.....	0	-161	161
Miscellaneous trust revolving funds 403			
Outlays.....	0	57	26
Total Federal funds Coast Guard.	BA 1,423,824	1,545,543	1,636,792
	0 1,284,157	1,425,457	1,522,726
Total Trust funds Coast Guard..	BA 18	30	30
	0 -96	217	56
<b>Federal Aviation Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operations.....402			
Appropriation, current.....	BA 1,622,700	1,680,584	1,804,096
		260,000	
Outlays.....	0 1,622,319	1,716,610	1,786,680
Facilities, engineering and development.....402			
Appropriation, current.....	BA 14,263	18,370	20,636
Outlays.....	0 14,692	18,000	17,237
Operation and maintenance, Metropolitan Washington Airports 402			
Appropriation, current.....	BA 22,293	23,858	25,465
		2630	
Outlays.....	0 22,053	24,470	25,038
Construction, Metropolitan Washington Airports.....402			
Appropriation, current.....	BA 5,500	5,000	7,985
Outlays.....	0 3,623	14,100	9,053
Civil supersonic aircraft development termination.....402			
Outlays.....	0 150		
Safety regulation.....402			
Outlays.....	0 667	513	
United States International Aeronautical Exposition.....402			
Outlays.....	0 237		
<b>Public Enterprise Funds:</b>			
Aviation insurance revolving fund 402			
Outlays.....	0 -1,160	-1,232	-1,232
<b>Trust Funds</b>			
Grants-in-aid for airports (Airport and airway trust fund).....402			
Appropriation, current.....	BA 15,000	15,000	10,000
Contract authority, current.....	BA	54,140	
Contract authority, permanent.....	BA 540,000	575,000	610,000
	(325,000)	(550,000)	(610,000)
Liquidation of contract authority, current.			
Outlays.....	0 562,156	565,000	570,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>				
<b>Federal Aviation Administration—CONTINUED</b>				
<b>Trust Funds—CONTINUED</b>				
Facilities and equipment (Airport and airway trust fund).....402				
Appropriation, current.....	BA	200,000	282,297	250,000
			413,563	
Reappropriation.....	BA	9,000	54,363	
Outlays.....	O	211,002	227,600	213,300
			44,611	46,782
Research, engineering and development (Airport and airway trust fund).....402				
Appropriation, current.....	BA	80,800	75,100	75,100
			43,500	
Outlays.....	O	67,127	78,000	71,900
			41,700	41,800
Operations (Airport and airway trust fund).....402				
Appropriation, current.....	BA	275,000	300,000	293,020
Outlays.....	O	275,075	299,790	293,020
Total Federal funds Federal Aviation Administration.	BA	1,664,756	1,788,442	1,858,182
	O	1,662,581	1,772,461	1,836,776
Total Trust funds Federal Aviation Administration.	BA	1,119,800	1,372,963	1,238,120
	O	1,115,360	1,176,701	1,156,802
<b>Federal Highway Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Motor carrier safety.....401				
Appropriation, current.....	BA	8,370	12,351	13,738
			2244	
Outlays.....	O	7,746	12,734	13,770
Highway beautification.....401				
Appropriation, current.....	BA	19,150	13,135	
Liquidation of contract authority, current.		(5,000)	(18,000)	(25,283)
Outlays.....	O	29,563	20,500	15,000
Darien Gap Highway.....151				
Outlays.....	O	3,920	3,000	2,000
Territorial highways.....401				
Appropriation, current.....	BA	5,600	6,600	6,600
Liquidation of contract authority, current.		(290)	(5,500)	(4,168)
Outlays.....	O	3,141	4,000	5,000
Railroad-highway crossings demonstration projects.....401				
Appropriation, current.....	BA	1,767	13,333	
Outlays.....	O	2,962	5,900	7,800
National scenic and recreational highway.....401				
Liquidation of contract authority, current.		(2,700)	(6,000)	(10,000)
Outlays.....	O	5,566	5,500	5,000
Alaska Highway.....401				
Appropriation, current.....	BA		15,000	
Outlays.....	O	1,135	5,500	7,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>				
<b>Federal Highway Administration—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Off-systems roads programs.....401				
Appropriation, current.....	BA	165,000	30,000	.....
Liquidation of contract authority, current.		(45,000)	(44,000)	(10,000)
Outlays.....	O	82,262	<sup>A</sup> (18,500) 138,500	122,800
Access highways to public recreation areas on certain lakes.....401			<sup>A</sup> 18,500	
Appropriation, current.....	BA	8,650	7,900	.....
Outlays.....	O	870	3,000	4,000
Highways crossing federal projects 401				
Appropriation, current.....	BA	20,000	16,000	14,000
Outlays.....	O	16,223	14,500	11,000
Miscellaneous appropriations.....401				
Outlays.....	O	9,985	1,851	3,075
<b>Trust Funds</b>				
Federal-aid highways (trust fund) 401				
Contract authority, current.....	BA	-146,067	7,994,067	.....
Contract authority, permanent.....	BA	6,842,778	.....	8,599,540
Liquidation of contract authority, current.		(5,850,000)	(6,950,000)	(6,900,000)
Outlays.....	O	5,876,289	6,570,000	6,930,000
Limitation on general operating expenses.		(165,325)	(169,650)	(186,031)
.....			<sup>D</sup> (4,770)	
Highway related safety grants.....401				
Contract authority, permanent.....	BA	24,756	24,673	24,673
Liquidation of contract authority, current.		(20,000)	(23,000)	(26,500)
Outlays.....	O	15,530	18,900	23,000
Baltimore-Washington Parkway.....401				
Outlays.....	O	124	500	.....
Trust fund share of other highway programs.....401				
Appropriation, current.....	BA	3,333	26,667	.....
Contract authority, permanent.....	BA	25,000	25,000	25,000
Liquidation of contract authority, current.		(7,300)	(13,000)	(30,800)
Outlays.....	O	14,035	25,700	40,200
Highway safety research and development.....401				
Appropriation, current.....	BA	9,000	9,000	9,500
Outlays.....	O	8,877	9,000	9,000
Overseas highway.....401				
Appropriation, current.....	BA	17,000	87,100	.....
Outlays.....	O	3,210	14,766	19,230
Miscellaneous trust funds.....151				
Appropriation, permanent.....	BA	3,329	256	2,799
Liquidation of contract authority, permanent.		.....	(592)	.....
Outlays.....	O	4,221	3,649	2,925
Miscellaneous trust funds Demonstration projects.....401				
Appropriation, current.....	BA	27,250	10,000	.....
Outlays.....	O	7,124	9,000	9,200

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>			
<b>Federal Highway Administration—CONTINUED</b>			
<b>Trust Funds—CONTINUED</b>			
Right-of-way revolving fund (trust revolving fund).....401			
Liquidation of contract authority, current.	(20,000)		
Outlays.....	0	-16,884	
Total Federal funds Federal Highway Administration.	BA 228,537 0 163,373	114,563 233,485	34,338 196,445
Total Trust funds Federal Highway Administration.	BA 6,806,379 0 5,912,526	8,176,763 6,651,515	8,661,512 7,033,555
<b>National Highway Traffic Safety Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operations and research.....401			
Appropriation, current.....	BA 52,588	55,745	10,475
		<sup>p</sup> 540	<sup>K</sup> 47,343
Outlays.....	0 61,552	47,775	58,608
State and community highway safety 401			
Appropriation, current.....	BA 1,664	1,715	2,297
Outlays.....	0 5,101	1,500	2,000
<b>Trust Funds</b>			
Trust fund share of highway safety programs.....401			
Appropriation, current.....	BA 26,800	25,875	27,351
		<sup>p</sup> 460	
Contract authority, current.....	BA	175,785	
Contract authority, permanent.....	BA 150,336		175,203
Liquidation of contract authority, current.	(112,000)	(166,000)	(171,000)
Outlays.....	0 143,700	198,064	187,067
Gifts and donations.....401			
Appropriation, permanent, indefinite.	BA -2		
Outlays.....	0	5	
Total Federal funds National Highway Traffic Safety Administration.	BA 54,252 0 66,653	58,000 49,275	60,115 60,608
Total Trust funds National Highway Traffic Safety Administration.	BA 177,134 0 143,700	202,120 198,069	202,554 187,067
<b>Federal Railroad Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Office of the administrator.....401			
Appropriation, current.....	BA 7,440	8,195	7,705
		<sup>p</sup> 335	
Outlays.....	0 6,518	8,250	7,545
Railroad safety.....401			
Appropriation, current.....	BA 19,500	23,631	25,940
		<sup>p</sup> 570	
Outlays.....	0 17,616	28,604	22,886

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>				
<b>Federal Railroad Administration—CONTINUED</b>				
<i>Federal Funds—CONTINUED</i>				
<b>General and Special Funds—CONTINUED</b>				
Railroad research and development				
401				
Appropriation, current.....	BA	53,600	51,980	56,255
Outlays .....	0	62,381	55,450	50,675
Rail service assistance.....401				
Appropriation, current.....	BA	83,000	84,370	85,210
Authority to borrow, current.....	BA	8,024		<sup>2</sup> 250,000
Outlays .....	0	-4,601	121,600	96,000
				<sup>1</sup> 40,000
Northeast corridor improvement				
program.....401				
Appropriation, current.....	BA	400,000	455,000	481,000
			<sup>4</sup> 35,000	
Outlays .....	0	203,830	465,000	370,200
			<sup>4</sup> 17,500	<sup>4</sup> 10,500
Grants to National Railroad				
Passenger Corporation.....401				
Appropriation, current.....	BA	716,000	660,000	760,000
			<sup>4</sup> 119,000	
Outlays .....	0	716,000	660,000	634,000
			<sup>4</sup> 119,000	
<b>Public Enterprise Funds:</b>				
Alaska Railroad revolving fund.....401				
Appropriation, current.....	BA	3,000	9,300	5,000
Outlays .....	0	7,493	8,050	6,500
Railroad rehabilitation and				
improvement financing funds ..401				
Authority to borrow, current.....	BA	200,000	170,000	
Outlays .....	0	66,247	85,000	78,000
Total Federal funds Federal	BA	1,490,564	1,617,381	1,671,110
Railroad Administration.	0	1,075,484	1,568,454	1,316,306
<b>Urban Mass Transportation Administration</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Urban mass transportation fund ..401				
Appropriation, current.....	BA	574,000	2,361,486	2,421,360
Contract authority, current .....	BA	-90,000		
Liquidation of contract authority,		(1,756,000)	(1,850,000)	(1,500,000)
current.				
Outlays .....	0	2,027,529	2,250,000	2,455,000
<b>Saint Lawrence Seaway Development Corporation</b>				
<i>Federal Funds</i>				
<b>Public Enterprise Funds:</b>				
Saint Lawrence Seaway Development Corporation.....403				
Outlays .....	0	-2,827	-1,303	-1,903
Limitation on administrative		(1,174)	(1,280)	(1,372)
expenses.				
			<sup>D</sup> (32)	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of Transportation—CONTINUED</b>			
<b>Research and Special Programs Administration</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Research and special programs...407			
Appropriation, current.....	BA 8,290	24,760	26,419
Outlays .....	O 5,459	21,188	23,029
<b>Intragovernmental Funds:</b>			
Consolidated working fund, transportation systems center..407			
Outlays .....	O -4,470	3,000	
Total Federal funds Research and Special Programs Administration.	BA 8,290 O 989	24,760 24,188	26,419 23,029
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 5,414,127	7,560,399	7,755,386
	O 6,319,794	7,376,781	7,460,037
Deductions for offsetting receipts:			
Proprietary receipts from the public.....376	BA } O }		-1,500
	BA } O }		1,000
400	BA } O }	-36,527 -38,977	-40,677
	BA } O }		1,000
401	BA } O }	-12 -12	-12
902	BA } O }	-100 -105	-105
Total Federal funds .....	BA 5,377,488 O 6,283,155	7,521,305 7,337,687	7,713,092 7,417,743
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 8,103,331	9,751,876	10,102,216
	O 7,171,490	8,026,502	8,377,480
Deductions for offsetting receipts:			
Proprietary receipts from the public.....151	BA } O }	-2,849 -708	-2,299
902	BA } O }	-5	
Total Trust funds.....	BA 8,100,477 O 7,168,636	9,751,168 8,025,794	10,099,917 8,375,181
Total Department of Transportation.	BA 13,477,965 O 13,451,791	17,272,473 15,363,481	17,813,009 15,792,924

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury</b>			
<b>Office of the Secretary</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....803			
Appropriation, current.....	BA 30,314	30,049	30,850
Outlays.....	O 27,240	32,722	30,895
Investment in National Consumer Cooperative Bank.....376			
Appropriation, current.....	BA .....	<sup>4</sup> 40,000	60,000
Outlays.....	O .....	<sup>4</sup> 40,000	60,000
International affairs.....803			
Appropriation, current.....	BA 18,302	16,948	<sup>4</sup> 22,752
Outlays.....	O 18,754	<sup>4</sup> 5,442 16,513 <sup>4</sup> 5,295	22,341 <sup>4</sup> 147
Presidential election campaign fund 806			
Appropriation, permanent, indefinite.....	BA 39,077	40,000	45,000
Outlays.....	O -769	2,000	69,000
Miscellaneous permanent appropriations.....803			
Appropriation, permanent, indefinite.....	BA 24	25	.....
Outlays.....	O 24	27	.....
<b>Public Enterprise Funds:</b>			
Liquidation of Reconstruction Finance Corporation.....803			
Outlays.....	O -463	-213	.....
Exchange stabilization fund.....155			
Outlays.....	O -120,120	-167,485	-169,883
<b>Intragovernmental Funds:</b>			
Working capital fund.....803			
Outlays.....	O -26	.....	.....
<b>Trust Funds</b>			
Pershing Hall memorial fund.....705			
Appropriation, permanent.....	BA 7	7	7
Outlays.....	O 7	7	7
Total Federal funds Office of the Secretary.	BA 87,717	133,443	158,602
	O -75,360	-71,141	12,500
Total Trust funds Office of the Secretary.	BA 7	7	7
	O 7	7	7
<b>Office of Revenue Sharing</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....851			
Appropriation, current.....	BA 7,500	7,200	6,337
Outlays.....	O 6,802	7,395	6,307
Targeted fiscal assistance.....852			
Appropriation, current.....	BA .....	<sup>2</sup> 250,000	<sup>2</sup> 150,000
Outlays.....	O .....	<sup>2</sup> 250,000	<sup>2</sup> 150,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>				
<b>Office of Revenue Sharing—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Antirecession financial assistance fund.....852				
Appropriation, current.....	BA	1,400,000		
Outlays.....	O	1,329,477	2,450	
Payments to State and local government fiscal assistance trust fund.....851				
Appropriation, current.....	BA	6,854,924	6,854,924	6,854,924
Outlays.....	O	6,854,924	6,854,924	6,854,924
Payments to United States Territories, fiscal assistance....852				
Appropriation, permanent.....	BA		240,000	240,000
Outlays.....	O		240,000	240,000
<b>Trust Funds</b>				
State and local government fiscal assistance trust fund.....851				
Appropriation, current.....	BA	6,854,924	6,854,924	6,854,924
Outlays.....	O	6,822,957	6,852,124	6,862,578
Total Federal funds Office of Revenue Sharing.	BA	8,262,424	7,352,124	7,251,261
	O	8,191,203	7,354,769	7,251,231
Total Trust funds Office of Revenue Sharing.	BA	6,854,924	6,854,924	6,854,924
	O	6,822,957	6,852,124	6,862,578
<b>Federal Law Enforcement Training Center</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	13,453	15,000	12,670
Outlays.....	O	12,123	14,600	11,680
Construction, Federal Law Enforcement Training Center....751				
Outlays.....	O	5,327	18,886	2,900
Total Federal funds Federal Law Enforcement Training Center.	BA	13,453	15,000	12,670
	O	17,450	33,486	14,580
<b>Bureau of Government Financial Operations</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses:				
(Social services).....506				
(Appropriation, current).....	BA		543,000	
(Outlays).....	O		543,000	
(Central fiscal operations).....803				
(Appropriation, current).....	BA	156,087	174,000	191,115
			19,017	
			2,289	
(Outlays).....	O	141,051	176,439	189,210
			18,992	125
Total Salaries and expenses.....	BA	156,087	728,306	191,115
	O	141,051	728,431	189,235

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>			
<b>Bureau of Government Financial Operations</b>			
<b>—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
Special payment to recipients of certain retirement and survivor benefits.....601			
Outlays.....	0	-19	
New York City loan guarantee program.....852			
Appropriation, current.....	BA 1,150	1,050	1,034
		634	
Outlays.....	0	1,617	1,090
Claims, judgments, and relief acts 806			
Appropriation, permanent.....	BA 283,700	152,000	152,000
Outlays.....	0	198,306	152,000
Payment to the government of Guam 806			
Appropriation, current.....	BA 3,000		
Outlays.....	0	4216	
		3,000	
		4216	
Interest on uninvested funds.....902			
Appropriation, permanent, indefinite.	BA 7,521	7,818	7,828
Outlays.....	0	7,590	7,828
Payment of Government losses in shipment.....803			
Appropriation, current.....	BA		200
Outlays.....	0	230	400
Grants to Hoover Institution on War, Revolution, and Peace.....503			
Outlays.....	0	2,509	
<b>Public Enterprise Funds:</b>			
Check forgery insurance fund.....803			
Outlays.....	0	42	10
<b>Intragovernmental Funds:</b>			
Fishermen's protective fund.....376			
Outlays.....	0	318	
<b>Trust Funds</b>			
Miscellaneous trust funds.....806			
Appropriation, permanent.....	BA 18	19	19
Outlays.....	0	18	19
Total Federal funds Bureau of Government Financial Operations.	BA 451,458	889,424	352,177
	0 351,644	978,704	350,563
Total Trust funds Bureau of Government Financial Operations.	BA 18	19	19
	0 18	19	19

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>				
<b>Bureau of Alcohol, Tobacco and Firearms</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	128,632	131,322 +1,700 64,900	139,000
Outlays.....	O	128,110	134,433 +1,109	136,250 +591
<b>United States Customs Service</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	405,474	430,600 +2,848 C179 D9,230	446,857
Outlays.....	O	391,197	439,507 +2,848	442,144
Miscellaneous permanent appropriations.....852				
Appropriation, permanent, indefinite.	BA	233,904	282,000	86,000
Outlays.....	O	236,622	289,991	86,000
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....803				
Outlays.....	O	4,095		
<i>Trust Funds</i>				
Refunds, transfers and expenses, unclaimed, abandoned and seized goods.....803				
Appropriation, permanent, indefinite.	BA	3,453	4,000	4,000
Outlays.....	O	2,463	4,000	4,000
Total Federal funds United States Customs Service.	BA	639,378	724,857	532,857
	O	631,914	732,346	528,144
Total Trust funds United States Customs Service.	BA	3,453	4,000	4,000
	O	2,463	4,000	4,000
<b>Bureau of Engraving and Printing</b>				
<i>Federal Funds</i>				
<b>Intragovernmental Funds:</b>				
Bureau of Engraving and Printing fund.....803				
Appropriation, current.....	BA	5,000		
Outlays.....	O	-3,361	-2,429	
<b>Bureau of the Mint</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....803				
Appropriation, current.....	BA	41,000	43,000 +2,381 C584	50,580
Outlays.....	O	40,002	42,544 +2,330	49,573 +51
Construction of mint facilities.....803				
Outlays.....	O			1,500

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>				
<b>Bureau of the Mint—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
Coinage profit fund.....803				
Appropriation, permanent, indefinite.	BA	1,379	3,000	2,800
Outlays.....	O	2,465	3,000	2,800
Total Federal funds Bureau of the Mint.	BA	42,379	48,965	53,380
	O	42,467	47,874	53,924
<b>Bureau of the Public Debt</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Administering the public debt.....803				
Appropriation, current.....	BA	118,380	183,000 P-12,000	183,466
Outlays.....	O	121,508	171,221	182,606
<b>Internal Revenue Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....803				
Appropriation, current.....	BA	125,256	134,975 A1,492 D5,727	142,908
Outlays.....	O	124,460	139,825 A1,485	142,507 A7
Taxpayer service and returns processing.....803				
Appropriation, current.....	BA	671,048	694,500 A35,445 D24,133	773,160
Outlays.....	O	661,644	714,435 A35,303	770,588 A142
Examinations and appeals.....803				
Appropriation, current.....	BA	728,099	758,000 A1,721 D20,609	789,711
Outlays.....	O	717,912	774,364 A1,714	786,846 A7
Investigations and collections.....803				
Appropriation, current.....	BA	442,881	458,515 A859 D19,369	476,711
Outlays.....	O	436,288	474,911 A856	475,389 A3
Payment where energy credit exceeds liability for tax.....271				
Appropriation, current.....	BA			900
Outlays.....	O		A700	900
Payment where credit exceeds liability for tax.....604				
Appropriation, current.....	BA			A200,000
Appropriation, permanent.....	BA	880,890	841,000	1,547,000
Outlays.....	O	880,890	841,000	1,547,000 A200,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>				
<b>Internal Revenue Service—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Refunding internal revenue collections, interest.....902				
Appropriation, permanent, indefinite.	BA	316,937	321,000	326,000
Outlays.....	O	316,937	321,000	326,000
Internal revenue collections for Puerto Rico.....852				
Appropriation, permanent, indefinite.	BA	186,271	210,000	220,000
Outlays.....	O	187,568	210,000	220,000
<b>Public Enterprise Funds:</b>				
Federal tax lien revolving fund.....803				
Outlays.....	O	68		
Total Federal funds Internal Revenue Service.	BA	3,351,382	3,528,045	4,476,390
	O	3,325,767	3,515,593	4,469,389
<b>United States Secret Service</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	133,890	134,800	157,000
			4700	
			21,314	
			3,214	
Outlays.....	O	124,089	142,056	153,308
			4585	4115
Contribution for annuity benefits..751				
Appropriation, permanent, indefinite.	BA	5,011	8,000	8,000
Outlays.....	O	5,011	8,000	8,000
Total Federal funds United States Secret Service.	BA	138,901	148,028	165,000
	O	129,100	150,641	161,423
<b>Comptroller of the Currency</b>				
<b>Trust Funds</b>				
Assessment funds.....376				
Outlays.....	O	-4,426	-3,183	-5,900
<b>Interest on the Public Debt</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Interest on the public debt.....901				
Appropriation, permanent.....	BA	48,694,856	59,800,000	65,700,000
Outlays.....	O	48,694,856	59,800,000	65,700,000
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	61,933,960	72,948,808	79,024,803
	O	61,555,298	72,846,606	78,861,201
Deductions for offsetting receipts:				
Intrafund transactions.....803	BA }	-900	-870	-810
	O }			
	902 BA }	-1,527,280	-2,147,093	-2,371,094
	O }			

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Department of the Treasury—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Federal Funds:—CONTINUED</b>				
Receipts from off-budget Federal agencies.....902	BA } O }	-2,767,670	-4,129,916	-5,539,330
Proprietary receipts from the public.....050	BA } O }	-2,467	-2,500	-3,000
150	BA } O }	-86,571	-79,163	-74,166
151	BA } O }	-16,685	-20,964	-21,199
152	BA } O }	-26,735	-27,448	-28,100
155	BA } O }	-74,193	-75,677	-77,190
800	BA } O }	-92,060	-61,099	-79,615
	BA } O }		-24,000	
902	BA } O }	-402,799	-649,642	-609,860
Total Federal funds.....	BA } O }	56,936,600 56,557,938	65,730,436 65,628,234	70,220,439 70,056,837
<b>Trust Funds:</b> (As shown in detail above).....	BA } O }	6,858,402 6,821,019	6,858,950 6,852,967	6,858,950 6,860,704
Interfund transactions.....803	BA } O }	-168,700	-164,000	-173,000
851	BA } O }	-6,854,924	-6,854,924	-6,854,924
Total Department of the Treasury.	BA } O }	56,771,378 56,355,333	65,570,462 65,462,277	70,051,465 69,889,617

**Environmental Protection Agency**

<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Agency and regional management 304				
Appropriation, current.....	BA	82,750	88,503 D1,991 E9	95,858
Outlays.....	O	71,089	90,000	87,425
Research and development: (Energy supply).....271				
(Appropriation, current).....	BA	130,245	111,387 D148	102,461 K
(Outlays).....	O	118,245	127,148	131,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Environmental Protection Agency—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
(Pollution control and abatement)				
304				
(Appropriation, current).....	BA	187,001	220,847	.....
			<sup>D</sup> 1,542	<sup>K</sup> 266,280
			<sup>E</sup> 110	
(Outlays).....	O	163,669	202,652	222,800
Total Research and development.....	BA	317,246	334,034	368,741
	O	281,914	329,800	353,800
Abatement and control.....304				
Appropriation, current.....	BA	520,877	683,133	454,005
			<sup>D</sup> 2,417	<sup>K</sup> 264,295
			<sup>E</sup> 183	
Outlays.....	O	459,614	569,500	608,455
Enforcement.....304				
Appropriation, current.....	BA	73,730	95,112	75,711
			<sup>D</sup> 1,680	<sup>K</sup> 19,965
			<sup>E</sup> 20	
Outlays.....	O	64,842	92,700	91,000
Buildings and facilities.....304				
Appropriation, current.....	BA	.....	1,063	1,425
Outlays.....	O	1,274	1,800	2,000
Construction grants.....304				
Appropriation, current.....	BA	4,500,000	4,200,000	3,800,000
Liquidation of contract authority, current.....		(5,000,000)	(1,400,000)	(1,500,000)
Outlays.....	O	3,186,825	3,100,000	3,600,000
Scientific activities overseas (Special foreign currency program).....304				
Appropriation, current.....	BA	4,000	2,500	4,000
Outlays.....	O	1,422	2,500	3,600
United States Regulatory Council.....304				
Appropriation, current, indefinite ...	BA	.....	.....	3,238
Outlays.....	O	.....	.....	2,600
Operations, research, and facilities.....304				
Outlays.....	O	5,001	8,000	5,000
<b>Public Enterprise Funds:</b>				
Revolving fund for certification and other services.....304				
Outlays.....	O	64	.....	.....
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....304				
Outlays.....	O	-83	47	.....
<b>Trust Funds</b>				
Miscellaneous trust funds.....304				
Appropriation, permanent, indefinite.....	BA	32	.....	.....
Outlays.....	O	19	.....	80
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	5,498,603	5,410,645	5,087,238
	O	4,071,962	4,194,347	4,753,880

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Environmental Protection Agency—CONTINUED</b>			
<b>Summary—CONTINUED</b>			
<b>Federal Funds:—CONTINUED</b>			
Deductions for offsetting receipts:			
Proprietary receipts from the public.....300	BA } -193	-195	-195
	O }		
304	BA } -255	-255	-255
	O }		
902	BA } -29	-29	-29
	O }		
Total Federal funds.....	BA <u>5,498,126</u>	<u>5,410,166</u>	<u>5,086,759</u>
	O <u>4,071,485</u>	<u>4,193,868</u>	<u>4,753,401</u>
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 32		
	O 19		80
Deductions for offsetting receipts:			
Proprietary receipts from the public.....304	BA } -32		
	O }		
Total Trust funds.....	O -13		80
Total Environmental Protection Agency.	BA <u>5,498,126</u>	<u>5,410,166</u>	<u>5,086,759</u>
	O <u>4,071,472</u>	<u>4,193,868</u>	<u>4,753,481</u>
<b>General Services Administration</b>			

**Real Property Activities****Federal Funds****General and Special Funds:****Real property miscellaneous accounts:**

(Federal litigative and judicial activities).....752

(Outlays).....0 93

(General property and records management) .....804

(Outlays).....0 167 546

Total Real property miscellaneous accounts.....0 260 546

**Intragovernmental Funds:**

Federal buildings fund.....804

Appropriation, current.....BA -75,000 21,150

Outlays.....O -164,636 -126,698 -137,662

47,000

Construction services fund.....804

Outlays.....O -4,197 -2,322 -1,415

Consolidated working fund, real

property activities.....804

Outlays.....O 688 -400 -1,000

Total Federal funds Real BA -75,000 21,150

Property Activities. O -167,885 -121,874 -140,077

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>General Services Administration—CONTINUED</b>				
<b>Personal Property Activities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Federal Supply Service, operating expenses.....804				
Appropriation, current.....	BA	168,144	133,270	143,028
			<sup>C</sup> 1,084	
			<sup>D</sup> 4,032	
Outlays.....	O	165,210	138,386	143,028
<b>Intragovernmental Funds:</b>				
General supply fund.....804				
Appropriation, current.....	BA		<sup>A</sup> 81,300	
Outlays.....	O	31,129		-33,235
			<sup>A</sup> 69,000	<sup>A</sup> 12,300
Total Federal funds Personal Property Activities.	BA	168,144	219,686	143,028
	O	196,339	207,386	122,093
<b>Records Activities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
National Archives and Records Service, operating expenses.....804				
Appropriation, current.....	BA	69,874	73,745	76,866
			<sup>C</sup> 33	<sup>A</sup> 3,580
			<sup>D</sup> 1,905	
Outlays.....	O	71,731	75,563	80,566
Records declassification.....804				
Appropriation, current.....	BA	1,565	1,765	3,255
			<sup>A</sup> 1,460	
			<sup>D</sup> 90	
Outlays.....	O	1,513	1,850	3,260
			<sup>A</sup> 1,460	
<b>Trust Funds</b>				
National archives gift fund.....804				
Appropriation, permanent.....	BA	160	75	75
Outlays.....	O	247	100	100
National archives trust fund.....804				
Outlays.....	O	-806	-100	-100
Total Federal funds Records Activities.	BA	71,439	78,998	83,701
	O	73,244	78,873	83,826
Total Trust funds Records Activities.	BA	160	75	75
	O	-559		
<b>Automated Data and Telecommunications Activities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Automated Data and Telecommunications Service, operating expenses.....804				
Appropriation, current.....	BA	8,490	8,330	8,974
			<sup>D</sup> 386	
Outlays.....	O	8,472	8,692	8,998
<b>Intragovernmental Funds:</b>				
Federal telecommunications fund.....804				
Appropriation, current.....	BA			5,000
Outlays.....	O	-643	4,713	3,587

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>General Services Administration—CONTINUED</b>			
<b>Automated Data and Telecommunications Activities—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>Intragovernmental Funds—CONTINUED</b>			
Automatic data processing fund..804			
Outlays.....	O 6,881	-281	2,403
Total Federal funds Automated	BA 8,490	8,716	13,974
Data and	O 14,710	13,124	14,988
Telecommunications			
Activities.			
<b>Federal Property Resources Activities</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Operating expenses:			
(Defense-related activities).....054			
(Appropriation, current).....	BA 2,188	18,675	
(Outlays).....	O 2,188	18,640	
(General property and records			
management).....804			
(Appropriation, current).....	BA 13,674	15,617	
		<sup>c60</sup>	
		<sup>d1,219</sup>	
(Outlays).....	O 12,565	15,691	
Total Operating expenses.....	BA 2,188	33,628	15,617
	O 2,188	31,205	15,691
Stockpile operations.....054			
Appropriation, current.....	BA		198,310
Outlays.....	O		180,978
Expenses, Defense Production Act			
054			
Appropriation, current.....	BA		1,519
Outlays.....	O		1,519
Rare silver dollar program:			
(Defense-related activities).....054			
(Outlays).....	O 6		
(General property and records			
management).....804			
(Outlays).....	O 23	50	1,285
Total Rare silver dollar program	O 29	50	1,285
Disposal of surplus real and related			
personal property, operating			
expenses.....804			
Appropriation, current.....	BA 7,935	7,549	6,526
Outlays.....	O 6,614	7,549	6,526
Expenses, disposal of surplus real			
and related personal property..804			
Appropriation, permanent.....	BA 717	1,000	1,000
Outlays.....	O 541	1,000	1,000
Total Federal funds Federal	BA 10,840	42,177	222,972
Property Resources Activities.	O 9,372	39,804	206,999

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>General Services Administration—CONTINUED</b>				
<b>General activities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
General management and agency operations, salaries and expenses 804				
Appropriation, current.....	BA	13,654	16,215 11,700 4,732	18,988
Outlays .....	O	12,210	16,160 11,700	19,000
Indian trust accounting .....806				
Appropriation, current.....	BA	2,955	2,600 2,115	2,725
Outlays .....	O	2,557	2,702	2,725
Allowances and office staff for former Presidents.....802				
Appropriation, current.....	BA	671	771	768 830
Outlays .....	O	227	771	798
Expenses, presidential transition.....802				
Outlays .....	O	398		
Administrative and staff support services, salaries and expenses 804				
Appropriation, current.....	BA	83,329	85,432 23,492	97,204
Outlays .....	O	78,489	88,362	96,205
Consumer information center.....376				
Appropriation, current.....	BA	4,700	1,146 26	1,364
Outlays .....	O	4,264	1,172	1,364
Public services .....804				
Appropriation, current.....	BA			6,669
Outlays .....	O			6,334
Refunds under Renegotiation Act.902				
Appropriation, current.....	BA	1,000		
Outlays .....	O		895	449
<b>Public Enterprise Funds:</b>				
Virgin Islands Corporation liquidation fund.....804				
Outlays .....	O	-751	-667	-626
<b>Intragovernmental Funds:</b>				
Working capital fund.....804				
Outlays .....	O	192		
Administrative operations fund.....804				
Outlays .....	O	7		
<b>Trust Funds</b>				
Unconditional gifts of real, personal, or other property.....804				
Appropriation, permanent.....	BA		20	
Outlays .....	O	-11	31	
Total Federal funds General activities.	BA	106,309	112,229	127,748
	O	97,593	111,095	126,249
Total Trust funds General activities.	BA		20	
	O	-11	31	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>General Services Administration—CONTINUED</b>				
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	<b>290,222</b>	<b>482,956</b>	<b>591,423</b>
	O	223,373	328,408	414,078
Deductions for offsetting receipts:				
Intrafund transactions.....054	BA } O }	-1,819	-60,000	
	902 BA } O }	-20		
Proprietary receipts from the public.....054	BA } O }	-89,810	-65,400	-60,000
	BA } O }			-177,600
	800 BA } O }	-46,307	-43,973	-45,043
	902 BA } O }	-1,733	-1,027	-600
Total Federal funds.....	BA	<b>150,533</b>	<b>312,556</b>	<b>308,180</b>
	O	83,684	158,008	130,835
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	<b>160</b>	<b>95</b>	<b>75</b>
	O	-570	31	
Total General Services Administration.	BA	<b>150,693</b>	<b>312,651</b>	<b>308,255</b>
	O	83,114	158,039	130,835

**National Aeronautics and Space Administration**

<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Research and development:				
(Space flight).....253				
(Appropriation, current).....	BA	<b>1,751,500</b>	<b>1,824,500</b>	<sup>A</sup> <b>1,904,000</b>
			<sup>B</sup> <b>185,000</b>	
(Outlays).....	O	1,835,428	1,770,800	1,884,400
			<sup>B</sup> 163,200	<sup>B</sup> 21,800
(Space science, applications, and technology).....254				
(Appropriation, current).....	BA	<b>753,800</b>	<b>901,600</b>	<sup>A</sup> <b>1,065,400</b>
				974,800
(Outlays).....	O	668,576	837,000	
(Supporting space activities).....255				
(Appropriation, current).....	BA	<b>278,300</b>	<b>302,000</b>	<sup>A</sup> <b>332,800</b>
				313,400
(Outlays).....	O	272,445	297,100	
(Air transportation).....402				
(Appropriation, current).....	BA	<b>228,000</b>	<b>264,100</b>	<sup>A</sup> <b>300,300</b>
				281,300
(Outlays).....	O	212,248	243,600	
Total Research and development.	BA	<b>3,011,600</b>	<b>3,477,200</b>	<b>3,602,500</b>
	O	2,988,697	3,311,700	3,475,700
Construction of facilities:				
(Space flight).....253				
(Appropriation, current).....	BA	<b>64,880</b>	<b>31,070</b>	<sup>A</sup> <b>31,450</b>
				36,800
(Outlays).....	O	55,974	53,600	

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>National Aeronautics and Space Administration—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
(Space science, applications, and technology).....254				
(Appropriation, current).....	BA	9,510		<sup>K</sup> 4,250
(Outlays).....	O	8,553	8,200	3,800
(Supporting space activities) ...255				
(Appropriation, current).....	BA	49,550	39,900	<sup>K</sup> 59,400
(Outlays).....	O	40,844	47,000	50,600
(Air transportation).....402				
(Appropriation, current).....	BA	38,400	76,530	<sup>K</sup> 62,500
(Outlays).....	O	18,887	44,700	64,000
Total Construction of facilities ..	BA	162,340	147,500	157,600
	O	124,258	153,500	155,200
Research and program management:				
(Space flight).....253				
(Appropriation, current).....	BA	376,087	371,470	<sup>K</sup> 396,600
			<sup>D</sup> 12,449	
			<sup>H</sup> —980	
(Outlays).....	O	368,600	384,000	395,980
			<sup>H</sup> —980	
(Space science, applications, and technology).....254				
(Appropriation, current).....	BA	301,638	315,530	<sup>K</sup> 331,200
			<sup>D</sup> 11,020	
			<sup>H</sup> —835	
(Outlays).....	O	294,650	325,300	331,120
			<sup>H</sup> —835	
(Supporting space activities) ...255				
(Appropriation, current).....	BA	41,256	40,420	<sup>K</sup> 43,000
			<sup>D</sup> 1,380	
			<sup>H</sup> —110	
(Outlays).....	O	40,420	41,900	43,080
			<sup>H</sup> —110	
(Air transportation).....402				
(Appropriation, current).....	BA	170,780	183,080	<sup>K</sup> 194,100
			<sup>D</sup> 6,120	
			<sup>H</sup> —475	
(Outlays).....	O	166,494	187,700	193,920
			<sup>H</sup> —475	
Total Research and program management.	BA	889,761	939,069	964,900
	O	870,164	936,500	964,100
<b>Trust Funds</b>				
Miscellaneous trust funds.....255				
Appropriation, permanent, indefinite.	BA	34		
Outlays.....	O	558	1,507	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	4,063,701	4,563,769	4,725,000
	O	3,983,119	4,401,700	4,595,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>National Aeronautics and Space Administration—CONTINUED</b>			
<b>Summary—CONTINUED</b>			
<b>Federal Funds:—CONTINUED</b>			
Deductions for offsetting receipts:			
Proprietary receipts from the public.....250	BA } -3,627	-1,900	-2,000
902	O } -3		
Total Federal funds.....	BA 4,060,071	4,561,869	4,723,000
	O 3,979,489	4,399,800	4,593,000
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 34		
	O 558	1,507	
Deductions for offsetting receipts:			
Proprietary receipts from the public.....255	BA } -21		
	O }		
Total Trust funds.....	BA 13		
	O 537	1,507	
Total National Aeronautics and Space Administration.	BA 4,060,084	4,561,869	4,723,000
	O 3,980,026	4,401,307	4,593,000

**Veterans Administration**

<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Compensation and pensions:			
(Veterans service-connected compensation).....701			
Appropriation, current.....	BA 6,199,771	6,174,640	6,757,405
		4575,000	4498,400
Outlays.....	O 6,158,864	6,182,442	6,749,487
		4521,600	453,400
			4456,900
(Veterans non-service-connected pension).....701			
Appropriation, current.....	BA 3,260,759	3,224,120	4,239,210
		4533,500	
Outlays.....	O 3,239,244	3,225,160	4,149,811
		4508,800	424,700
(Other veterans income security programs).....701			
Appropriation, current.....	BA 175,870	178,540	205,185
		420,900	
Outlays.....	O 174,709	178,598	205,258
		420,900	
Total, compensations and pensions.....701	BA 9,636,400	9,577,300	11,201,800
		41,129,400	4498,400
	O 9,572,817	9,586,200	11,104,556
		41,051,300	478,100
			4456,900

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Veterans Administration—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Readjustment benefits.....702				
Appropriation, current.....	BA	2,617,778	2,144,000 ^301,700	2,278,535
Outlays .....	O	3,361,716	2,439,400 ^301,700	J-614 2,293,535
Veterans insurance and indemnities 701				J-614
Appropriation, current.....	BA	3,712	5,750	5,400
Outlays .....	O	3,459	5,995	5,400
Medical care.....703				
Appropriation, current.....	BA	4,924,649	5,334,374 ^74,538	5,594,739
Outlays .....	O	4,809,318	5,402,861	J-301,112 5,593,152 J-301,112
Medical and prosthetic research ..703				
Appropriation, current.....	BA	111,053	122,847	122,847
Outlays .....	O	111,747	124,207	122,847
Medical administration and miscellaneous operating expenses 703				
Appropriation, current.....	BA	43,316	47,058 ^1,266	45,524 ^2,500
Outlays .....	O	41,645	48,326	48,063
General operating expenses.....705				
Appropriation, current.....	BA	581,850	615,964 ^7,257 ^20,620	592,790
Outlays .....	O	558,082	637,158 ^7,257	J-1,073 604,790 J-1,073
Construction, major projects.....703				
Appropriation, current.....	BA	393,689	365,560	317,292
Outlays .....	O	161,930	170,657	215,694
Construction, minor projects.....703				
Appropriation, current.....	BA	95,234	85,401 ^944	73,072
Outlays .....	O	81,332	113,725	102,392
Grants for construction of state extended care facilities .....				
703				
Appropriation, current.....	BA	15,000	10,000	^5,000
Outlays .....	O	6,900	9,539	10,021
Grants to the Republic of the Philippines .....				
703				
Appropriation, current.....	BA	1,700	^1,700 237	1,700
Outlays .....	O	1,770	^1,700	
Assistance for health manpower training institutions.....703				
Appropriation, current.....	BA	53,411	47,437 ^57,468	
Outlays .....	O	39,533	47,000	48,585 ^917

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Veterans Administration—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds:—CONTINUED</b>			
Grants for the construction of state veterans cemeteries.....705			
Appropriation, current.....	BA		5,000
Outlays.....	0		2,000
<b>Public Enterprise Funds:</b>			
Loan guaranty revolving fund.....704			
Outlays.....	0	80,236	156,667
Direct loan revolving fund.....704			
Outlays.....	0	-38,990	-33,263
Canteen service revolving fund.....705			
Outlays.....	0	-2,788	-2,000
Service-disabled veterans insurance fund.....701			
Outlays.....	0	2,119	228
Veterans reopened insurance fund.....701			
Outlays.....	0	-28,624	-24,400
Education loan fund.....702			
Appropriation, current.....	BA	17,200	
Outlays.....	0	34,593	12,000
Vocational rehabilitation revolving fund.....702			
Appropriation, current.....	BA		350
Outlays.....	0	-1	10
			279
Servicemen's group life insurance fund.....701			
Outlays.....	0	-464	464
Special therapeutic and rehabilitation activities fund.....703			
Outlays.....	0	-161	-150
<b>Intragovernmental Funds:</b>			
Supply fund.....705			
Appropriation, current.....	BA	20,000	
Outlays.....	0	43	10,000
Consolidated working fund.....705			
Outlays.....	0	-250	
<b>Trust Funds</b>			
Post-Vietnam era veterans education account.....702			
Appropriation, permanent, indefinite.....	BA	31,736	57,686
Outlays.....	0	10	5,100
General post fund, national homes.....705			
Appropriation, permanent, indefinite.....	BA	6,305	6,400
Outlays.....	0	5,032	5,700
National service life insurance fund.....701			
Appropriation, permanent, indefinite.....	BA	939,727	965,750
Outlays.....	0	667,762	740,000
United States government life insurance fund.....701			
Appropriation, permanent, indefinite.....	BA	36,153	36,452
Outlays.....	0	66,973	69,762

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Veterans Administration—CONTINUED</b>				
<b>Trust Funds—CONTINUED</b>				
Veterans special life insurance fund 701				
Outlays.....	0	<u>-55,015</u>	<u>-41,041</u>	<u>-46,820</u>
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	<b>18,514,992</b>	<b>19,950,584</b>	<b>20,442,150</b>
	0	18,795,962	20,066,818	20,177,476
Deductions for offsetting receipts:				
Proprietary receipts from the public.....	BA } -3,126	-2,889	-2,889	
700	0 }			
902	BA } -11	-11	-11	
	0 }			
Total Federal funds.....	BA	<b>18,511,855</b>	<b>19,947,684</b>	<b>20,439,250</b>
	0	18,792,825	20,063,918	20,174,576
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	<b>1,013,921</b>	<b>1,066,288</b>	<b>1,090,475</b>
	0	684,762	779,521	813,814
Deductions for offsetting receipts:				
Proprietary receipts from the public.....	BA } -481,232	-467,242	-454,941	
701	0 }			
702	BA } -31,728	-52,286	-66,277	
	0 }			
Total Trust funds.....	BA	<b>500,961</b>	<b>546,760</b>	<b>569,257</b>
	0	171,802	259,993	292,596
Interfund transactions.....	BA } -2,464	-3,330	-2,029	
701	0 }			
702	BA } -8	-5,400	-14,700	
	0 }			
Total Veterans Administration....	BA	<b>19,010,344</b>	<b>20,485,714</b>	<b>20,991,778</b>
	0	18,962,155	20,315,181	20,450,443

**Other Independent Agencies**

<b>ACTION</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Operating expenses, international programs (Foreign economic and financial assistance).....	BA	<b>86,234</b>	<b>95,000</b>	<b>105,404</b>
Appropriation, current.....			<sup>44,400</sup> <sup>2958</sup>	
Outlays.....	0	90,078	102,253	103,360
			<sup>43,784</sup>	<sup>4396</sup>
Operating expenses, domestic programs.....	BA	<b>118,377</b>	<b>118,377</b>	<b>169,607</b>
Appropriation, current.....			<sup>15,313</sup> <sup>2898</sup>	
Outlays.....	0	113,215	119,112	145,555
			<sup>8,898</sup>	<sup>5,191</sup>

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>ACTION—CONTINUED</b>			
<i>Trust Funds</i>			
Miscellaneous trust funds.....151			
Appropriation, permanent, indefinite.	BA 13	357	483
Outlays.....	0 37	357	483
<i>Summary</i>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 204,611	234,946	275,011
	0 203,293	234,047	254,502
Deductions for offsetting receipts:			
Proprietary receipts from the public.....150	BA } -163	-43	-43
	0 }		
902	BA } -1	-1	-1
	0 }		
Total Federal funds.....	BA 204,447	234,902	274,967
	0 203,129	234,003	254,458
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 13	357	483
	0 37	357	483
Deductions for offsetting receipts:			
Proprietary receipts from the public.....151	BA } -250	-275	
	0 }		
Total Trust funds.....	BA 13	107	208
	0 37	107	208
Total ACTION.....	BA 204,460	235,009	275,175
	0 203,166	234,110	254,666
<b>Administrative Conference of the United States</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....751			
Appropriation, current.....	BA 935	1,062	1,079
Outlays.....	0 862	1,046	1,062
<b>Advisory Committee on Federal Pay</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....805			
Appropriation, current.....	BA 220	232	232
Outlays.....	0 120	230	230
<b>Advisory Council on Historic Preservation</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....303			
Appropriation, current.....	BA 1,137	1,178 234	1,872
Outlays.....	0 1,258	1,174	1,637 270

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>American Battle Monuments Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....705				
Appropriation, current.....	BA	6,463	6,240 C813 D45 E15	7,603
Outlays.....	O	5,994	7,407	7,574
<b>Trust Funds</b>				
Contributions.....705				
Appropriation, permanent, indefinite.	BA	21	28	28
Outlays.....	O	27	29	28
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	6,463	7,113	7,603
	O	5,994	7,407	7,574
Deductions for offsetting receipts:				
Proprietary receipts from the public.....700	BA } O }	-10	-4	-4
Total Federal funds.....	BA	6,453	7,109	7,599
	O	5,984	7,403	7,570
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	21	28	28
	O	27	29	28
Total American Battle Monuments Commission.	BA	6,474	7,137	7,627
	O	6,011	7,432	7,598
<b>Arms Control and Disarmament Agency</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Arms control and disarmament activities.....153				
Appropriation, current.....	BA	16,320	16,395	18,876
			11,010 D400	
Outlays.....	O	13,990	15,464	17,217
			4910	4100
<b>Board for International Broadcasting</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Grants and expenses.....154				
Appropriation, current.....	BA	75,900	85,000	86,917
			3,000	
Outlays.....	O	65,616	88,403	87,610
			3,000	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	75,900	88,000	86,917
	O	65,616	91,403	87,610

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Board for International Broadcasting—COM.</b>			
<b>Summary—CONTINUED</b>			
<b>Federal Funds:—CONTINUED</b>			
Deductions for offsetting receipts:			
Proprietary receipts from the public.....150	BA } -164	-6	
	O }		
Total Board for International Broadcasting.	BA 75,736	87,994	86,917
	O 65,452	91,397	87,610
<b>Central Intelligence Agency</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Payment to the Central Intelligence Agency retirement and disability fund.....054			
Appropriation, current.....	BA 35,100	43,500	51,600
Outlays .....	O 35,100	43,500	51,600
<b>Civil Aeronautics Board</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....402			
Appropriation, current.....	BA 25,267	27,000	30,700
		21,094	
Outlays .....	O 24,701	28,140	30,559
Payments to air carriers.....402			
Appropriation, current.....	BA 74,199	68,900	76,100
		44,000	
Liquidation of contract authority, current.	(8,251)		
Outlays .....	O 76,771	68,932	71,766
		43,911	489
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 99,466	100,994	106,800
	O 101,472	100,983	102,414
Deductions for offsetting receipts:			
Proprietary receipts from the public.....400	BA } -109	-126	-131
	O }		
902	BA } -3		
	O }		
Total Civil Aeronautics Board ....	BA 99,354	100,868	106,669
	O 101,360	100,857	102,283
<b>Commission of Fine Arts</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....451			
Appropriation, current.....	BA 243	263	271
Outlays .....	O 237	263	271

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Commission on Civil Rights</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....751				
Appropriation, current.....	BA	10,846	10,752	11,372
			2341	
Outlays.....	0	10,465	10,859	11,145
<b>Committee for Purchase from the Blind and other Severely Handicapped</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....505				
Appropriation, current.....	BA	361	441	481
Outlays.....	0	328	436	481
<b>Commodity Futures Trading Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Commodity Futures Trading Commission.....376				
Appropriation, current.....	BA	13,950	15,304	16,366
			2532	
Outlays.....	0	14,311	15,742	16,300
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	13,950	15,836	16,366
	0	14,311	15,742	16,300
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA } 0 }	-5	-7	-7
Total Commodity Futures Trading Commission.	BA	13,945	15,829	16,359
	0	14,306	15,735	16,293
<b>Community Services Administration</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Community services program:				
(Social services).....506				
(Appropriation, current).....	BA	597,853	542,853	505,000
(Outlays).....	0	574,818	597,300	506,300
(Public assistance and other income supplements).....604				
(Appropriation, current).....	BA	200,000	200,000	40,000
(Outlays).....	0	193,384	71,000	11,000
Total Community services program.	BA	797,853	742,853	545,000
	0	768,202	668,300	517,300
<b>Public Enterprise Funds:</b>				
Community development credit unions.....452				
Appropriation, current.....	BA			12,000
Outlays.....	0			9,000
<b>Trust Funds</b>				
Gifts and contributions.....506				
Outlays.....	0	10		

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Community Services Administration—CON.</b>				
<i>Summary</i>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	797,853	742,853	557,000
	0	768,202	668,300	526,300
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA } 0 }	-10	-10	-10
	902 BA } 0 }	-286	-290	-290
Total Federal funds.....	BA	797,557	742,553	556,700
	0	767,906	668,000	526,000
<b>Trust Funds:</b>				
(As shown in detail above).....	0	10		
Total Community Services Administration.	BA	797,557	742,553	556,700
	0	767,916	668,000	526,000
<b>Consumer Product Safety Commission</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....554				
Appropriation, current.....	BA	40,461	40,000	41,776
			42,190	
			21,300	
Outlays.....	0	40,063	39,750	40,393
			41,468	4722
<i>Summary</i>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	40,461	43,490	41,776
	0	40,063	41,218	41,115
Deductions for offsetting receipts:				
Proprietary receipts from the public.....550	BA } 0 }	-4	-5	-5
Total Consumer Product Safety Commission.	BA	40,457	43,485	41,771
	0	40,059	41,213	41,110
<b>Corporation for Public Broadcasting</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Public broadcasting fund.....503				
Appropriation, permanent.....	BA	119,200	120,200	152,000
Outlays.....	0	119,200	120,200	152,000
<b>District of Columbia</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Federal payment to District of Columbia.....852				
Appropriation, current.....	BA	304,116	255,200	310,300
				417,000
Outlays.....	0	304,116	255,200	327,300
Loans for capital outlay.....852				
Appropriation, current.....	BA	92,000		159,392
Outlays.....	0	90,000	128,403	159,392

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>District of Columbia—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Loans to stadium sinking fund ....852				
Authority to borrow, permanent, indefinite.	BA	832	832	
Outlays .....	O	832	832	
Repayable advances to the District of Columbia general fund .....852				
Appropriation, permanent, indefinite.	BA	40,000		
Outlays .....	O	20,000	20,000	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	436,948	256,032	486,692
	O	414,948	404,435	486,692
Deductions for offsetting receipts:				
Proprietary receipts from the public.....852	BA } O }	-43,980	-42,359	-24,512
Total District of Columbia.....	BA	392,968	213,673	462,180
	O	370,968	362,076	462,180
<b>Emergency Loan Guarantee Board</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Emergency loan guarantee fund...376				
Outlays .....	O	1,205		
<b>Equal Employment Opportunity Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses .....751				
Appropriation, current.....	BA	84,550	111,378	125,060
			23,827	
Outlays .....	O	74,214	113,750	123,876
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	84,550	115,205	125,060
	O	74,214	113,750	123,876
Deductions for offsetting receipts:				
Proprietary receipts from the public.....750	BA } O }	-54	-60	-60
Total Equal Employment Opportunity Commission.	BA	84,496	115,145	125,000
	O	74,160	113,690	123,816

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Export-Import Bank of the United States</b>				
<i>Federal Funds</i>				
<b>Public Enterprise Funds:</b>				
Export-Import Bank of the United States.....155				
Authority to borrow, permanent, indefinite.	BA			<b>828,710</b>
Outlays.....	0	-105,904	90,635	560,925
Limitation on administrative expenses.		(13,170)	(13,515)	(14,129)
Limitation on program activity.....		(5,458,207)	(5,347,345) <i>D</i> (225)	(5,598,241)
<b>Farm Credit Administration</b>				
<i>Federal Funds</i>				
<b>Public Enterprise Funds:</b>				
Revolving fund for administrative expenses.....351				
Outlays.....	0	-356	418	
Limitation on administrative expenses.		(9,942)	(10,575)	
			<i>D</i> (350)	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	0	-356	418	
Deductions for offsetting receipts:				
Proprietary receipts from the public.....350	BA } 0 }	-2		
Total Farm Credit Administration.	BA 0	-2 -358		418
<b>Federal Communications Commission</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....376				
Appropriation, current.....	BA	<b>64,550</b>	<b>70,446</b>	<b>71,816</b>
Outlays.....	0	64,084	70,154	71,224
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA 0	<b>64,550</b> 64,084	<b>70,446</b> 70,154	<b>71,816</b> 71,224
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA } 0 }	-18	-18	-18
Total Federal Communications Commission.	BA 0	<b>64,532</b> 64,066	<b>70,428</b> 70,136	<b>71,798</b> 71,206
<b>Federal Deposit Insurance Corporation</b>				
<i>Trust Funds</i>				
Federal Deposit Insurance Corporation.....371				
Outlays.....	0	-566,611	-1,121,000	-1,192,275

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Federal Election Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....806				
Appropriation, current.....	BA	7,610	8,000	8,646
			<sup>D</sup> 293	
Outlays.....	0	7,174	8,304	8,500
<b>Federal Emergency Management Agency</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Emergency planning, preparedness, and mobilization.....054				
Appropriation, current.....	BA	125,198	127,463	30,521
				<sup>K</sup> 108,600
			<sup>C</sup> 333	
			<sup>D</sup> 1,952	
Outlays.....	0	109,957	133,220	139,941
Hazard mitigation and disaster assistance.....453				
Appropriation, current.....	BA	134,848	131,882	89,595
				<sup>K</sup> 30,000
			<sup>D</sup> 1,255	
Outlays.....	0	107,758	124,477	130,534
<b>Public Enterprise Funds:</b>				
National insurance development fund 451				
Outlays.....	0	9,403	10,600	13,500
National flood insurance fund.....453				
Outlays.....	0	82,900	86,751	87,900
Total Federal funds Federal Emergency Management Agency.	BA	260,046	262,885	258,718
	0	310,018	355,048	371,875
<b>Federal Home Loan Bank Board</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Interest adjustment payments.....371				
Outlays.....	0	213	91	46
<b>Public Enterprise Funds:</b>				
Federal Home Loan Bank Board revolving fund.....371				
Authority to borrow, current.....	BA	-10,055		
Outlays.....	0	465	242	
Limitation on administrative expenses.		(17,367)	(17,793)	(18,984)
			<sup>A</sup> (313)	
			<sup>D</sup> (616)	
Limitation on nonadministrative expenses.		(27,550)	(29,895)	
			<sup>D</sup> (1,161)	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Federal Home Loan Bank Board—CONTINUED</b>			
<i>Federal Funds—CONTINUED</i>			
<b>Public Enterprise Funds—CONTINUED</b>			
<b>Federal Savings and Loan Insurance Corporation fund.....371</b>			
Outlays.....	0	-403,723	-390,687
			<sup>A</sup> 187
Limitation on administrative expenses.		(899)	(940)
			(33,566)
			<sup>D</sup> (35)
Total Federal funds Federal Home Loan Bank Board.	BA 0	-10,055 -403,045	-390,167
			-505,954
<b>Federal Labor Relations Authority</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....805			
Appropriation, current.....	BA	8,452	8,393
			<sup>A</sup> 1,360
			<sup>D</sup> 429
Outlays.....	0	7,903	8,822
			<sup>A</sup> 1,360
<b>Federal Maritime Commission</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....403			
Appropriation, current.....	BA	9,724	10,550
			<sup>D</sup> 330
Outlays.....	0	9,274	10,810
			11,157
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 0	9,724 9,274	10,880 10,810
			11,217 11,157
Deductions for offsetting receipts:			
Proprietary receipts from the public.....400	BA } 0 }	-27	-40
			-40
Total Federal Maritime Commission.	BA 0	9,697 9,247	10,848 10,770
			11,177 11,117
<b>Federal Mediation and Conciliation Service</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....505			
Appropriation, current.....	BA	22,465	22,686
			<sup>D</sup> 528
Outlays.....	0	21,961	23,041
			22,972
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 0	22,465 21,961	23,214 23,041
			23,075 22,972

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Federal Mediation and Conciliation Service</b>			
<b>—CONTINUED</b>			
<b>Summary—CONTINUED</b>			
<b>Federal Funds:—CONTINUED</b>			
Deductions for offsetting receipts:			
Proprietary receipts from the public.....500	BA } -2	-2	-2
	O }		
Total Federal Mediation and Conciliation Service.	BA 22,463	23,212	23,073
	O 21,959	23,039	22,970
<b>Federal Mine Safety and Health Review Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....554			
Appropriation, current.....	BA 1,185	4,776	4,770
Outlays.....	O 787	4,768	4,530
<b>Federal Trade Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA 62,100	64,750	69,021
		C22	
		D1,978	
Outlays.....	O 59,446	64,919	67,949
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 62,100	66,750	69,021
	O 59,446	64,919	67,949
Deductions for offsetting receipts:			
Proprietary receipts from the public.....400	BA } -631	-28	-28
	O }		
Total Federal Trade Commission	BA 61,469	66,722	68,993
	O 58,815	64,891	67,921
<b>Foreign Claims Settlement Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....153			
Appropriation, current.....	BA 920	H-75	1,030
Outlays.....	O 755	808	968
Payment of Vietnam prisoner of war claims.....153			
Appropriation, current.....	BA H-9,000		
Outlays.....	O 131	150	
Total Federal funds Foreign Claims Settlement Commission.	BA 920	-9,075	1,030
	O 886	958	968

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Harry S Truman Scholarship Foundation</b>			
<i>Trust Funds</i>			
Harry S Truman memorial scholarship trust fund.....502			
Outlays.....	0	<u>-1,841</u>	<u>-1,583</u>
			<u>-1,186</u>
<b>Historical and Memorial Agencies</b>			
<i>American Revolution Bicentennial Administration</i>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....806			
Outlays.....	0	<u>479</u>	<u></u>
<b>Other Historical and Memorial Agencies</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Franklin Delano Roosevelt Memorial Commission: Salaries and expenses.....806	BA	<b>25</b>	<b>20</b>
Appropriation, current.....			<b>10</b>
Outlays.....	0	<u>17</u>	<u>25</u>
			<u>25</u>
Total Federal funds Historical and Memorial Agencies.	BA	<b>25</b>	<b>20</b>
	0	<u>17</u>	<u>504</u>
			<u>25</u>
<b>Indian Claims Commission</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....752			
Appropriation, current.....	BA	<b>1,784</b>	
Outlays.....	0	<u>1,359</u>	<u>263</u>
			<u></u>
<b>Intelligence Community Staff</b>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Intelligence community staff.....054			
Appropriation, current.....	BA	<b>9,249</b>	<b>12,000</b>
Outlays.....	0	<u>8,501</u>	<u>11,503</u>
			<u>12,627</u>
			<u>12,027</u>
<b>Intragovernmental Agencies</b>			
<i>Advisory Commission on Intergovernmental Relations</i>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....806			
Appropriation, current.....	BA	<b>1,654</b>	<b>1,659</b>
			<b>239</b>
Outlays.....	0	<u>1,492</u>	<u>1,794</u>
			<u>1,654</u>
<b>Intragovernmental Funds:</b>			
Consolidated working fund.....806			
Outlays.....	0	<u>-300</u>	<u>236</u>
			<u></u>

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Intragovernmental Agencies—CONTINUED</b>				
<b>Advisory Commission on Intergovernmental Relations—CONTINUED</b>				
<b>Trust Funds</b>				
Contributions.....	806			
Appropriation, permanent, indefinite.	BA	47	100	100
Outlays.....	O	16	152	100
Total Federal funds Advisory Commission on Intergovernmental Relations.	BA O	1,654 1,192	1,698 2,030	1,654 1,654
Total Trust funds Advisory Commission on Intergovernmental Relations.	BA O	47 16	100 152	100 100
<b>Appalachian Regional Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....	452			
Appropriation, current.....	BA	2,083	2,220	2,990
Outlays.....	O	2,078	2,297	2,990
<b>Intragovernmental Funds:</b>				
Consolidated working fund.....	452			
Outlays.....	O	-71		
<b>Trust Funds</b>				
Miscellaneous trust funds.....	452			
Appropriation, permanent, indefinite.	BA	4,098	4,400	5,000
Outlays.....	O	4,181	4,832	5,134
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA O	2,083 2,007	2,297 2,297	2,990 2,990
<b>Trust Funds:</b>				
(As shown in detail above).....	BA O	4,098 4,181	4,400 4,832	5,000 5,134
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the public.....	BA O	-1,700	-1,845	-2,500
Total Trust funds.....	BA O	2,398 2,481	2,555 2,987	2,500 2,634
Interfund transactions.....	BA O	-2,398	-2,555	-2,500
Total Appalachian Regional Commission.	BA O	2,083 2,090	2,297 2,729	2,990 3,124
<b>Delaware River Basin Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....	301			
Appropriation, current.....	BA	98	102	107
Outlays.....	O	93	104	107

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Intragovernmental Agencies—CONTINUED</b>				
<b>Delaware River Basin Commission—COM.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Contribution to Delaware River Basin Commission.....301				
Appropriation, current.....	BA	232	245	257
Outlays.....	O	179	298	257
Total Federal funds Delaware River Basin Commission.	BA	330	349	364
	O	272	402	364
<b>Interstate Commission on the Potomac River Basin</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Contribution to Interstate Commission on the Potomac River Basin.....304				
Appropriation, current.....	BA	53	55	55
Outlays.....	O	53	55	55
<b>Susquehanna River Basin Commission</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....301				
Appropriation, current.....	BA	99	102	104
Outlays.....	O	88	104	104
Contribution to Susquehanna River Basin Commission.....301	BA	200	200	210
Appropriation, current.....				
Outlays.....				
Total Federal funds Susquehanna River Basin Commission.	BA	299	304	314
	O	288	304	314
<b>Washington Metropolitan Area Transit Authority</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Interest payments.....401				
Appropriation, current.....	BA	51,357	38,142	51,587
			16,102	
Appropriation, permanent.....	BA	15,422		
Outlays.....	O	149,337	110,142	83,587
			16,102	
Total Federal funds Intragovernmental Agencies.	BA	71,198	58,947	56,964
	O	153,149	131,332	88,964
Total Trust funds Intragovernmental Agencies.	BA	2,445	2,655	2,600
	O	2,497	3,139	2,734

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>International Communication Agency</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses .....154			
Appropriation, current.....	BA	339,882	368,000
			<sup>A</sup> 403,265
			<sup>A</sup> 737
			<sup>C</sup> 231
			<sup>D</sup> 5,807
Outlays.....	O	326,798	368,816
			<sup>A</sup> 393
			396,043
Salaries and expenses (special foreign currency program).....154			<sup>A</sup> 344
Appropriation, current.....	BA	8,700	9,824
			<sup>A</sup> 13,012
			<sup>A</sup> 454
Outlays.....	O	10,807	11,357
			<sup>A</sup> 343
			12,652
Center for Cultural and Technical Interchange Between East and West .....154			<sup>A</sup> 111
Appropriation, current.....	BA	12,200	13,500
			<sup>A</sup> 14,835
Outlays.....	O	12,907	13,529
			14,835
Acquisition and construction of radio facilities .....154			
Appropriation, current.....	BA	13,032	19,685
			<sup>A</sup> 1,670
Outlays.....	O	2,416	10,425
			15,942
Miscellaneous expired special foreign currency programs .....154			
Outlays.....	O	36	275
			39
Educational exchange fund, payments by Finland, World War I debt .....154			
Outlays.....	O	296	12
<b>Trust Funds</b>			
Trust funds.....154			
Appropriation, permanent, indefinite.	BA	224	224
Outlays.....	O	151	646
			224
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	373,814	418,238
	O	353,260	405,150
			432,782
Deductions for offsetting receipts:			439,966
Proprietary receipts from the public.....150	BA } O }	-1,193	-440
			-440
Total Federal funds.....	BA	372,621	417,798
	O	352,067	404,710
			432,342
			439,526
<b>Trust Funds:</b>			
(As shown in detail above).....	BA	224	224
	O	151	646
			224

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>International Communication Agency—CON.</b>			
<b>Summary—CONTINUED</b>			
<b>Trust Funds—CONTINUED</b>			
Deductions for offsetting receipts:			
Proprietary receipts from the public.....154	BA } -100	-110	-110
	O }		
Total Trust funds.....	BA 124	114	114
	O 51	536	114
Total International Communication Agency.	BA 372,745	417,912	432,456
	O 352,118	405,246	439,640
<b>International Trade Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....153			
Appropriation, current.....	BA 12,213	12,950	14,700
		2,482	
Outlays.....	O 11,781	13,594	14,700
<b>Interstate Commerce Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....401			
Appropriation, current.....	BA 64,767	70,400	81,095
		2,750	
Outlays.....	O 65,077	72,008	80,384
Payments for directed rail service 401			
Outlays.....	O 3	600	290
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 64,767	73,150	81,095
	O 65,080	72,608	80,674
Deductions for offsetting receipts:			
Proprietary receipts from the public.....400	BA } -179	-6,337	-234
	O }		
Total Interstate Commerce Commission.	BA 64,588	66,813	80,861
	O 64,901	66,271	80,440
<b>Japan-United States Friendship Commission</b>			
<b>Trust Funds</b>			
Japan-United States friendship trust fund.....154			
Appropriation, current.....	BA 1,000	1,500	1,500
Outlays.....	O 1,166	1,375	1,500
<b>Legal Services Corporation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Payment to the Legal Services Corporation.....752			
Appropriation, current.....	BA 205,000	270,000	291,800
Outlays.....	O 157,429	261,371	280,513

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Marine Mammal Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....302			
Appropriation, current.....	BA	900	702
Outlays.....	0	1,028	777
			640
			716
<b>Merit Systems Protection Board</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....805			
Appropriation, current.....	BA	8,485	8,276
			<sup>D</sup> 378
Outlays.....	0	8,649	8,007
Limitation payable under transfers from trust funds.		(176)	(231)
			(255)
			<sup>D</sup> (-9)
Office of the Special Counsel.....805			
Appropriation, current.....	BA	489	574
			<sup>A</sup> 842
			<sup>D</sup> 14
Outlays.....	0	489	536
			<sup>A</sup> 842
Total Federal funds Merit Systems Protection Board.	BA	8,974	10,084
	0	9,138	9,385
			11,119
			11,688
<b>National Capital Planning Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....451			
Appropriation, current.....	BA	2,057	1,963
			<sup>D</sup> 74
Outlays.....	0	1,902	2,034
			2,196
<b>National Center for Productivity and Quality of Working Life</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA	2,900	
Outlays.....	0	2,996	678
			30
<b>National Commission on Libraries and Information Science</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....503			
Appropriation, current.....	BA	598	648
			<sup>D</sup> 12
Outlays.....	0	1,260	1,397
			1,700

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>National Consumer Cooperative Bank</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA		2,459
		42,000	
Outlays.....	0	41,800	2,159
			4200
Self-help development and technical assistance.....376			
Appropriation, current.....	BA		26,441
		412,000	
Outlays.....	0		22,941
		47,800	44,200
Total Federal funds National Consumer Cooperative Bank.	BA	14,000	28,900
	0	9,600	29,500
<b>National Credit Union Administration</b>			
<b>Federal Funds</b>			
<b>Public Enterprise Funds:</b>			
Operating fund.....371			
Outlays.....	0	238	-22
Credit union share insurance fund 371			
Outlays.....	0	-13,701	-22,992
			-32,789
Central liquidity facility.....371			
Authority to borrow, current.....	BA		1,700,000
Outlays.....	0		-50,005
Total Federal funds National Credit Union Administration.	BA		1,700,000
	0	-13,463	-23,014
			-82,794
<b>National Development Bank</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
National Development Bank.....452			
Appropriation, current, indefinite ...	BA	4,236	3,030,423
Authority to borrow, current, indefinite.	BA		500,000
Outlays.....	0	4,025	194,802
<b>National Foundation on the Arts and the Humanities</b>			
<b>National Endowment for the Arts</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
National endowment for the arts:			
Salaries and expenses.....503			
Appropriation, current.....	BA	123,850	149,435
			1,400
			205
Outlays.....	0	121,360	134,835
			4280
			141,808
			4672
<b>Intragovernmental Funds:</b>			
Consolidated working fund (arts).503			
Outlays.....	0	74	2

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>National Foundation on the Arts and the Humanities—CONTINUED</b>				
<b>National Endowment for the Arts—CON.</b>				
<b>Trust Funds</b>				
Gifts and donations (arts).....503				
Appropriation, permanent, indefinite.	BA	236		
Outlays .....	O	32		
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	123,850	151,040	154,400
	O	121,434	135,117	142,480
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA } -9			
	O }			
902	BA } -6		-1	-1
	O }			
Total Federal funds.....	BA	123,835	151,039	154,399
	O	121,419	135,116	142,479
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	236		
	O	32		
Total National Endowment for the Arts ...	BA	124,071	151,039	154,399
	O	121,451	135,116	142,479
<b>National Endowment for the Humanities</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
National endowment for the humanities: Salaries and expenses 503				
Appropriation, current.....	BA	121,275	145,046 41,400 2247	150,100
Outlays .....	O	122,745	127,722 4280	134,525 4672
<b>Intragovernmental Funds:</b>				
Consolidated working fund (humanities).....503				
Outlays .....	O	30	31	
<b>Trust Funds</b>				
Gifts and donations (humanities) 503				
Appropriation, permanent, indefinite.	BA	8,088	9,500	12,000
Outlays .....	O	3,034	9,500	12,000
Total Federal funds National Endowment for the Humanities.	BA	121,275	146,693	150,100
	O	122,775	128,033	135,197
Total Trust funds National Endowment for the Humanities.	BA	8,088	9,500	12,000
	O	3,034	9,500	12,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>National Institute of Building Sciences</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA 1,000	750	750
Outlays.....	0 1,000	750	750
<b>National Labor Relations Board</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....505			
Appropriation, current, indefinite...	BA 92,508	100,467 22,545	108,050
Outlays.....	0 90,615	102,497	107,510
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 92,508	103,012	108,050
	0 90,615	102,497	107,510
Deductions for offsetting receipts:			
Proprietary receipts from the public.....500	BA } -200	-240	-255
	0 }		
Total National Labor Relations Board.	BA 92,308	102,772	107,795
	0 90,415	102,257	107,255
<b>National Mediation Board</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....505			
Appropriation, current.....	BA 3,913	3,969 264	4,393
Outlays.....	0 3,592	3,950	4,161
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 3,913	4,033	4,393
	0 3,592	3,950	4,161
Deductions for offsetting receipts:			
Proprietary receipts from the public.....500	BA } -8	-6	-6
	0 }		
Total National Mediation Board.	BA 3,905	4,027	4,387
	0 3,584	3,944	4,155
<b>National Science Foundation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Research and related activities.....251			
Appropriation, current.....	BA 785,250	827,000	915,300
		625	
Outlays.....	0 733,348	796,500	861,300
Scientific activities (special foreign currency program).....251			
Appropriation, current.....	BA 4,900	4,000	6,000
Outlays.....	0 4,042	5,000	6,000

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>National Science Foundation—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Science education activities .....251				
Appropriation, current.....	BA	73,200	80,000	<sup>*</sup> 84,700
				78,000
Outlays .....	0	59,154	73,300	
<b>Intragovernmental Funds:</b>				
Consolidated working fund .....251				
Outlays .....	0	139	500	500
<b>Trust Funds</b>				
Donations.....251				
Appropriation, permanent, indefinite.	BA	4,348	5,200	5,200
Outlays .....	0	6,499	4,500	4,500
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	863,350	911,625	1,006,000
	0	796,683	875,300	945,800
Deductions for offsetting receipts:				
Proprietary receipts from the public.....250	BA } 0 }	-366	-278	-278
902	BA } 0 }	-32	-22	-22
Total Federal funds.....	BA	862,952	911,325	1,005,700
	0	796,285	875,000	945,500
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	4,348	5,200	5,200
	0	6,499	4,500	4,500
Total National Science Foundation.	BA	867,300	916,525	1,010,900
	0	802,784	879,500	950,000
<b>National Transportation Safety Board</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses .....407				
Appropriation, current.....	BA	15,250	15,600	16,730
			<sup>p</sup> 500	
Outlays .....	0	15,542	15,835	16,335
<b>Trust Funds</b>				
Donations.....407				
Outlays .....	0		39	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	15,250	16,100	16,730
	0	15,542	15,835	16,335
Deductions for offsetting receipts:				
Proprietary receipts from the public.....400	BA } 0 }	-29	-29	-29
Total Federal funds.....	BA	15,221	16,071	16,701
	0	15,513	15,806	16,306

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>National Transportation Safety Board—CON.</b>			
<b>Summary—CONTINUED</b>			
<b>Trust Funds:</b>			
(As shown in detail above).....	0	39	
Total National Transportation Safety Board.	BA 15,221 0 15,513	16,071 15,845	16,701 16,306
<b>Neighborhood Reinvestment Corporation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Neighborhood Reinvestment Corpora- tion.....	451		
Appropriation, current.....	BA		*9,500
Outlays.....	0		*9,500
<b>Nuclear Regulatory Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....	276		
Appropriation, current.....	BA 290,023		
Indefinite.....	BA	322,301	
		<sup>D</sup> 4,300	*373,300
Outlays.....	0 270,876	305,315	345,285
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 290,023 0 270,876	326,601 305,315	373,300 345,285
Deductions for offsetting receipts:			
Proprietary receipts from the public.....	BA } 0 }	-14	
Total Nuclear Regulatory Commission.	BA 290,009 0 270,862	326,601 305,315	373,300 345,285
<b>Occupational Safety and Health Review Commission</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....	554		
Appropriation, current.....	BA 7,150	7,658	7,550
Outlays.....	0 6,562	6,910	7,085
<b>Office of Personnel Management</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....	805		
Appropriation, current.....	BA 108,214	109,532 <sup>A</sup> 440 <sup>D</sup> 4,248	114,139
Outlays.....	0 110,394	113,613 <sup>A</sup> 440	117,299
Limitation payable under trust funds.	(32,123)	(32,144)	(33,659)
		<sup>D</sup> (1,064)	

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Office of Personnel Management—CON.</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds—CONTINUED</b>				
Government payment for annuitants, employees health benefits.....551				
Appropriation, current.....	BA	506,467	606,035	626,509
				7,001
Outlays.....	0	506,617	526,508	653,404
				7,001
Payment to civil service retirement and disability fund.....805				
Appropriation, current.....	BA	2,165,828	2,105,283	2,411,184
			435,355	
Appropriation, permanent, indefinite.....	BA	5,268,000	6,329,715	7,603,475
Outlays.....	0	7,433,828	8,434,998	10,014,579
			435,355	
Intergovernmental personnel assistance.....806				
Appropriation, current.....	BA	20,000	20,000	20,000
Outlays.....	0	18,512	19,000	18,000
<b>Intragovernmental Funds:</b>				
Revolving fund.....805				
Outlays.....	0	1,853	875	-400
<b>Trust Funds</b>				
Civil service retirement and disability fund.....602				
Appropriation, current.....	BA		435,355	
Appropriation, permanent, indefinite.....	BA	17,598,876	20,060,138	22,483,611
Outlays.....	0	10,907,627	12,370,589	14,035,058
Employees health benefits fund.....551				
Outlays.....	0	-84,978	-157,714	-131,457
Employees life insurance fund.....602				
Outlays.....	0	-485,209	-323,604	-341,077
				21,000
Retired employees health benefits fund.....551				
Outlays.....	0	5,599	2,875	1,655
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	8,068,509	9,510,608	10,782,228
	0	8,071,204	9,430,789	10,809,883
Deductions for offsetting receipts:				
Proprietary receipts from the public.....800	BA } 0 }	-1,599	-1,830	-1,930
902	BA } 0 }	-3	-2	-2
Total Federal funds.....	BA	8,066,907	9,508,776	10,780,296
	0	8,069,602	9,428,957	10,807,951
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	17,598,876	20,395,493	22,483,611
	0	10,343,039	11,892,146	13,585,179

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Office of Personnel Management—CON.</b>			
<b>Summary—CONTINUED</b>			
<b>Trust Funds—CONTINUED</b>			
Deductions for offsetting receipts:			
Intrafund transactions.....602	BA } -8,544	-2,000	-2,100
	O }		
Total Trust funds.....	BA 17,590,332	20,393,493	22,481,511
	O 10,334,495	11,890,146	13,583,079
Interfund transactions.....602	BA } -18,409	-20,000	-20,000
	O }		
	805 BA } -7,433,828	-8,770,353	-10,014,579
	O }		
Total Office of Personnel Management.	BA 18,205,002	21,111,916	23,227,228
	O 10,951,860	12,528,750	14,356,451
<b>Panama Canal Commission</b>			
<b>Federal Funds</b>			
<b>Public Enterprise Funds:</b>			
Panama Canal Commission fund.403			
Outlays.....	O .....	.....	14,642
Limitation on general and administrative expenses.	.....	.....	(31,334)
	=====	=====	=====
<b>Pennsylvania Avenue Development Corporation</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....451			
Appropriation, current.....	BA 1,323	1,630	1,856
		<sup>D</sup> 39	
Outlays.....	O 1,193	1,586	1,763
Public development.....451			
Appropriation, current.....	BA 12,354	12,355	20,110
		<sup>A</sup> 17,900	
Outlays.....	O 1,794	10,820	19,470
		<sup>A</sup> 2,280	<sup>A</sup> 3,260
<b>Public Enterprise Funds:</b>			
Land acquisition and development fund.....451			
Authority to borrow, current.....	BA 7,500	13,400	17,000
		<sup>A</sup> 19,600	
Outlays.....	O 17,201	23,000	13,000
		<sup>A</sup> 14,600	<sup>A</sup> 5,000
Total Federal funds	BA 21,177	64,924	38,966
Pennsylvania Avenue Development Corporation.	O 20,188	52,286	42,493
	=====	=====	=====
<b>Postal Service</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Payment to the Postal Service fund 372			
Appropriation, current.....	BA 1,787,288	1,785,176	1,697,558
		<sup>A</sup> 18,233	
Outlays.....	O 1,778,240	1,785,176	1,697,558
		<sup>A</sup> 18,233	
	=====	=====	=====

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Railroad Retirement Board</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Federal Windfall payment to Railroad Retirement Trust Fund.....601				
Appropriation, current.....	BA	250,000	313,000	313,000
Outlays.....	O	250,000	313,000	313,000
Regional rail transportation protective account.....604				
Appropriation, current.....	BA	93,500	25,000	
			<sup>4</sup> 18,870	
Reappropriation.....	BA		<sup>4</sup> 37,646	
Outlays.....	O	80,077	43,472	
			<sup>4</sup> 56,516	
<b>Trust Funds</b>				
Railroad retirement account.....601				
Appropriation, current, indefinite...	BA			<sup>4</sup> 211,300
Appropriation, permanent, indefinite.	BA	3,843,373	4,035,000	4,274,000
Outlays.....	O	3,982,748	4,266,303	4,580,330
			<sup>4</sup> 400	<sup>4</sup> 600
				<sup>4</sup> 65,300
Limitation on salaries and expenses.		(32,605)	(35,203)	(39,230)
			<sup>4</sup> (1,000)	
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	343,500	394,516	313,000
	O	330,077	412,988	313,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....600	BA } O }	-1		
Total Federal funds.....	BA	343,499	394,516	313,000
	O	330,076	412,988	313,000
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	3,843,373	4,035,000	4,485,300
	O	3,982,748	4,266,703	4,515,630
Deductions for offsetting receipts:				
Intrafund transactions.....902	BA } O }	11,732	15,000	18,000
Total Trust funds.....	BA	3,855,105	4,050,000	4,503,300
	O	3,994,480	4,281,703	4,533,630
Interfund transactions.....601	BA } O }	-250,000	-313,000	-313,000
Total Railroad Retirement Board.	BA	3,948,604	4,131,516	4,503,300
	O	4,074,556	4,381,691	4,533,630
<b>Renegotiation Board</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....054				
Appropriation, current.....	BA	6,225	5,260	7,363
			<sup>4</sup> 1,183	
			<sup>4</sup> 137	
Outlays.....	O	6,198	5,594	7,278
			<sup>4</sup> 1,048	<sup>4</sup> 55

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Renegotiation Board—CONTINUED</b>				
<i>Summary</i>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	6,225	6,500	7,363
	O	6,198	6,642	7,333
Deductions for offsetting receipts:				
Proprietary receipts from the public.....	BA } -2	-2	-2	-2
050	O }			
Total Renegotiation Board.....	BA	6,223	6,498	7,361
	O	6,196	6,640	7,331
<b>Securities and Exchange Commission</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....				
376				
Appropriation, current.....	BA	62,475	64,650	69,039
			2,450	
Outlays.....	O	61,328	67,985	68,383
<i>Summary</i>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	62,475	67,100	69,039
	O	61,328	67,985	68,383
Deductions for offsetting receipts:				
Proprietary receipts from the public.....	BA } -26	-25	-25	-25
370	O }			
Total Securities and Exchange Commission.	BA	62,449	67,075	69,014
	O	61,302	67,960	68,358
<b>Selective Service System</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....				
054				
Appropriation, current.....	BA	6,633	7,045	9,825
			1,735	
			295	
			211	
Outlays.....	O	6,122	7,339	9,577
			1,440	295
<b>Small Business Administration</b>				
<i>Federal Funds</i>				
<b>General and Special Funds:</b>				
Salaries and expenses.....				
376				
Appropriation, current.....	BA	179,000	199,796	185,300
			14,865	
Outlays.....	O	173,285	199,636	185,149
			14,665	
White House Conference on Small Business.....				
376				
Appropriation, current.....	BA		4,000	
Outlays.....	O		2,300	1,700
<b>Public Enterprise Funds:</b>				
Business loan and investment fund				
376				
Appropriation, current.....	BA	605,000	520,500	546,000
Outlays.....	O	457,887	511,000	461,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Small Business Administration—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>Public Enterprise Funds—CONTINUED</b>				
Disaster loan fund.....453				
Appropriation, current.....	BA	2,640,000	217,000	60,000
Appropriation, permanent, indefinite.....	BA	827	1,000	1,000
Outlays.....	O	2,104,509	793,000	20,000
Lease guarantees revolving fund..376				
Appropriation, current.....	BA	4,000	4,000	4,000
Outlays.....	O	3,679	4,000	4,000
Surety bond guarantees revolving fund.....376				
Appropriation, current.....	BA	47,000	35,000	
Outlays.....	O	27,373	30,000	25,000
Pollution control equipment contract guarantee revolving fund.....376				
Outlays.....	O	-686	-2,650	-2,650
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	3,475,827	966,631	796,300
	O	2,766,047	1,522,621	694,199
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA } O }	-19		
Total Small Business Administration.....	BA	3,475,808	966,631	796,300
	O	2,766,028	1,522,621	694,199
<b>Smithsonian Institution</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....503				
Appropriation, current.....	BA	93,393	96,302 ^350 ^476 ^1,840	104,740
Outlays.....	O	93,791	98,823 ^320	103,910 ^30
Museum programs and related research (special foreign currency program).....503				
Appropriation, current.....	BA	4,000	3,700	7,700
Outlays.....	O	3,642	4,288	5,032
Science information exchange.....251				
Appropriation, current.....	BA	1,857	2,000 ^84	
Outlays.....	O	1,929	2,084	
Construction and improvements, National Zoological Park.....503				
Appropriation, current.....	BA	2,500	3,900	6,550
Outlays.....	O	6,459	3,873	4,827
Restoration and renovation of buildings.....503				
Appropriation, current.....	BA	2,425	2,100 ^300	4,900
Outlays.....	O	1,413	5,027 ^200	5,323 ^100

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Smithsonian Institution—CONTINUED</b>				
<b>Federal Funds—CONTINUED</b>				
<b>General and Special Funds:—CONTINUED</b>				
Construction.....503				
Appropriation, current.....	BA	325	575	20,600
				<sup>K</sup> 500
Outlays.....	O	184	2,228	7,300
The John F. Kennedy Center for the Performing Arts.....303				
Outlays.....	O	21		
Salaries and expenses, National Gallery of Art.....503				
Appropriation, current.....	BA	15,679	19,041	22,577
			<sup>C</sup> 83	
			<sup>D</sup> 234	
Outlays.....	O	16,310	19,923	21,979
Salaries and expenses, Woodrow Wilson International Center for Scholars.....503				
Appropriation, current.....	BA	1,286	1,567	1,648
			<sup>A</sup> 1,000	
			<sup>D</sup> 28	
Outlays.....	O	1,480	1,595	1,648
			<sup>A</sup> 1,000	
<b>Trust Funds</b>				
Smithsonian Institution trust funds 251				
Appropriation, permanent.....	BA	79	70	70
Outlays.....	O	68	72	79
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	121,465	133,580	169,215
	O	125,229	139,361	150,149
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA } O }	-58	-62	-62
Total Federal funds.....	BA	121,407	133,518	169,153
	O	125,171	139,299	150,087
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	79	70	70
	O	68	72	79
Total Smithsonian Institution.....	BA	121,486	133,588	169,223
	O	125,239	139,371	150,166
<b>Temporary Study Commissions</b>				
<b>Joint Federal-State Land Use Planning Commission for Alaska</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Salaries and expenses.....452				
Appropriation, current.....	BA	712	594	
Outlays.....	O	921	791	

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Temporary Study Commissions—CONTINUED</b>			
<i>Joint Federal-State Land Use Planning Commission for Alaska—CONTINUED</i>			
<i>Trust Funds</i>			
Cooperative funds.....452			
Appropriation, permanent, indefinite.	BA	600	431
Outlays.....	0	521	555
<i>Summary</i>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	712	594
	0	921	791
<b>Trust Funds:</b>			
(As shown in detail above).....	BA	600	431
	0	521	555
Deductions for offsetting receipts:			
Proprietary receipts from the public.....452	BA } 0 }	-600	-431
Total Trust funds.....	0	-79	124
Total Joint Federal-State Land Use Planning Commission for Alaska.	BA	712	594
	0	842	915
<i>Other Temporary Commissions</i>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses.....805			
Appropriation, current.....	BA		160
Outlays.....	0	14	115
Commission on Federal Paperwork: Salaries and Expenses.....804			
Outlays.....	0	1,041	135
Commission on the Organization of the Government for the Conduct of Foreign Policy: Salaries and expenses.....153			
Outlays.....	0	2	
Commission on the Review of the National Policy toward Gambling: Salaries and expenses.....751			
Outlays.....	0	1	
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance: Salaries and expenses .....751			
Outlays.....	0	3	-2
National Commission on Air Quality: Salaries and expenses.....304			
Appropriation, current.....	BA	500	2,000
Outlays.....	0	1,500	5,000
National Commission on Electronic Fund Transfers: Salaries and expenses.....376			
Appropriation, current.....	BA	200	
Outlays.....	0	343	3

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Temporary Study Commissions—CONTINUED</b>			
<b>Other Temporary Commissions—CONTINUED</b>			
<b>Federal Funds—CONTINUED</b>			
<b>General and Special Funds—CONTINUED</b>			
National Commission on Social Security: Salaries and expenses			
601			
Appropriation, current.....	BA .....	500 .....	
		<sup>4</sup> 2,000	
Outlays .....	O .....	450	50
		<sup>4</sup> 300	<sup>4</sup> 1,150
National Commission on Supplies and Shortages: Salaries and expenses.....376			
Outlays .....	O	2	1
National Commission on Water Quality: Salaries and expenses			
304			
Outlays .....	O	2	
National Transportation Policy Study Commission: Salaries and expenses.....407			
Appropriation, current.....	BA	2,040	
Outlays .....	O	2,217	1,988
			326
National Study Commission on Records and Documents of Federal Officials: Salaries and expenses.....804			
Outlays .....	O	9	3
Navajo and Hopi Indian Relocation Commission: Salaries and expenses.....806			
Appropriation, current.....	BA	2,173	8,752
			500
Outlays .....	O	2,371	8,000
			<sup>K</sup> 450
President's Commission on Pension Policy: Salaries and expenses .601			
Appropriation, current.....	BA	<sup>B</sup> 2,000	
Outlays .....	O	<sup>B</sup> 650	<sup>B</sup> 1,100
President's Commission on World Hunger.....806			
Appropriation, current.....	BA	1,300	975
Outlays .....	O	1,200	1,025
Privacy Protection Study Commission: Salaries and expenses.....806			
Outlays .....	O	34	
Select Commission on Immigration and Refugee Policy: Salaries and expenses.....751			
Appropriation, current.....	BA		416
		<sup>4</sup> 224	
Outlays .....	O		408
		<sup>4</sup> 209	<sup>4</sup> 15
Total Federal funds Other Temporary Commissions.			
BA	4,913	16,776	8,501
O	6,025	14,451	17,189

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>Temporary Study Commissions—CONTINUED</b>			
<i>National Commission on the International Year of the Child</i>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....506			
Appropriation, current.....	BA	4685	
Outlays.....	0	4180	4465
<i>Trust Funds</i>			
Contributions.....506			
Appropriation, permanent.....	BA	10	5
Outlays.....	0	10	5
<i>National Commission on the Observance of International Women's Year, 1975</i>			
<i>Federal Funds</i>			
<b>General and Special Funds:</b>			
Salaries and expenses.....806			
Outlays.....	0	1,707	209
<i>Trust Funds</i>			
Contributions.....806			
Appropriation, permanent, indefinite.....	BA	83	
Outlays.....	0	86	6
Total Federal funds Temporary Study Commissions.....	BA	5,625	18,055
	0	8,653	15,631
Total Trust funds Temporary Study Commissions.....	BA	83	10
	0	7	140
<b>Tennessee Valley Authority</b>			
<i>Federal Funds</i>			
<b>Public Enterprise Funds:</b>			
<i>Tennessee Valley Authority fund:</i>			
(Energy supply).....271			
(Authority to borrow, current).....	BA		15,000,000
(Outlays).....	0	1,285,205	1,695,000
(Area and regional development) 452			
(Appropriation, current).....	BA	138,510	154,531
(Outlays).....	0	127,056	150,000
Total Tennessee Valley Authority fund.....	BA	138,510	154,531
	0	1,412,261	1,845,000
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA	138,510	154,531
	0	1,412,261	1,845,000
Deductions for offsetting receipts:			
Proprietary receipts from the public.....270	BA } -32	-27	-27
	0 }		
Total Tennessee Valley Authority	BA	138,478	154,504
	0	1,412,229	1,844,973

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>			
<b>United States Metric Board</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Salaries and expenses.....376			
Appropriation, current.....	BA 275	1,575	3,335
Outlays.....	0	1,433	2,798
<b>United States Railway Association</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Administrative expenses.....401			
Appropriation, current.....	BA 23,000	23,000	<sup>K</sup> 23,900
Outlays.....	0 19,025	<sup>A</sup> 4,200 24,600	23,100
Payments for purchase of Conrail securities.....401		<sup>A</sup> 3,600	<sup>A</sup> 600
Appropriation, current.....	BA	300,000	
Appropriation, permanent.....	BA 425,000	<sup>A</sup> 974,000 136,000	
Outlays.....	0 734,700	560,000	
		<sup>A</sup> 239,000	<sup>A</sup> 440,000
Total Federal funds United States Railway Association.	BA 448,000 0 753,725	1,437,200 827,200	23,900 463,700
<b>Water Resources Council</b>			
<b>Federal Funds</b>			
<b>General and Special Funds:</b>			
Water resources planning.....301			
Appropriation, current.....	BA 13,696	12,682	66,244
Outlays.....	0 12,380	<sup>B</sup> 49,186 17,492	19,576
		<sup>B</sup> 14,471	<sup>B</sup> 34,715
<b>Trust Funds</b>			
River Basin Commissions.....301			
Appropriation, permanent, indefinite.	BA 7,379	8,244	13,195
Outlays.....	0 6,012	11,311	13,333
<b>Summary</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 13,696	61,868	66,244
	0 12,380	31,963	54,291
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 7,379	8,244	13,195
	0 6,012	11,311	13,333
<b>Deductions for offsetting receipts:</b>			
Proprietary receipts from the public.....301	BA } -1,784	-1,608	-1,423
	0 }		
Total Trust funds.....	BA 5,595	6,636	11,772
	0 4,228	9,703	11,910
Interfund transactions.....301	BA } -5,597	-6,636	-11,772
	0 }		
Total Water Resources Council..	BA 13,694	61,868	66,244
	0 11,011	35,030	54,429

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	19,142,544	19,423,229	40,330,739
	0	19,377,274	20,761,438	21,395,280
<b>Deductions for offsetting receipts:</b>				
Proprietary receipts from the	BA			
public.....	0 }	-2	-2	-2
	050			
	150	-1,520	-489	-483
	250	-366	-278	-278
	270	-46	-27	-27
	350	-2		
	370	-68	-50	-50
	400	-975	-6,560	-462
	500	-287	-320	-335
	550	-4	-5	-5
	600	-1		
	700	-10	-4	-4
	750	-54	-60	-60
	800	-1,599	-1,830	-1,930
	852	-43,980	-42,359	-24,512
	902	-331	-316	-316
	0 }			
Total Federal funds.....	BA	19,093,299	19,370,929	40,302,275
	0	19,328,029	20,709,138	21,366,816
<b>Trust Funds:</b>				
(As shown in detail above).....	BA	21,468,465	24,460,557	27,006,716
	0	13,779,175	15,069,650	16,944,734
<b>Deductions for offsetting receipts:</b>				
Intrafund transactions.....	BA			
	0 }	-8,544	-2,000	-2,100
	602			
	902	11,732	15,000	18,000
	0 }			
Proprietary receipts from the	BA		-250	-275
public.....	0 }			
	151			
	154	-100	-110	-110
	301	-1,784	-1,608	-1,423
	0 }			

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Other Independent Agencies—CONTINUED</b>				
<b>Summary—CONTINUED</b>				
<b>Trust Funds—CONTINUED</b>				
452	BA } 0 }	-2,300	-2,276	-2,500
Total Trust funds.....	BA	21,467,469	24,469,313	27,018,308
	O	13,778,179	15,078,406	16,956,326
Interfund transactions.....	301 BA } 0 }	-5,597	-6,636	-11,772
452	BA } 0 }	-2,398	-2,555	-2,500
601	BA } 0 }	-250,000	-313,000	-313,000
602	BA } 0 }	-18,409	-20,000	-20,000
805	BA } 0 }	-7,433,828	-8,770,353	-10,014,579
Total Other Independent Agencies.	BA	32,850,536	34,727,698	56,958,732
	O	25,395,976	26,675,000	27,961,291
<b>Allowances</b>				
<b>Allowances for:</b>				
<b>Federal Funds</b>				
<b>General and Special Funds:</b>				
Civilian agency pay raises				
Appropriation, current.....	BA			'950,000
Outlays.....	O			'-24,000
				'921,000
				'-23,000
<b>Contingencies for:</b>				
Relatively uncontrollable programs				
Appropriation, current.....	BA			0
Outlays.....	O			0
Other requirements				
Appropriation, current.....	BA		'100,000	'1,500,000
Outlays.....	O			'500,000
Total Federal funds Allowances for:	BA		100,000	2,426,000
	O			1,398,000
<b>Summary</b>				
<b>Federal Funds:</b>				
Total Allowances.....	BA		100,000	2,426,000
	O			1,398,000

See footnotes at end of table.

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code		1978 actual	1979 estimate	1980 estimate
<b>Off-Budget Federal Entities</b>				
<b>Department of Agriculture</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Rural electrification and telephone revolving fund.....271				
Authority to borrow, permanent.....	BA	<b>355,289</b>		
Outlays.....	O	61,924		
Rural telephone bank.....452				
Appropriation, current.....	BA	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
Authority to borrow, permanent, indefinite.	BA	<b>104,728</b>	<b>126,295</b>	<b>119,819</b>
Outlays.....	O	112,710	124,106	143,090
Total Federal funds Department of Agriculture.	BA	<b>490,017</b>	<b>156,295</b>	<b>149,819</b>
	O	174,634	124,106	143,090
<b>Department of Labor</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Pension Benefit Guaranty Corporation 601				
Outlays.....	O	-31,760	-23,796	-31,099
<b>Department of Treasury</b>				
<b>Federal Funds</b>				
<b>Intragovernmental Funds:</b>				
Federal Financing Bank.....374				
Authority to borrow, permanent, indefinite.	BA	<b>12,659,220</b>	<b>15,134,000</b>	<b>13,868,745</b>
Outlays.....	O	10,614,111	11,477,388	11,288,225
<b>Postal Service</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Postal Service.....372				
Outlays.....	O	-496,433	348,884	528,686
<b>United States Railway Association</b>				
<b>Federal Funds</b>				
<b>Public Enterprise Funds:</b>				
Regional rail reorganization program 401				
Authority to borrow, permanent.....	BA	<b>19,653</b>	<b>26,956</b>	<b>30,308</b>
Outlays.....	O	66,248	63,087	27,245
<b>Summary</b>				
<b>Federal Funds:</b>				
(As shown in detail above).....	BA	<b>13,168,890</b>	<b>15,317,251</b>	<b>14,048,872</b>
	O	10,326,800	11,989,669	11,956,147
Budget totals.....	BA	<b>501,499,817</b>	<b>559,557,906</b>	<b>615,526,356</b>
	O	450,836,149	493,367,538	531,566,370
Total, including off-budget entities.	BA	<b>514,668,707</b>	<b>574,875,157</b>	<b>629,575,228</b>
	O	461,162,949	505,357,207	543,522,517

**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Budget totals</b>			
<b>Federal Funds:</b>			
(As shown in detail above).....	BA 380,595,845	422,786,222	460,286,279
	O 342,843,743	376,741,097	398,356,873
Deductions for offsetting receipts: (As shown in detail above):			
Intrafund transactions.....	BA } -1,586,619	-2,425,457	-2,608,884
	O }		
Receipts from off-budget Federal agencies.	BA } -2,767,670	-4,129,916	-5,539,330
	O }		
Proprietary receipts from the public.	BA } -4,214,593	-5,347,140	-5,587,411
	O }		
	BA } -24,000	-177,600	
	O }		
(Undistributed by agency and function):			
Proprietary receipts from the public:			
Rents and royalties on the Outer Continental Shelf...953	BA } -2,258,546	-3,500,000	-2,600,000
	O }		
Total deductions.....	BA } -10,827,428	-15,426,513	-16,513,225
	O }		
Federal fund totals.....	BA 369,768,417	407,359,709	443,773,054
	O 332,016,315	361,314,584	381,843,648
<b>Trust Funds:</b>			
(As shown in detail above).....	BA 180,474,808	205,281,663	228,725,533
	O 167,563,242	185,036,420	206,694,953
Deductions for offsetting receipts: (As shown in detail above):			
Intrafund transactions.....	BA } -1,633,949	-1,389,485	-1,443,585
	O }		
Proprietary receipts from the public.	BA } -9,462,339	-10,558,055	-11,691,149
	O }		
(Undistributed by agency and function):			
Receipts from off-budget Federal agencies:			
Employer share, employee retirement.....951	BA } -1,149,236	-1,394,581	-1,385,059
	O }		
Total deductions.....	BA } -12,245,524	-13,342,121	-14,519,793
	O }		
Trust fund totals.....	BA 168,229,284	191,939,542	214,205,740
	O 155,317,718	171,694,299	192,175,160
<b>Interfund transactions (-):</b>			
Employer share, employee retirement.....951	BA } -3,834,134	-3,993,230	-4,096,609
	O }		
Interest received by trust funds 952	BA } -8,530,313	-9,774,367	-10,852,221
	O }		
	BA } -8,000	-87,500	
	O }		

See footnotes at end of table.



**BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued**

Account and functional code	1978 actual	1979 estimate	1980 estimate
<b>Budget totals—CONTINUED</b>			
<b>Interfund transactions (-):—CON.</b>			
Applied by agency above.....	BA } -24,133,437	-25,865,748	-27,416,108
	0 }		
Total interfund transactions .....	BA } -36,497,884	-39,641,345	-42,452,438
	0 }		
<b>Budget totalsΔ.....</b>	BA 501,499,817	559,657,906	615,526,356
	0 450,836,149	493,367,538	531,566,370

**BUDGET TOTALS—Continued**

ΔBudget totals are distributed as follows:

	1979		1980	
	BA	Outlays	BA	Outlays
<b>Federal Funds:</b>				
Enacted, pending, and initial requests:				
Appropriations.....	410,659,406	368,418,709	435,613,125	391,962,461
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (4).....	7,753,146	4,625,381		1,479,869
Needs authorizing legislation (4).....	2,396,680	712,293		656,889
Pay:				
Wage-board pay raises (5).....	267,463	266,098		3,445
Civilian pay raises (6).....	1,003,966	990,955		36,812
Military pay raises (6).....	1,319,017	1,320,890		53
Rescission proposals (4).....	-914,692	-65,538		-148,171
To be proposed separately:				
Under proposed legislation (4).....	201,236	472,309	19,967,044	710,515
Allowances.....	100,000		4,706,110	3,655,000
Deductions for offsetting receipts.....	-15,402,513	-15,402,513	-16,335,625	-16,335,625
Under proposed legislation (4).....	-24,000	-24,000	-177,600	-177,600
Total Federal funds.....	407,359,709	361,314,584	443,773,054	381,843,648
<b>Trust Funds:</b>				
Enacted, pending, and initial requests:				
Appropriations.....	204,915,877	185,374,659	228,498,233	209,082,256
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (4).....	356,736	6,711		9,182
Pay:				
Wage-board pay raises (5).....	212	212		
Civilian pay raises (6).....	838	838		
To be proposed separately:				
Under proposed legislation (4).....	8,000	-346,000	227,300	-2,396,485
Deductions for offsetting receipts.....	-13,342,121	-13,342,121	-14,519,793	-14,519,793
Total Trust funds.....	191,939,542	171,694,299	214,205,740	192,175,160
Interfund transactions (-).....	-39,641,345	-39,641,345	-42,452,438	-42,452,438
Budget totals.....	559,657,906	493,367,538	615,526,356	531,566,370

4Supplemental under existing legislation.

5Supplemental. Additional authorizing legislation required.

6Supplemental now requested, wage-board pay raises.

7Supplemental now requested, civilian pay raises.

8Supplemental now requested, military pay raises.

9Proposed transfer to other accounts for pay raises (-).

10Proposed transfer from other accounts for pay raises.

11Rescission pending.

12Proposed for later transmittal under existing legislation.

13Proposed for later transmittal under proposed legislation.

14Additional authorizing legislation required.

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**PART 9**

**SUMMARY TABLES**

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## EXPLANATORY NOTE RELATING TO THE SUMMARY TABLES

*Types of tables.*—This part of the budget consists of tables as follows:

- Tables 1 through 9 are short summary tables of the budget.
- Tables 10 through 13 provide greater detail in support of financial data in the first three tables.
- Table 15 presents 5-year projections of the estimated costs of proposed legislation pursuant to section 221(a) of the Legislative Reorganization Act of 1970.
- Table 14 and tables 16 through 21 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on the national income accounts, the gross national product over a longer period, and the budget in constant (fiscal year 1972) prices.

*Periods covered.*—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns or stub entries:

- July 1 through June 30 for the 1976 and prior fiscal periods.
- July 1 through September 30, 1976, for the transition quarter (TQ).
- October 1 through September 30 for the 1977 and subsequent fiscal periods.

*Concepts followed.*—The concepts used in the current and historical tables are discussed in Part 7 of this volume. Budget authority and outlays for off-budget Federal entities are included in selected tables.

*Other sources of summary data.*—The Special Analyses volume, Parts 1 and 2, presents data covering alternative views of the budget and Government finances and operations as a whole. These include the current services estimates; a comparison of budget totals with the Federal sector of the national income accounts; selected data on Federal and trust funds; information that distinguishes between outlays of a "capital" nature and outlays for operating purposes; a description of current developments and past trends in Federal borrowing and debt; discussions on direct loans, guarantees of private loans, and loans of Government-sponsored enterprises; a discussion of tax expenditures included in the budget; information on Federal grants to State and local governments; and information on civilian employment in the executive branch.

Table 1. BUDGET SUMMARY (in millions of dollars)

Description	1978 actual	1979 estimate	1980 estimate
<b>Budget authority (largely appropriations):</b>			
Available through current action by Congress:			
Enacted and pending.....	326,803	354,068	.....
Proposed in this budget.....	.....	12,183	361,771
To be requested separately.....	.....	309	24,900
Available without current action by Congress.....	234,267	261,508	302,340
Deductions for offsetting receipts <sup>1</sup> .....	-59,571	-68,410	-73,485
<b>Total budget authority <sup>2</sup>.....</b>	<b>501,500</b>	<b>559,658</b>	<b>615,526</b>
<i>Budget authority, off-budget Federal entities.....</i>	<i>(13,169)</i>	<i>(15,317)</i>	<i>(14,049)</i>
<i>Budget authority including off-budget Federal entities.....</i>	<i>(514,669)</i>	<i>(574,975)</i>	<i>(629,575)</i>
<b>Receipts, outlays, and surplus or deficit:</b>			
Receipts:			
<b>Total budget receipts <sup>3</sup>.....</b>	<b>401,997</b>	<b>455,989</b>	<b>502,553</b>
Outlays:			
<b>Total budget outlays <sup>3 4 5</sup>.....</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>
<i>Outlays, off-budget Federal entities.....</i>	<i>(10,327)</i>	<i>(11,990)</i>	<i>(11,956)</i>
<i>Outlays, including off-budget Federal entities.....</i>	<i>(461,163)</i>	<i>(505,357)</i>	<i>(543,523)</i>
Surplus or deficit (-):			
<b>Total budget deficit (-).....</b>	<b>-48,839</b>	<b>-37,379</b>	<b>-29,013</b>
<i>Deficit, off-budget Federal entities.....</i>	<i>(-10,327)</i>	<i>(-11,990)</i>	<i>(-11,956)</i>
<i>Total deficit (-).....</i>	<i>(-59,166)</i>	<i>(-49,368)</i>	<i>(-40,969)</i>
	1977 actual		
<b>Outstanding debt, end of period:</b>			
Gross Federal debt.....	709,138	780,425	839,187
Held by:			
Government agencies.....	157,295	169,477	188,238
The public.....	551,843	610,948	650,948
Federal Reserve System.....	105,004	115,480	
Others.....	446,839	495,468	
<b>MEMORANDUM</b>			
<b>Outstanding loans, end of year:</b>			
Direct loans—on-budget accounts.....	* 67,926	76,526	81,495
Direct loans—off-budget accounts.....	32,733	43,928	55,916
Guaranteed and insured loans *.....	* 181,743	193,079	213,897
Government-sponsored enterprise loans <sup>7</sup> .....	* 98,939	126,843	142,301

<sup>1</sup> These consist of intragovernmental transactions and proprietary receipts from the public.

<sup>2</sup> Extensions of availability of unobligated balances that would otherwise expire at the end of a fiscal year are now treated as reappropriations and counted as new budget authority in the period into which they are extended.

<sup>3</sup> The amounts of earned income credit in excess of tax liabilities are now shown as budget outlays rather than as negative budget receipts. Accordingly, the budget totals have been adjusted; this adjustment is effective since the start of this program in 1976. The change from the previously published numbers is as follows: +\$808 million in 1976, +\$901 million in 1977, and +\$881 million in 1978.

<sup>4</sup> The administrative expenses formerly paid by the Exchange Stabilization Fund (ESF), are now included in the budget totals in accordance with Public Law 95-512. Interest income of the ESF is also now included in the budget. Accordingly, the budget totals have been adjusted; this adjustment is effective back to 1976. The change from the previously published numbers is as follows: -\$74 million in 1976, -\$77 million in 1977, and -\$101 million in 1978.

<sup>5</sup> Includes profits on gold sales, which have been reclassified as a means of financing rather than as an offsetting collection. The budget totals have been revised retroactively for the period since these sales began in 1975.

<sup>6</sup> Excludes loans held by Government accounts and sponsored credit enterprises.

<sup>7</sup> Net of lending between Government-sponsored enterprises or between such enterprises and Federal agencies; excludes Federal Reserve banks.

\* Reflects agency or enterprise revisions to 1977 outstandings.

Table 2. BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY

(In millions of dollars)

Description	1978 actual	1979 estimate	1980 estimate
<b>Budget receipts by source:</b>			
Individual income taxes .....	180,988	203,602	227,322
Corporation income taxes .....	59,952	70,307	70,987
Social insurance taxes and contributions .....	123,410	141,789	161,453
Excise taxes .....	18,376	18,395	18,455
Estate and gift taxes .....	5,285	5,686	6,011
Customs duties .....	6,573	7,517	8,447
Miscellaneous receipts .....	7,413	8,693	9,878
<b>Total budget receipts .....</b>	<b>401,997</b>	<b>455,989</b>	<b>502,553</b>
<b>Budget outlays by function:</b>			
National defense <sup>1</sup> .....	105,186	114,503	125,830
International affairs .....	5,922	7,312	8,213
General science, space, and technology .....	4,742	5,226	5,457
Energy .....	5,861	8,630	7,878
Natural resources and environment .....	10,925	11,207	11,456
Agriculture .....	7,731	6,224	4,269
Commerce and housing credit .....	3,325	2,968	3,390
Transportation .....	15,444	17,449	17,609
Community and regional development .....	11,000	9,063	7,281
Education, training, employment, and social services .....	26,463	30,656	30,210
Health .....	43,676	49,136	53,379
Income security .....	146,212	158,867	179,120
(Social security) .....	(92,242)	(102,323)	(115,237)
(Other) .....	(53,970)	(56,544)	(63,883)
Veterans benefits and services .....	18,974	20,329	20,461
Administration of justice .....	3,802	4,351	4,388
General government .....	3,777	4,413	4,412
General purpose fiscal assistance .....	9,601	8,936	8,814
Interest .....	43,966	52,766	57,022
Allowances <sup>2</sup> .....	.....	.....	1,398
Undistributed offsetting receipts .....	-15,772	-18,670	-19,021
<b>Total budget outlays .....</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>
<b>Budget surplus or deficit (—) .....</b>	<b>-48,839</b>	<b>-37,379</b>	<b>-29,013</b>
<b>Budget authority by function:</b>			
National defense <sup>1</sup> .....	117,926	127,915	138,243
International affairs .....	9,795	13,622	13,655
General science, space, and technology .....	4,897	5,381	5,651
Energy .....	8,242	7,560	19,482
Natural resources and environment .....	13,593	12,970	12,878
Agriculture .....	2,573	8,312	4,868
Commerce and housing credit .....	5,308	6,982	8,315
Transportation .....	15,043	19,981	19,101
Community and regional development .....	10,306	8,126	11,259
Education, training, employment, and social services .....	22,370	33,046	30,903
Health .....	46,469	52,515	57,627
Income security .....	180,077	190,954	214,460
(Social security) .....	(87,976)	(100,417)	(115,237)
(Other) .....	(92,101)	(90,537)	(99,223)
Veterans benefits and services .....	19,037	20,514	21,024
Administration of justice .....	3,877	4,276	4,304
General government .....	4,063	4,536	4,528
General purpose fiscal assistance .....	9,728	8,773	8,804
Interest .....	43,967	52,765	57,021
Allowances <sup>2</sup> .....	.....	100	2,426
Undistributed offsetting receipts .....	-15,772	-18,670	-19,021
<b>Total budget authority .....</b>	<b>501,500</b>	<b>559,658</b>	<b>615,526</b>

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

Table 3. BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1978 actual	1979 estimate	1980 estimate	1978 actual	1979 estimate	1980 estimate
Legislative branch.....	1,071	1,213	1,273	1,049	1,209	1,305
The Judiciary.....	458	539	625	435	526	619
Executive Office of the President.....	78	83	91	75	88	89
Funds appropriated to the President..	7,528	11,372	10,345	4,450	5,090	5,133
Agriculture.....	16,535	23,660	20,544	20,368	20,205	18,404
Commerce.....	2,308	2,533	3,217	5,239	4,331	3,261
Defense—Military <sup>1</sup> .....	115,322	125,209	135,041	103,042	111,900	122,700
Defense—Civil.....	2,797	2,669	3,059	2,553	2,644	2,724
Energy.....	10,695	9,716	7,447	6,286	8,946	8,893
Health, Education, and Welfare.....	162,192	184,002	205,170	162,856	180,714	199,428
Housing and Urban Development.....	38,000	31,112	33,295	7,589	8,962	10,634
Interior.....	4,590	4,683	4,438	3,821	4,015	3,764
Justice.....	2,370	2,510	2,398	2,397	2,586	2,505
Labor.....	20,028	28,911	27,534	22,896	22,854	24,484
State.....	1,483	1,674	1,712	1,252	1,399	1,677
Transportation.....	13,478	17,272	17,813	13,452	15,363	15,793
Treasury.....	56,771	65,570	70,051	56,355	65,462	69,890
Environmental Protection Agency.....	5,498	5,410	5,087	4,071	4,194	4,753
General Services Administration.....	151	313	308	83	158	131
National Aeronautics and Space Administration.....	4,060	4,562	4,723	3,980	4,401	4,593
Veterans Administration.....	19,010	20,486	20,992	18,962	20,315	20,450
Other independent agencies.....	32,851	34,728	56,959	25,396	26,675	27,961
Allowances <sup>2</sup> .....	.....	100	2,426	.....	.....	1,398
Undistributed offsetting receipts:						
Employer share, employee retirement.....	—4,983	—5,388	—5,482	—4,983	—5,388	—5,482
Interest received by trust funds....	—8,530	—9,782	—10,940	—8,530	—9,782	—10,940
Rents and royalties on the Outer Continental Shelf lands.....	—2,259	—3,500	—2,600	—2,259	—3,500	—2,600
<b>Total budget authority and outlays.....</b>	<b>501,500</b>	<b>559,658</b>	<b>615,526</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>
<b>MEMORANDUM</b>						
Portion available through current action by Congress.....	326,803	366,560	386,671	199,933	216,571	222,957
Portion available without current action by Congress.....	234,267	261,508	302,340	154,450	184,104	214,323
Outlays from obligated balances <sup>3</sup> .....	.....	.....	.....	98,157	111,212	122,967
Outlays from unobligated balances <sup>3</sup> ..	.....	.....	.....	57,866	49,891	44,805
Deductions for offsetting receipts:						
Intragovernmental transactions.....	—43,635	—48,981	—53,429	—43,635	—48,981	—53,429
Proprietary receipts from the public.....	—15,935	—19,429	—20,056	—15,935	—19,429	—20,056
<b>Total budget authority and outlays.....</b>	<b>501,500</b>	<b>559,658</b>	<b>615,526</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>2</sup> Includes allowances for civilian agency pay raises and contingencies.<sup>3</sup> Outlays from appropriations to liquidate contract authority are included as outlays from balances.

Table 4. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS (in millions of dollars)

Department or other unit	Budget authority			Outlays		
	1978 actual	1979 estimate	1980 estimate	1978 actual	1979 estimate	1980 estimate
Legislative branch.....	1,077	1,202	1,262	928	1,045	1,135
The Judiciary.....	453	534	619	398	476	561
Executive Office of the President.....	78	83	91	65	75	81
Funds appropriated to the President..	7,186	9,694	9,101	2,414	2,703	2,308
Agriculture.....	14,311	21,835	17,895	16,345	17,027	15,014
Commerce.....	2,089	2,253	2,897	1,029	1,216	1,918
Defense—Military <sup>1</sup> .....	115,217	125,559	135,477	75,654	80,651	86,653
Defense—Civil.....	2,873	2,759	3,082	1,840	1,739	1,701
Energy.....	11,275	10,960	8,723	4,392	3,561	4,624
Health, Education, and Welfare.....	54,639	60,385	62,228	36,623	39,262	39,163
Housing and Urban Development.....	37,312	30,483	33,167	611	1,104	1,150
Interior.....	4,833	5,011	4,755	2,590	2,689	2,404
Justice.....	2,377	2,518	2,407	1,616	1,758	1,757
Labor.....	6,022	13,489	12,241	4,325	9,717	9,338
State.....	1,357	1,534	1,538	1,040	1,104	1,185
Transportation.....	5,924	16,680	8,413	3,932	4,701	4,421
Treasury.....	18,139	17,899	17,545	15,857	15,933	15,612
Environmental Protection Agency.....	5,499	5,411	5,087	468	583	638
General Services Administration.....	290	482	590	321	412	535
National Aeronautics and Space Administration.....	4,064	4,564	4,725	3,075	3,425	3,519
Veterans Administration.....	18,515	19,951	20,442	16,034	17,706	18,341
Other independent agencies.....	13,274	13,172	31,958	10,376	9,687	9,501
Allowances <sup>2</sup> .....	.....	100	2,426	.....	.....	1,398
<b>Total budget authority and outlays from budget authority available through current action by Congress.....</b>	<b>326,803</b>	<b>366,560</b>	<b>386,671</b>	<b>199,933</b>	<b>216,571</b>	<b>222,957</b>
<b>MEMORANDUM</b>						
<b>Appropriations and outlays from appropriations to liquidate contract authority: <sup>3</sup></b>						
Funds appropriated to the President.....	211	233	224	1	12	11
Agriculture.....	244	190	.....	193	115	.....
Commerce.....	352	250	256	352	250	256
Housing and Urban Development..	3,948	4,460	5,529	2,223	2,620	2,763
Interior.....	53	.....	.....	23	.....	.....
Transportation.....	8,143	9,644	9,288	3,811	4,853	5,133
Environmental Protection Agency..	5,000	1,400	1,500	1,769	590	610
Other independent agencies.....	8	.....	.....	8	.....	.....
<b>Total appropriations and outlays from appropriations to liquidate contract authority.....</b>	<b>17,960</b>	<b>16,177</b>	<b>16,797</b>	<b>8,380</b>	<b>8,440</b>	<b>8,773</b>

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>2</sup> Includes allowances for civilian agency pay raises and contingencies.<sup>3</sup> Excluded from budget authority and outlays above.

Table 5. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

Description	1978 actual	1979 estimate	1980 estimate
<i>Budget authority available through current action by Congress:</i>			
Enacted, pending, or recommended herein:			
Appropriations <sup>1</sup> .....	294,367	326,181	331,700
Contract authority .....	31,430	32,205	26,704
Authority to borrow .....	995	7,485	2,519
Reappropriations and reauthorizations <sup>2</sup> .....	11	379	848
To be requested separately:			
Appropriations <sup>1</sup> .....		309	9,179
Contract authority .....			— 78
Authority to borrow .....			15,799
<b>Total budget authority available through current action by Congress (table 4) .....</b>	<b>326,803</b>	<b>366,560</b>	<b>386,671</b>
<i>Budget authority available without current action by Congress (permanent authorizations):</i>			
Appropriations <sup>1</sup> .....	214,501	247,175	277,560
Contract authority .....	18,060	12,919	22,660
Authority to borrow .....	1,706	1,413	2,121
<i>Deductions for offsetting receipts (table 11):</i>			
Intragovernmental transactions .....	— 43,635	— 48,981	— 53,429
Proprietary receipts from the public .....	— 15,935	— 19,429	— 20,056
<b>Total budget authority for the year (table 3) .....</b>	<b>501,500</b>	<b>559,658</b>	<b>615,526</b>
<i>Unobligated balances and adjustments:</i>			
Unobligated balances:			
Brought forward at start of year (table 7) .....	253,782	251,595	237,766
Written off (rescinded, lapsed, etc.) <sup>3</sup> .....	— 7,296	— 14,729	— 1,141
Carried forward at end of year (table 7) .....	— 251,595	— 237,766	— 267,571
<i>Application of new authority to prior obligations:</i>			
Budget authority of year, obligated previously .....	— 4,609	— 5,048	— 5,541
Budget authority of subsequent year, obligated currently .....	5,048	5,541	5,865
<b>Obligations incurred, net (table 6) .....</b>	<b>496,830</b>	<b>559,251</b>	<b>584,904</b>
<i>Obligated balances:</i>			
Brought forward at start of year, funded (table 7) .....	335,187	380,450	446,298
Adjustments in expired accounts .....	— 731	— 36	— 28
Carried forward at end of year (table 7) .....	— 380,450	— 446,298	— 499,607
<b>Budget outlays (table 3) .....</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>

## MEMORANDUM

<i>Federal funds included above:</i>			
Budget authority available through current action by Congress .....	319,203	349,763	378,411
Budget authority <sup>4</sup> .....	369,768	407,360	443,773
Obligations incurred, net <sup>4</sup> .....	373,577	420,994	429,624
Budget outlays <sup>4</sup> .....	332,016	361,315	381,844

<sup>1</sup> Excludes appropriations to liquidate contract authority:

	1978 actual	1979 estimate	1980 estimate
Enacted, pending, or recommended herein .....	27,105	325,678	27,397

<sup>2</sup> Extensions of availability of unobligated balances that would otherwise expire at the end of a fiscal year are now treated as reappropriations and counted as new budget authority in the period into which they are extended.<sup>3</sup> Includes redemption of agency debt and capital transfers to the general fund.<sup>4</sup> Amounts are net of intrafund transactions, receipts from off-budget Federal entities, and proprietary receipts from the public.



Table 6. OBLIGATIONS INCURRED, NET (in million of dollars)

Department or other unit	1978 actual	1979 estimate	1980 estimate
Legislative branch.....	1,034	1,250	1,303
The Judiciary.....	444	536	628
Executive Office of the President.....	75	83	91
Funds appropriated to the President:			
International Security Assistance.....	3,937	4,909	4,695
International Development Assistance.....	2,501	2,867	3,218
Other.....	848	926	615
Agriculture.....	21,589	22,920	21,298
Commerce.....	2,181	3,046	3,205
Defense—Military <sup>1</sup> .....	112,942	123,862	133,694
Defense—Civil.....	2,655	2,907	2,842
Energy.....	9,973	8,819	8,542
Health, Education, and Welfare.....	166,029	186,304	201,894
Housing and Urban Development.....	36,252	42,455	34,489
Interior.....	4,233	5,307	4,375
Justice.....	2,437	2,614	2,428
Labor.....	20,379	23,370	24,140
State.....	1,310	1,641	1,660
Transportation.....	16,619	18,345	18,729
Treasury.....	56,494	65,393	69,919
Environmental Protection Agency.....	3,369	4,565	4,820
General Services Administration.....	195	174	280
National Aeronautics and Space Administration.....	3,993	4,940	4,728
Veterans Administration.....	19,096	20,480	20,778
Export-Import Bank.....	-2,932	2,177	1,814
Federal Deposit Insurance Corporation.....	-356	-1,084	-1,145
Federal Home Loan Bank Board.....	-425	-404	-524
Office of Personnel Management <sup>2</sup> .....	11,572	13,059	14,834
U.S. Postal Service.....	1,787	1,803	1,698
Railroad Retirement Board.....	4,109	4,371	4,543
Other independent agencies.....	10,262	10,184	11,909
Allowances <sup>3</sup> .....	.....	100	2,426
Undistributed offsetting receipts.....	-15,772	-18,670	-19,021
<b>Total.....</b>	<b>496,830</b>	<b>559,251</b>	<b>584,904</b>
<b>MEMORANDUM</b>			
Federal funds.....	373,577	420,994	429,624
Trust funds.....	159,751	177,898	197,732
Interfund transactions.....	-36,498	-39,641	-42,452
<b>Total.....</b>	<b>496,830</b>	<b>559,251</b>	<b>584,904</b>

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense.

<sup>2</sup> This agency assumes the majority of activities previously included in the Civil Service Commission. The remainder of the Civil Service Commission activities were assumed by the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Equal Employment Opportunity Commission.

<sup>3</sup> Includes allowances for civilian agency pay raises and contingencies.

Table 7. BALANCES OF BUDGET AUTHORITY (in millions of dollars)

Department or other unit	Start 1978		End 1978		End 1979		End 1980	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch.....	156	197	149	167	189	119	187	89
The Judiciary .....	41	52	43	59	53	62	62	59
Executive Office of the President.....	15	*	14	*	9	.....	10	.....
Funds appropriated to the President:								
International Security Assistance.....	17,402	121	19,205	5	21,624	4	23,906	4
International Development Assistance .....	4,198	10,849	5,175	11,261	6,352	12,117	7,591	13,929
Other .....	1,393	281	1,317	30	1,304	1,832	1,150	1,832
Agriculture .....	9,029	7,185	10,245	1,913	12,941	2,345	15,835	1,573
Commerce .....	7,259	788	4,273	913	3,021	399	2,965	412
Defense—Military * .....	42,644	20,000	52,361	21,267	64,322	22,488	75,317	23,722
Defense—Civil .....	890	300	991	438	1,254	201	1,292	382
Energy .....	2,006	1,923	5,692	2,493	5,565	3,342	5,214	2,023
Health, Education, and Welfare.....	25,003	48,605	27,952	45,487	33,522	42,941	35,988	46,535
Housing and Urban Development .....	166,588	32,992	195,252	34,210	228,745	10,353	252,600	8,701
Interior .....	1,850	1,323	2,208	1,571	3,502	901	4,113	944
Justice .....	1,007	276	1,038	197	1,067	93	990	62
Labor .....	5,713	12,130	3,130	10,657	3,646	15,846	3,303	19,241
State .....	249	356	291	527	533	561	516	612
Transportation .....	17,004	15,935	20,104	12,675	23,085	11,601	26,021	10,684
Treasury .....	2,034	2,694	2,164	652	2,094	578	2,124	710
Environmental Protection Agency.....	13,077	1,673	12,374	3,800	12,745	4,645	12,812	4,911
General Services Administration.....	370	376	480	314	496	391	645	377
National Aeronautics and Space Administration .....	709	385	719	452	1,258	74	1,394	68
Veterans Administration .....	2,304	11,610	2,422	11,402	2,587	11,299	2,915	11,408
Export-Import Bank .....	5,675	1,604	2,849	3,232	4,935	1,020	6,188	.....
Federal Deposit Insurance Corporation .....	182	10,290	393	10,645	430	11,729	477	12,874
Federal Home Loan Bank Board .....	13	9,417	—9	9,831	—22	10,235	—40	10,759
Office of Personnel Management * .....	3,565	49,024	4,185	55,657	4,716	63,710	5,194	72,103
Railroad Retirement Board .....	353	2,874	388	2,733	377	2,494	387	2,454
Other independent agencies .....	4,457	10,520	5,045	9,006	5,847	6,386	9,326	21,102
Allowances * .....	.....	.....	.....	.....	100	.....	1,128	.....
<b>Total .....</b>	<b>335,187</b>	<b>253,782</b>	<b>380,450</b>	<b>251,595</b>	<b>446,298</b>	<b>237,766</b>	<b>499,607</b>	<b>267,571</b>
<b>MEMORANDUM</b>								
Federal funds .....	296,170	126,228	337,001	115,729	396,645	87,958	444,397	101,290
Trust funds .....	39,017	127,554	43,448	135,866	49,652	149,808	55,210	166,281
<b>Total .....</b>	<b>335,187</b>	<b>253,782</b>	<b>380,450</b>	<b>251,595</b>	<b>446,298</b>	<b>237,766</b>	<b>499,607</b>	<b>267,571</b>

\* \$500 thousand or less.

\* Includes balances of allowances for civilian and military pay raises for Department of Defense.

\* This agency assumes the majority of activities previously included in the Civil Service Commission. The remainder of the Civil Service Commission activities were assumed by the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Equal Employment Opportunity Commission.

\* Includes balances of allowances for civilian agency pay raises and contingencies.

Table 8. SUMMARY OF FULL-TIME PERMANENT CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH <sup>1</sup>

[Excluding the Postal Service]

Agency	As of September 30				Change 1979-80
	1978 actual	1979 estimate		1980 estimate	
		In 1979 budget	Current		
Agriculture.....	84,923	84,000	85,000	82,700	-2,300
Commerce.....	29,641	29,800	29,500	29,600	100
Defense—military functions.....	904,109	904,900	892,600	883,700	-8,900
Defense—civil functions.....	28,962	28,600	28,700	28,300	-400
Energy.....	18,863	19,100	19,600	19,000	-600
Health, Education, and Welfare.....	143,644	145,100	143,000	143,900	900
Housing and Urban Development.....	15,963	17,400	16,100	16,200	100
Interior.....	54,798	56,000	55,000	54,400	-600
Justice.....	52,870	55,100	54,100	54,600	500
Labor.....	21,211	20,800	22,300	22,300	.....
State.....	22,680	22,800	22,500	22,600	100
Transportation.....	71,160	73,100	71,800	71,800	.....
Treasury.....	108,598	112,500	110,500	110,700	200
Environmental Protection Agency.....	10,156	10,800	10,700	10,900	200
General Services Administration.....	35,137	36,000	34,700	34,400	-300
National Aeronautics and Space Adminis- tration.....	23,169	23,200	22,800	22,600	-200
Veterans Administration.....	198,027	203,000	198,900	197,900	-1,000
Other:					
Agency for International Development.....	5,755	5,900	5,800	5,800	.....
International Communication Agency.....	8,293	8,600	8,400	8,400	.....
Nuclear Regulatory Commission.....	2,666	2,800	2,800	2,900	100
Office of Personnel Management <sup>2</sup> .....	6,563	6,800	6,600	6,600	.....
Panama Canal.....	13,117	13,500	13,200	8,000	-5,200
Small Business Administration.....	4,402	4,600	4,600	4,600	.....
Tennessee Valley Authority.....	17,262	18,000	17,700	17,700	.....
Miscellaneous <sup>3</sup> .....	39,693	41,800	45,000	45,300	300
Subtotal.....	1,921,662	1,944,200	1,921,900	1,904,900	-17,000
Contingencies <sup>3</sup> .....	.....	2,000	500	2,000	1,500
Subtotal.....	1,921,662	1,946,200	1,922,400	1,906,900	-15,500
Expected lapse.....	.....	-14,600	-11,000	-11,000	.....
Total.....	1,921,662	1,931,600	1,911,400	1,895,900	-15,500

<sup>1</sup> Excludes Postal Service employment. Actual employment for 1978 was 525,343; employment for 1979 is estimated to be 522,700, and 521,600 for 1980. Also excludes developmental positions under the worker trainee opportunity program (WTOP), as well as certain statutory exemptions.

<sup>2</sup> Appropriate adjustments have been made to reflect establishment of the Office of Personnel Management (formerly the Civil Service Commission), the Federal Labor Relations Authority, and the Merit Systems Protection Board, pursuant to the provisions of the Civil Service Reform Act of 1978.

<sup>3</sup> Subject to later distribution.

Table 9. BUDGET FINANCING AND OUTSTANDING DEBT

[In millions of dollars]

BUDGET FINANCING				
	1978 actual	1979 estimate	1980 estimate	
Budget surplus or deficit (—) .....	—48,839	—37,379	—29,013	
Deficit (—), off-budget Federal entities .....	—10,327	—11,990	—11,956	
Total deficit (—) .....	—59,166	—49,368	—40,969	
Means of financing other than borrowing from the public:				
Decrease or increase (—) in cash and monetary assets <sup>1</sup> .....	—2,471	9,944	.....	
Increase or decrease (—) in liabilities for:				
Checks outstanding, etc. <sup>2</sup> .....	1,917	—1,394	1,184	
Deposit fund balances .....	247	—88	—298	
Seigniorage on coins .....	367	907	1,084	
Total, means of financing other than borrowing from the public .....	60	9,368	1,969	
Total requirements for borrowing from the public .....	—59,106	—40,000	—39,000	
Change in debt held by the public .....	59,106	40,000	39,000	
Nonbank investors .....	53,487			
Commercial banks .....	—4,857			
Federal Reserve System .....	10,476			
OUTSTANDING DEBT, END OF YEAR				
	1977 actual			
Gross Federal debt:				
Debt issued by Treasury .....	698,840	771,544	831,847	892,083
Debt issued by other agencies .....	10,298	8,881	7,340	6,873
Total gross Federal debt .....	709,138	780,425	839,187	898,956
Held by:				
Government agencies .....	157,295	169,477	188,238	209,008
The public .....	551,843	610,948	650,948	689,948
Federal Reserve System .....	105,004	115,480		
Others .....	446,839	495,468		
DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR				
Debt issued by Treasury .....	698,840	771,544	831,847	892,083
Treasury debt not subject to limitation .....	—611	—610	—610	—610
Agency debt subject to limitation .....	1,714	1,736	1,718	1,694
Notes not part of gross Federal debt but included in debt limit <sup>3</sup> .....	20	20	20	*
Total debt subject to statutory limitation <sup>4</sup> .....	699,963	772,691	832,975	893,168

\* \$500 thousand or less.

<sup>1</sup> Includes profits on gold sales, which have been reclassified as a means of financing rather than as an offsetting collection. The budget totals have been revised retroactively for the period since these sales began in 1975.<sup>2</sup> Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as offset certain collections in transit.<sup>3</sup> Almost entirely District of Columbia stadium bonds. See Special Analysis E for further explanation.<sup>4</sup> The statutory debt limit is permanently established at \$400 billion. Public Law 95-333 temporarily increased the statutory debt limit to \$798 billion through March 31, 1979. Legislation is required to change the limitation.

Table 10. BUDGET RECEIPTS BY SOURCE (in millions of dollars)

Source	1978 actual	1979 estimate	1980 estimate
<b>Individual income taxes:</b>			
Withheld .....	165,254	185,482	202,716
Other .....	47,804	52,996	66,037
Proposed legislation .....			-456
Gross individual income taxes .....	213,058	238,478	268,297
Refunds .....	-32,070	-34,876	-39,134
Proposed legislation .....			-1,840
<b>Net individual income taxes .....</b>	<b>180,988</b>	<b>203,602</b>	<b>227,322</b>
<b>Corporation income taxes .....</b>	<b>65,380</b>	<b>75,891</b>	<b>76,888</b>
Proposed legislation .....			25
Refunds .....	-5,428	-5,584	-5,926
<b>Net corporation income taxes .....</b>	<b>59,952</b>	<b>70,307</b>	<b>70,987</b>
<b>Social insurance taxes and contributions (trust funds):</b>			
Employment taxes and contributions:			
Old-age and survivors insurance .....	73,141	83,167	96,548
Disability insurance .....	12,250	14,585	16,723
Hospital insurance .....	16,680	19,918	23,341
Railroad retirement .....	1,822	2,079	2,328
Proposed legislation .....			211
Total employment taxes and contributions .....	103,893	119,749	139,151
Unemployment insurance:			
State taxes deposited in Treasury <sup>1</sup> .....	11,032	12,761	12,600
Federal unemployment tax receipts <sup>1</sup> .....	2,600	2,900	3,063
Railroad unemployment tax receipts <sup>1</sup> .....	218	209	192
Total unemployment insurance .....	13,850	15,870	15,855
Contributions for other insurance and retirement:			
Supplementary medical insurance .....	2,431	2,650	2,909
Federal employees' retirement—employee contributions .....	3,174	3,454	3,472
Other retirement contributions <sup>2</sup> .....	62	66	66
Total contributions for other insurance and retirement .....	5,668	6,170	6,447
<b>Total social insurance taxes and contributions .....</b>	<b>123,410</b>	<b>141,789</b>	<b>161,453</b>
<b>Excise taxes:</b>			
Federal funds:			
Alcohol taxes:			
Distilled spirits .....	3,962	3,976	3,986
Beer .....	1,421	1,451	1,486
Rectification tax .....	21	21	22
Wines .....	189	190	190
Special taxes in connection with liquor occupations .....	19	20	20
Refunds .....	-121	-122	-124
Total alcohol taxes .....	5,492	5,536	5,580
Tobacco taxes:			
Cigarettes .....	2,408	2,463	2,517
Cigars .....	38	37	37
Cigarette papers and tubes .....	1	1	1
Other .....	3	1	1
Refunds .....	-5	-5	-5
Total tobacco taxes .....	2,446	2,497	2,551

See footnotes at end of table.

Table 10. BUDGET RECEIPTS BY SOURCE (in millions of dollars)—Continued

Source	1978 actual	1979 estimate	1980 estimate
<b>Excise taxes—Continued</b>			
<b>Federal funds—Continued</b>			
<b>Manufacturers' excise taxes:</b>			
Gasoline.....	34	34	35
Firearms, shells, and cartridges.....	64	63	67
Fishing rods, creels, etc.....	28	33	38
Pistols and revolvers.....	16	18	20
Bows and arrows.....	6	7	7
Gas guzzler tax.....	.....	.....	*
Other.....	*	.....	.....
Refunds.....	-9	-9	-5
Total manufacturers' excise taxes.....	140	146	162
<b>Miscellaneous excise taxes:</b>			
General and toll telephone and teletype service.....	1,657	1,413	1,131
Wagering taxes, including occupational taxes.....	8	8	8
Coin-operated gaming devices.....	7	2	1
Employee pension plans.....	3	3	3
Tax on foundations.....	92	40	40
Foreign insurance policies.....	52	57	62
Other.....	1	1	1
Refunds.....	-16	-17	-18
Total miscellaneous excise taxes.....	1,805	1,507	1,228
<b>General fund collections associated with expiration of airport and airway trust fund:</b>			
Existing law.....	.....	.....	309
Proposed legislation.....	.....	.....	-309
Total general fund collections associated with expiration of airport and airway trust fund taxes.....	.....	.....	.....
Undistributed Federal tax deposits and unapplied collections.....	171	-280	-398
Total Federal fund excise taxes.....	10,054	9,406	9,123
<b>Trust funds:</b>			
<b>Highway:</b>			
Gasoline.....	4,349	4,563	4,571
Trucks, buses, and trailers.....	851	884	940
Tires, innertubes, and tread rubber.....	818	869	883
Diesel fuel used on highways.....	485	574	616
Use-tax on certain vehicles.....	246	253	262
Truck parts and accessories.....	187	203	224
Lubricating oils.....	106	105	106
Refunds.....	-137	-134	-136
Total highway trust fund.....	6,904	7,317	7,466
<b>Airport and airway:</b>			
Transportation of persons.....	1,109	1,198	1,015
Waybill tax.....	65	67	57
Tax on fuels.....	50	71	59
International departure tax.....	77	72	56
Aircraft registration fees.....	26	29	23

See footnotes at end of table.

Table 10. BUDGET RECEIPTS BY SOURCE (in millions of dollars)—Continued

Source	1978 actual	1979 estimate	1980 estimate
<b>Trust funds—Continued</b>			
<b>Airport and Airway—Continued</b>			
Tires and inertubes .....	1	1	1
Refunds .....	—2	—2	—2
Proposed legislation .....			408
<b>Total airport and airway trust fund .....</b>	<b>1,326</b>	<b>1,436</b>	<b>1,617</b>
<b>Black lung disability insurance trust fund .....</b>	<b>92</b>	<b>236</b>	<b>249</b>
<b>Total trust fund excise taxes .....</b>	<b>8,323</b>	<b>8,989</b>	<b>9,332</b>
<b>Total excise taxes .....</b>	<b>18,376</b>	<b>18,395</b>	<b>18,455</b>
<b>Estate and gift taxes .....</b>	<b>5,285</b>	<b>5,686</b>	<b>6,011</b>
<b>Customs duties .....</b>	<b>6,573</b>	<b>7,517</b>	<b>8,447</b>
<b>Miscellaneous receipts: <sup>a</sup></b>			
Miscellaneous taxes .....	247	298	105
Deposit of earnings, Federal Reserve System .....	6,641	7,600	8,600
<b>Fees for permits and regulatory and judicial services:</b>			
Immigration, passport, and consular fees .....	65	67	70
Patent and copyright fees .....	28	28	28
Registration and filing fees .....	75	97	103
Import fees on crude oil and petroleum products .....	16	154	428
Coal mining reclamation fees .....	69	190	200
Miscellaneous fees for permits, licenses, etc. ....	36	37	14
Miscellaneous fees for regulatory and judicial services .....	43	60	65
Proposed legislation .....			95
Fees for legal and judicial services .....	*	*	*
<b>Total fees for permits and regulatory and judicial services .....</b>	<b>332</b>	<b>633</b>	<b>1,003</b>
<b>Fines, penalties, and forfeitures .....</b>	<b>130</b>	<b>135</b>	<b>142</b>
<b>War reparations and recoveries under military occupation .....</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Gifts and contributions .....</b>	<b>23</b>	<b>24</b>	<b>25</b>
<b>Refunds and recoveries .....</b>	<b>36</b>		
<b>Total miscellaneous receipts .....</b>	<b>7,413</b>	<b>8,693</b>	<b>9,878</b>
<b>Total budget receipts .....</b>	<b>401,997</b>	<b>455,989</b>	<b>502,553</b>

## MEMORANDUM

Federal funds .....	270,484	306,135	332,798
Trust funds .....	168,012	189,496	212,208
Interfund transactions .....	—36,498	—39,641	—42,452

\*\$500 thousand or less.

<sup>a</sup> Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

<sup>b</sup> Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

<sup>c</sup> Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1978, \$39 million; 1979, \$41 million; and 1980, \$43 million.

Note.—Estimates for 1979 and 1980 include effects of proposed legislation.

Table 11. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)

Type	1978 actual	1979 estimate	1980 estimate
<b>INTRAGOVERNMENTAL TRANSACTIONS</b>			
<b>Intrabudgetary transactions:</b>			
<b>Federal intrafund transactions:</b>			
Interest on Government capital in enterprises .....	1,527	2,147	2,371
Other .....	59	278	238
Total Federal intrafunds .....	1,587	2,425	2,609
<b>Trust intrafund transactions: <sup>1</sup></b>			
Railroad retirement/social security .....	1,618	1,386	1,440
Other .....	15	3	4
Total trust intrafunds .....	1,634	1,389	1,444
Total intrafund transactions .....	3,221	3,815	4,052
<b>Interfund transactions:</b>			
<b>Distributed by agency and function:</b>			
<b>Federal fund payments to trust funds:</b>			
<b>Contributions to insurance programs:</b>			
Old-age and survivors insurance .....	228	230	164
Military service credits, various programs .....	656	667	652
Supplementary medical insurance .....	6,386	6,853	7,069
Hospital insurance .....	717	767	690
Railroad dual benefits .....	250	313	313
Supplementary retirement contributions .....	7,565	8,935	10,196
Unemployment insurance .....	1,045	.....	.....
Other .....	40	104	230
<b>Miscellaneous contributions:</b>			
State and local government fiscal assistance .....	6,855	6,855	6,855
Other .....	134	177	174
Subtotal .....	23,875	24,902	26,343
<b>Trust fund payments to Federal funds:</b>			
Repayment of loans or advances to trust funds .....	.....	800	900
Charges for services to trust funds .....	169	164	173
Other .....	89	.....	.....
Subtotal .....	258	964	1,073
Total interfunds distributed by agency and function .....	24,133	25,866	27,416
<b>Undistributed by agency and function:</b>			
<b>Employer share, employee retirement:</b>			
Civil service retirement and disability insurance .....	2,547	2,632	2,645
Old-age, survivors, disability, and hospital insurance (contribution as employer) <sup>2</sup> .....	1,266	1,339	1,428
Other Federal employees retirement .....	21	22	23
Total employer share, employee retirement .....	3,834	3,993	4,097
Interest received by trust funds .....	8,530	9,782	10,940
Total interfunds undistributed by agency and function .....	12,364	13,776	15,036
Total interfund transactions .....	36,498	39,641	42,452
Total intrabudgetary transactions .....	39,718	43,456	46,505
<b>Receipts from off-budget Federal entities:</b>			
<b>Distributed by agency and function:</b>			
Interest on loans to Government-owned enterprises .....	2,768	4,130	5,539

See footnotes at end of table.



Table 11. **OFFSETTING RECEIPTS BY TYPE (in millions of dollars)—Continued**

Type	1978 actual	1979 estimate	1980 estimate
<b>INTRAGOVERNMENTAL TRANSACTIONS—Continued</b>			
<b>Undistributed by agency and function:</b>			
Employer share, employee retirement .....	1,149	1,395	1,385
Total receipts from off-budget Federal entities.....	3,917	5,524	6,924
<b>Total intragovernmental transactions.....</b>	<b>43,635</b>	<b>48,981</b>	<b>53,429</b>
<b>PROPRIETARY RECEIPTS FROM THE PUBLIC</b>			
<b>Distributed by agency and function:</b>			
<b>Interest:</b>			
Interest on loans, Foreign Assistance Act.....	244	328	375
Interest on foreign military credit sales.....	74	80	84
Interest on loans to United Kingdom .....	58	44	42
Other interest on foreign loans and deferred foreign collections.....	125	122	121
Other interest (domestic-civil) <sup>a</sup> .....	252	511	478
Other interest (domestic-national defense) .....	8	8	8
Total interest.....	761	1,093	1,109
<b>Dividends and other earnings.....</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Rents:</b>			
Rent and bonuses from land leases, etc.....	11	30	30
Rent of land and other real property <sup>a</sup> .....	66	82	90
Rent of equipment and other personal property.....	18	18	18
Total rents.....	95	129	137
<b>Royalties <sup>a</sup> .....</b>	<b>449</b>	<b>579</b>	<b>598</b>
<b>Sale of products:</b>			
Sale of timber and other natural land products <sup>a</sup> .....	792	1,146	1,116
Sale of minerals and mineral products <sup>a</sup> .....	342	883	892
Sale of power and other utilities .....	505	189	382
Sale of other products.....	18	16	28
Recovery of mint manufacturing expense.....	42	49	53
Total sale of products .....	1,700	2,283	2,472
<b>Fees and other charges for services and special benefits:</b>			
Veterans life insurance (trust funds) .....	481	467	455
Other <sup>a</sup> .....	528	567	575
Total fees and other charges .....	1,010	1,035	1,029
<b>Sale of Government property:</b>			
Sale of land and other real property <sup>a</sup> .....	41	45	39
Sale of equipment and other personal property:			
Sale from the stockpile of strategic and critical materials.....	90	65	238
Military assistance program sales (trust fund) .....	8,445	9,500	10,600
Other.....	18	40	14
Sale of scrap and salvage material <sup>a</sup> .....	6	18	99
Total sale of property.....	8,600	9,668	10,989
<b>Realization upon loans and investments:</b>			
Dollar repayments of loans, Agency for International Development .....	302	314	331
Foreign military credit sales .....	206	195	195
Dollar conversion of foreign currency .....	86	79	74
Repayment of loans to United Kingdom.....	74	76	77
Other.....	162	168	146

See footnotes at end of table.

Table 11. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)—Continued

Type	1978 actual	1979 estimate	1980 estimate
<b>PROPRIETARY RECEIPTS FROM THE PUBLIC—Continued</b>			
Total realization upon loans and investments.....	830	832	824
<b>Recoveries and refunds <sup>3</sup></b> .....	328	308	298
<b>Deposits in clearing accounts</b> .....	-98	.....	.....
Total proprietary receipts from the public distributed by agency and function	13,677	15,929	17,456
<b>Undistributed by agency and function:</b>			
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses.....	1,253	2,245	1,115
Royalties.....	1,006	1,255	1,485
Total proprietary receipts from the public undistributed by agency and function.....	2,259	3,500	2,600
<b>Total proprietary receipts from the public <sup>4</sup></b> .....	<b>15,935</b>	<b>19,429</b>	<b>20,056</b>
<b>Total offsetting receipts</b> .....	<b>59,571</b>	<b>68,410</b>	<b>73,485</b>

\* \$500 thousand or less.

<sup>1</sup> Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system. Interchange receipts between Federal retirement funds occur when an employee transfers from coverage by one system to coverage by another system.

<sup>2</sup> Includes provision for covered Federal civilian employees and military personnel.

<sup>3</sup> Includes both Federal funds and trust funds.

<sup>4</sup> Consists of:

	1978 actual	1979 estimate	1980 estimate
Federal funds.....	6,473	8,871	8,365
Trust funds.....	9,462	10,558	11,691

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>050 NATIONAL DEFENSE</b>			
<b>051 Department of Defense—Military:</b>			
Military personnel .....	27,246	28,683	28,890
Retired military personnel .....	9,180	10,318	11,452
Operation and maintenance .....	34,732	38,085	40,222
Procurement .....	29,529	31,463	35,402
Research, development, test, and evaluation .....	11,371	12,774	13,536
Military construction .....	1,641	2,498	2,158
Other <sup>1</sup> .....	1,784	1,748	1,592
Allowances .....			2,236
Deductions for offsetting receipts .....	—160	—360	—447
Total 051 .....	115,322	125,209	135,041
<b>053 Atomic energy defense activities:</b>			
Department of Energy .....	2,514	2,614	3,022
<b>054 Defense-related activities:</b>			
General Services Administration .....	2	19	200
Other independent agencies:			
Central Intelligence Agency .....	35	44	52
Federal Emergency Management Agency .....	125	130	139
Intelligence Community Staff .....	9	12	13
Renegotiation Board .....	6	6	7
Selective Service System .....	7	9	10
Deductions for offsetting receipts .....	—92	—125	—238
Total 054 .....	93	94	183
Deductions for offsetting receipts <sup>2</sup> .....	—2	—3	—3
Total national defense .....	117,926	127,915	138,243
<b>150 INTERNATIONAL AFFAIRS</b>			
<b>151 Foreign economic and financial assistance:</b>			
Funds appropriated to the President <sup>1</sup> .....	5,716	6,288	7,738
Department of Agriculture .....	923	806	719
Department of State .....	79	164	152
Department of Transportation <sup>1</sup> .....	3	*	3
Other independent agencies: ACTION <sup>1</sup> .....	86	101	106
Deductions for offsetting receipts .....	—336	—346	—370
Total 151 .....	6,472	7,013	8,348
<b>152 Military assistance:</b>			
Funds appropriated to the President .....	886	897	799
Deductions for offsetting receipts .....	—277	—244	—239
Total 152 .....	608	653	560
<b>153 Conduct of foreign affairs:</b>			
Funds appropriated to the President .....	24	26	26
Department of State <sup>1</sup> .....	1,319	1,448	1,473
Other independent agencies:			
Arms Control and Disarmament Agency .....	16	18	19
Foreign Claims Settlement Commission .....	1	—9	1
International Trade Commission .....	12	13	15
Deductions for offsetting receipts .....	—132	—166	—182
Total 153 .....	1,241	1,330	1,352

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>150 INTERNATIONAL AFFAIRS—Continued</b>			
<b>154 Foreign information and exchange activities:</b>			
Other independent agencies:			
Board for International Broadcasting .....	76	88	87
International Communication Agency <sup>1</sup> .....	374	418	433
Japan-United States Friendship Commission (trust fund) .....	1	2	2
Deductions for offsetting receipts .....	—*	—*	—*
Total 154 .....	451	508	521
<b>155 International financial programs:</b>			
Funds appropriated to the President <sup>1</sup> .....	9,643	13,792	12,800
Other independent agencies: Export-Import Bank of the United States ..			829
Deductions for offsetting receipts .....	—8,519	—9,576	—10,677
Total 155 .....	1,124	4,216	2,952
Deductions for offsetting receipts <sup>2</sup> .....	—100	—97	—78
Total international affairs .....	9,795	13,622	13,655
<b>250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY</b>			
<b>251 General science and basic research:</b>			
Department of Energy .....	405	430	474
Other independent agencies:			
National Science Foundation <sup>1</sup> .....	868	917	1,011
Smithsonian Institution <sup>1</sup> .....	2	2	*
Total 251 .....	1,275	1,349	1,485
<b>253 Space flight:</b>			
National Aeronautics and Space Administration .....	2,192	2,424	2,332
<b>254 Space science, applications, and technology:</b>			
National Aeronautics and Space Administration .....	1,065	1,227	1,401
<b>255 Supporting space activities:</b>			
National Aeronautics and Space Administration <sup>1</sup> .....	369	384	435
Deductions for offsetting receipts .....	—*		
Total 255 .....	369	384	435
Deductions for offsetting receipts <sup>2</sup> .....	—4	—2	—2
Total general science, space, and technology .....	4,897	5,381	5,651
<b>270 ENERGY</b>			
<b>271 Energy supply:</b>			
Department of Agriculture .....	24	26	26
Department of Defense—Civil .....	5		
Department of Energy <sup>1</sup> .....	4,107	3,600	4,046
Department of the Interior .....	210	231	4
Department of the Treasury .....		1	1
Environmental Protection Agency .....	130	112	102
Other independent agencies: Tennessee Valley Authority .....			15,000
Deductions for offsetting receipts .....	—752	—959	—1,181
Total 271 .....	3,725	3,010	17,999
<b>272 Energy conservation:</b>			
Department of Energy .....	527	659	555

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>270 ENERGY—Continued</b>			
<b>274 Emergency energy preparedness:</b>			
Department of Energy .....	3,175	3,007	8
<b>276 Energy information, policy, and regulation:</b>			
Department of Energy .....	552	653	630
Other independent agencies: Nuclear Regulatory Commission .....	290	327	373
Total 276 .....	842	980	1,003
Deductions for offsetting receipts <sup>2</sup> .....	—25	—96	—84
Total energy .....	8,242	7,560	19,482
<b>300 NATURAL RESOURCES AND ENVIRONMENT</b>			
<b>301 Water resources:</b>			
Department of Agriculture <sup>1</sup> .....	299	200	208
Department of Defense—Civil <sup>1</sup> .....	2,811	2,683	3,079
Department of the Interior <sup>1</sup> .....	711	613	773
Department of State .....	26	13	19
Other independent agencies:			
Delaware River Basin Commission .....	*	*	*
Susquehanna River Basin Commission .....	*	*	*
Water Resources Council <sup>1</sup> .....	21	70	79
Deductions for offsetting receipts .....	—51	—49	—46
Total 301 .....	3,818	3,531	4,113
<b>302 Conservation and land management:</b>			
Department of Agriculture <sup>1</sup> .....	2,190	2,286	1,890
Department of Commerce .....	51	64	66
Department of the Interior <sup>1</sup> .....	538	629	647
Department of State .....	6	7	8
Other independent agencies: Marine Mammal Commission .....	1	1	1
Deductions for offsetting receipts .....	—336	—788	—734
Total 302 .....	2,450	2,198	1,877
<b>303 Recreational resources:</b>			
Department of Agriculture .....	4	3	4
Department of Defense—Civil .....	7	4	6
Department of the Interior <sup>1</sup> .....	1,815	1,867	1,743
Other independent agencies: Advisory Council on Historic Preservation .....	1	1	2
Deductions for offsetting receipts .....	—2	—3	—3
Total 303 .....	1,825	1,873	1,752
<b>304 Pollution control and abatement:</b>			
Department of Agriculture .....			75
Department of Transportation .....	7	12	39
Environmental Protection Agency <sup>1</sup> .....	5,368	5,299	4,985
Other independent agencies:			
Interstate Commission on the Potomac River Basin .....	*	*	*
Other temporary commissions .....	*	2	6
Deductions for offsetting receipts .....	—*	—*	—*
Total 304 .....	5,376	5,312	5,105
<b>306 Other natural resources:</b>			
Department of Commerce <sup>1</sup> .....	654	693	730
Department of the Interior <sup>1</sup> .....	569	627	652
Deductions for offsetting receipts .....	—12	—13	—13
Total 306 .....	1,212	1,307	1,370

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>300 NATURAL RESOURCES AND ENVIRONMENT—Continued</b>			
<b>306 Other natural resources—Continued</b>			
Deductions for offsetting receipts <sup>2</sup> .....	—1,087	—1,252	—1,339
Total natural resources and environment.....	13,593	12,970	12,878
<b>350 AGRICULTURE</b>			
<b>351 Farm income stabilization:</b>			
Department of Agriculture <sup>1</sup> .....	1,337	6,910	3,559
<b>352 Agricultural research and services:</b>			
Funds appropriated to the President.....		40	
Department of Agriculture <sup>1</sup> .....	1,275	1,427	1,377
Deductions for offsetting receipts.....	—53	—63	—66
Total 352.....	1,221	1,405	1,311
Deductions for offsetting receipts <sup>2</sup> .....	14	—3	—3
Total agriculture.....	2,573	8,312	4,868
<b>370 COMMERCE AND HOUSING CREDIT</b>			
<b>371 Mortgage credit and thrift insurance:</b>			
Department of Agriculture.....	669	1,825	1,651
Department of Housing and Urban Development.....	1,309	1,617	1,053
Other independent agencies:			
Federal Home Loan Bank Board.....	—10		
National Credit Union Administration.....			1,700
Total 371.....	1,968	3,442	4,405
<b>372 Postal Service:</b>			
Other independent agencies: Postal Service.....	1,787	1,803	1,698
<b>376 Other advancement and regulation of commerce:</b>			
Legislative branch.....	16	26	28
Department of Commerce <sup>1</sup> .....	523	708	1,159
Department of Housing and Urban Development.....	8	9	10
Department of the Treasury <sup>1</sup> .....		40	60
General Services Administration.....	5	1	1
Other independent agencies:			
Commodity Futures Trading Commission.....	14	16	16
Federal Communications Commission.....	65	70	72
Federal Trade Commission.....	62	67	69
National Center for Productivity and Quality of Working Life.....	3		
National Consumer Cooperative Bank.....		14	29
National Institute of Building Sciences.....	1	1	1
Securities and Exchange Commission.....	62	67	69
Small Business Administration.....	835	749	735
Other temporary commissions.....	*		
United States Metric Board.....	*	2	3
Deductions for offsetting receipts.....	—37	—32	—40
Total 376.....	1,558	1,737	2,213
Deductions for offsetting receipts <sup>2</sup> .....	—5	—*	—*
Total commerce and housing credit.....	5,308	6,982	8,315
<b>400 TRANSPORTATION</b>			
<b>401 Ground transportation:</b>			
Department of Agriculture (trust fund).....	2		
Department of Transportation <sup>1</sup> .....	9,238	12,530	13,048

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued  
(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>400 TRANSPORTATION—Continued</b>			
<b>401 Ground transportation—Continued</b>			
Other independent agencies:			
Washington Metropolitan Area Transit Authority.....	67	54	52
Interstate Commerce Commission.....	65	73	81
United States Railway Association.....	448	1,437	24
<b>Deductions for offsetting receipts.....</b>	<b>—*</b>	<b>—*</b>	<b>—*</b>
Total 401.....	9,819	14,095	13,205
<b>402 Air transportation:</b>			
Department of Transportation <sup>1</sup> .....	2,785	3,161	3,096
National Aeronautics and Space Administration.....	437	529	557
Other independent agencies: Civil Aeronautics Board.....	99	101	107
Total 402.....	3,321	3,792	3,760
<b>403 Water transportation:</b>			
Department of Commerce <sup>1</sup> .....	495	512	487
Department of Transportation <sup>1</sup> .....	1,417	1,534	1,598
Other independent agencies: Federal Maritime Commission.....	10	11	11
<b>Deductions for offsetting receipts.....</b>	<b>—1</b>	<b>—*</b>	<b>—*</b>
Total 403.....	1,920	2,056	2,096
<b>407 Other transportation:</b>			
Department of Transportation.....	68	75	73
Other independent agencies:			
National Transportation Safety Board <sup>1</sup> .....	15	16	17
Other temporary commissions.....	2	.....	.....
Total 407.....	85	91	90
<b>Deductions for offsetting receipts <sup>2</sup>.....</b>	<b>—102</b>	<b>—53</b>	<b>—50</b>
Total transportation.....	15,043	19,981	19,101
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>			
<b>451 Community development:</b>			
Department of Housing and Urban Development.....	4,380	4,727	4,783
Other independent agencies:			
Commission of Fine Arts.....	*	*	*
National Capital Planning Commission.....	2	2	2
Neighborhood Reinvestment Corporation.....	.....	.....	10
Pennsylvania Avenue Development Corporation.....	21	65	39
Total 451.....	4,403	4,794	4,834
<b>452 Area and regional development:</b>			
Funds appropriated to the President.....	313	369	359
Department of Agriculture.....	966	989	605
Department of Commerce <sup>1</sup> .....	750	654	881
Department of the Interior <sup>1</sup> .....	799	970	885
Other independent agencies:			
Community Services Administration.....	.....	.....	12
Appalachian Regional Commission <sup>1</sup> .....	6	7	8
National Development Bank.....	.....	4	3,530
Joint Federal-State Land Use Planning Commission for Alaska <sup>1</sup> .....	1	1	.....
Tennessee Valley Authority.....	139	155	122
<b>Deductions for offsetting receipts.....</b>	<b>—295</b>	<b>—350</b>	<b>—353</b>
Total 452.....	2,679	2,797	6,049
<b>453 Disaster relief and insurance:</b>			
Funds appropriated to the President.....	441	192	194

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT—Continued</b>			
<b>453 Disaster relief and insurance—Continued</b>			
Department of Agriculture.....	30	10	20
Other independent agencies:			
Federal Emergency Management Agency.....	135	133	120
Small Business Administration.....	2,641	218	61
Total 453.....	3,246	553	394
Deductions for offsetting receipts <sup>2</sup> .....	— 23	— 19	— 19
Total community and regional development.....	10,306	8,126	11,259
<b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES</b>			
<b>501 Elementary, secondary, and vocational education:</b>			
Department of Health, Education, and Welfare.....	6,463	7,502	7,468
Department of the Interior.....	258	264	262
Total 501.....	6,721	7,765	7,730
<b>502 Higher education:</b>			
Department of Health, Education, and Welfare.....	4,290	5,492	5,200
Department of Housing and Urban Development.....	11	15	.....
Total 502.....	4,300	5,507	5,200
<b>503 Research and general education aids:</b>			
Legislative branch <sup>1</sup> .....	131	149	157
Department of Health, Education, and Welfare <sup>1</sup> .....	608	634	613
Other independent agencies:			
Corporation for Public Broadcasting.....	119	120	152
National Commission on Libraries and Information Science.....	1	1	1
National Endowment for the Arts <sup>1</sup> .....	124	151	154
National Endowment for the Humanities <sup>1</sup> .....	129	156	162
Smithsonian Institution.....	120	131	169
Deductions for offsetting receipts.....	— 3	— 4	— 4
Total 503.....	1,228	1,339	1,405
<b>504 Training and employment:</b>			
Department of Health, Education, and Welfare.....	365	385	385
Department of Labor <sup>1</sup> .....	4,437	11,709	10,238
Total 504.....	4,802	12,094	10,623
<b>505 Other labor services:</b>			
Department of Labor.....	321	400	407
Other independent agencies:			
Committee for Purchase from the Blind and Other Severely Handicapped.....	*	*	*
Federal Mediation and Conciliation Service.....	22	23	23
National Labor Relations Board.....	93	103	108
National Mediation Board.....	4	4	4
Total 505.....	440	530	543
<b>506 Social services:</b>			
Department of Health, Education, and Welfare.....	4,169	4,593	4,730
Department of Housing and Urban Development.....	5	9	9
Department of the Treasury.....	.....	543	.....
Other independent agencies:			
ACTION.....	118	135	170
Community Services Administration <sup>1</sup> .....	598	543	505
National Commission on the International Year of the Child <sup>1</sup> .....	.....	1	*

See footnotes at end of table.



Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued  
(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES —Continued</b>			
<b>506 Social services—Continued</b>			
Total 506.....	4,891	5,823	5,414
Deductions for offsetting receipts <sup>2</sup> .....	—12	—12	—12
Total education, training, employment, and social services .....	22,370	33,046	30,903
<b>550 HEALTH</b>			
<b>551 Health care services:</b>			
Department of Health, Education, and Welfare <sup>1</sup> .....	48,512	54,654	59,927
Other independent agencies: Office of Personnel Management <sup>1 3</sup> .....	506	606	634
Deductions for offsetting receipts.....	—7,245	—7,761	—7,900
Total 551 .....	41,773	47,499	52,660
<b>552 Health research:</b>			
Department of Health, Education, and Welfare .....	3,007	3,388	3,440
<b>553 Education and training of health care work force:</b>			
Department of Health, Education, and Welfare .....	850	694	579
<b>554 Consumer and occupational health and safety:</b>			
Department of Agriculture.....	269	282	280
Department of Health, Education, and Welfare .....	293	314	321
Department of the Interior.....	49		
Department of Labor <sup>1</sup> .....	204	301	311
Other independent agencies:			
Consumer Product Safety Commission.....	40	43	42
Federal Mine Safety and Health Review Commission.....	1	5	5
Occupational Safety and Health Review Commission.....	7	8	8
Deductions for offsetting receipts.....	—6	—4	—4
Total 554 .....	858	949	962
Deductions for offsetting receipts <sup>2</sup> .....	—18	—15	—14
Total health.....	46,469	52,515	57,627
<b>600 INCOME SECURITY</b>			
<b>601 General retirement and disability insurance:</b>			
Department of Health, Education, and Welfare <sup>1</sup> .....	91,304	103,580	118,876
Department of Labor <sup>1</sup> .....	214	631	777
Other independent agencies:			
Railroad Retirement Board <sup>1</sup> .....	4,093	4,348	4,798
Other temporary commissions .....		4	
Deductions for offsetting receipts.....	—2,718	—2,536	—2,636
Total 601 .....	92,893	106,028	121,816
<b>602 Federal employee retirement and disability:</b>			
Legislative branch (trust fund) .....	*	*	*
The Judiciary (trust fund) .....	6	7	7
Department of Labor.....	292	228	304
Department of State (trust fund) .....	199	228	247
Other independent agencies: Office of Personnel Management <sup>3</sup> (trust fund) .....	17,599	20,395	22,484
Deductions for offsetting receipts.....	—27	—22	—23
Total 602 .....	18,069	20,836	23,020
<b>603 Unemployment compensation:</b>			
Department of Labor <sup>1</sup> .....	15,721	16,526	16,610
Deductions for offsetting receipts.....	—1,045	—800	—900

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>600 INCOME SECURITY—Continued</b>			
<b>603 Unemployment compensation—Continued</b>			
Total 603 .....	14,676	15,726	15,710
<b>604 Public assistance and other income supplements:</b>			
Department of Agriculture.....	9,043	9,873	11,077
Department of Health, Education, and Welfare <sup>1</sup> .....	11,946	12,646	13,629
Department of Housing and Urban Development.....	32,275	24,722	27,421
Department of the Treasury.....	881	841	1,747
Other independent agencies:			
Community Services Administration.....	200	200	40
Railroad Retirement Board.....	94	82	.....
Total 604.....	54,438	48,363	53,914
Deductions for offsetting receipts <sup>2</sup> .....	*	—*	—*
Total income security.....	180,077	190,954	214,460
<b>700 VETERANS BENEFITS AND SERVICES</b>			
<b>701 Income security for veterans:</b>			
Veterans Administration <sup>1</sup> .....	10,616	11,715	12,708
Deductions for offsetting receipts.....	—484	—471	—457
Total 701.....	10,132	11,244	12,251
<b>702 Veterans education, training, and rehabilitation:</b>			
Veterans Administration <sup>1</sup> .....	2,667	2,503	2,359
Deductions for offsetting receipts.....	—32	—58	—81
Total 702.....	2,635	2,446	2,278
<b>703 Hospital and medical care for veterans:</b>			
Veterans Administration.....	5,638	6,149	5,862
<b>705 Other veterans benefits and services:</b>			
Department of Defense—Civil <sup>1</sup> .....	22	23	26
Department of the Treasury (trust fund).....	*	*	*
Veterans Administration <sup>1</sup> .....	608	650	603
Other independent agencies: American Battle Monuments Commission <sup>1</sup> .....	6	7	8
Deductions for offsetting receipts.....	—2	—2	—2
Total 705.....	635	678	635
Deductions for offsetting receipts <sup>2</sup> .....	—3	—3	—3
Total veterans benefits and services.....	19,037	20,514	21,024
<b>750 ADMINISTRATION OF JUSTICE</b>			
<b>751 Federal law enforcement activities:</b>			
Department of Health, Education, and Welfare.....	42	68	65
Department of Housing and Urban Development.....	16	15	21
Department of Justice.....	1,053	1,111	1,100
Department of the Treasury.....	686	744	764
Other independent agencies:			
Administrative Conference of the United States.....	1	1	1
Commission on Civil Rights.....	11	11	11
Equal Employment Opportunity Commission.....	85	115	125
Other temporary commissions.....	.....	*	*
Total 751.....	1,894	2,066	2,087

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>750 ADMINISTRATION OF JUSTICE—Continued</b>			
<b>752 Federal litigative and judicial activities:</b>			
Legislative branch.....	8	9	9
The Judiciary <sup>1</sup> .....	453	534	619
Department of Justice.....	361	399	426
Other independent agencies:			
Indian Claims Commission.....	2	.....	.....
Legal Services Corporation.....	205	270	292
Total 752.....	1,029	1,212	1,346
<b>753 Federal correctional activities:</b>			
Department of Justice <sup>1</sup> .....	308	350	334
<b>754 Criminal justice assistance:</b>			
Department of Justice.....	654	658	546
<b>Deductions for offsetting receipts.....</b>	<b>-8</b>	<b>-10</b>	<b>-10</b>
Total administration of justice.....	3,877	4,276	4,304
<b>800 GENERAL GOVERNMENT</b>			
<b>801 Legislative functions:</b>			
Legislative branch <sup>1</sup> .....	913	1,018	1,048
<b>Deductions for offsetting receipts.....</b>	<b>-9</b>	<b>-7</b>	<b>-7</b>
Total 801.....	904	1,011	1,041
<b>802 Executive direction and management:</b>			
Executive Office of the President.....	78	83	91
Funds appropriated to the President.....	1	1	1
General Services Administration.....	1	1	1
Total 802.....	79	85	92
<b>803 Central fiscal operations:</b>			
Department of the Treasury <sup>1 4</sup> .....	2,341	2,618	2,668
<b>Deductions for offsetting receipts.....</b>	<b>-170</b>	<b>-165</b>	<b>-174</b>
Total 803.....	2,171	2,453	2,494
<b>804 General property and records management:</b>			
General Services Administration <sup>1</sup> .....	279	460	387
<b>805 Central personnel management:</b>			
Other independent agencies:			
Advisory Committee on Federal Pay.....	*	*	*
Federal Labor Relations Authority <sup>3</sup> .....	8	10	11
Merit Systems Protection Board <sup>3</sup> .....	9	10	11
Office of Personnel Management <sup>3</sup> .....	7,542	8,885	10,129
Other temporary commissions.....	.....	.....	*
<b>Deductions for offsetting receipts.....</b>	<b>-7,434</b>	<b>-8,770</b>	<b>-10,015</b>
Total 805.....	126	135	136
<b>806 Other general government:</b>			
Legislative branch.....	22	23	42
Department of Defense—Civil.....	73	81	.....
Department of the Interior <sup>1</sup> .....	286	291	267
Department of the Treasury <sup>1</sup> .....	326	192	197
General Services Administration.....	3	3	3
Other independent agencies:			
Federal Election Commission.....	8	8	9
Other historical and memorial agencies.....	*	*	*

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>800 GENERAL GOVERNMENT—Continued</b>			
<b>806 Other general government—Continued</b>			
Advisory Commission on Intergovernmental Relations <sup>1</sup> .....	2	2	2
Office of Personnel Management <sup>2</sup> .....	20	20	20
Other temporary commissions.....	2	10	2
National Commission on the Observance of International Women's Year 1975 <sup>1</sup> .....	*		
Deductions for offsetting receipts.....	— 50	— 56	— 32
Total 806.....	691	575	510
Deductions for offsetting receipts <sup>2</sup> .....	— 188	— 182	— 133
Total general government.....	4,063	4,536	4,528
<b>850 GENERAL PURPOSE FISCAL ASSISTANCE</b>			
<b>851 General revenue sharing:</b>			
Department of the Treasury <sup>1</sup> .....	13,717	13,717	13,716
Deductions for offsetting receipts.....	— 6,855	— 6,855	— 6,855
Total 851.....	6,862	6,862	6,861
<b>852 Other general purpose fiscal assistance:</b>			
Department of Agriculture.....	226	241	283
Department of Defense—Civil.....	6	5	5
Department of Energy.....	*	*	*
Department of the Interior.....	419	468	494
Department of the Treasury.....	1,821	983	697
Other independent agencies: District of Columbia.....	437	256	487
Deductions for offsetting receipts.....	— 44	— 42	— 25
Total 852.....	2,865	1,911	1,943
Total general purpose fiscal assistance.....	9,728	8,773	8,804
<b>900 INTEREST</b>			
<b>901 Interest on the public debt:</b>			
Department of the Treasury.....	48,695	59,800	65,700
<b>902 Other interest:</b>			
Department of the Treasury.....	324	329	334
General Services Administration.....	1		
Deductions for offsetting receipts.....	— 5,054	— 7,364	— 9,012
Total 902.....	— 4,728	— 7,035	— 8,679
Total interest.....	43,967	52,765	57,021
<b>Allowances for:</b>			
Civilian agency pay raises.....			926
Contingencies for other requirements.....		100	1,500
<b>Undistributed offsetting receipts:</b>			
Employer share, employee retirement:			
Interfund transactions.....	— 3,834	— 3,993	— 4,097
Receipts from off-budget Federal agencies.....	— 1,149	— 1,395	— 1,385
Total, employer share, employee retirement.....	— 4,983	— 5,388	— 5,482
Interest received by trust funds.....	— 8,530	— 9,782	— 10,940
Rents and royalties on the Outer Continental Shelf.....	— 2,259	— 3,500	— 2,600
Total budget authority.....	501,500	559,658	615,526

See footnotes at end of table.

Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>MEMORANDUM</b>			
Federal funds .....	369,768	407,360	443,773
Trust funds .....	168,229	191,940	214,206
Interfund transactions .....	— 36,498	— 39,641	— 42,452
<b>ADDENDUM</b>			
Budget authority of off-budget Federal entities:			
<b>270 ENERGY</b>			
<b>271 Energy supply:</b>			
Department of Agriculture.....	355		
<b>370 COMMERCE AND HOUSING CREDIT</b>			
<b>374 Federal Financing Bank:</b>			
Department of the Treasury.....	12,659	15,134	13,869
<b>400 TRANSPORTATION</b>			
<b>401 Ground transportation:</b>			
United States Railway Association .....	20	27	30
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>			
<b>452 Area and regional development:</b>			
Department of Agriculture.....	135	156	150
Budget authority, off-budget Federal entities .....	13,169	15,317	14,049
Budget authority including off-budget Federal entities .....	514,669	574,975	629,575

\*\$500 thousand or less.

<sup>1</sup> Includes both Federal and trust funds.<sup>2</sup> Excludes offsetting receipts which have been distributed by subfunction above.<sup>3</sup> The Office of Personnel Management has assumed the majority of activities previously included in the Civil Service Commission. The remainder of the Civil Service Commission activities have been assumed by the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Equal Employment Opportunity Commission.<sup>4</sup> Budget authority for the administrative expenses formerly financed by the Exchange stabilization fund is now included in the Department of the Treasury.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>050 NATIONAL DEFENSE</b>			
<b>051 Department of Defense—Military:</b>			
Military personnel .....	27,075	28,220	28,447
Retired military personnel .....	9,171	10,281	11,435
Operation and maintenance .....	33,578	35,905	38,690
Procurement .....	19,976	22,476	25,749
Research, development, test, and evaluation .....	10,508	11,726	13,015
Military construction .....	1,932	1,854	1,951
Other <sup>1</sup> .....	962	1,798	1,645
Allowances .....			2,215
<b>Deductions for offsetting receipts .....</b>	<b>—160</b>	<b>—360</b>	<b>—447</b>
<b>Total 051 .....</b>	<b>103,042</b>	<b>111,900</b>	<b>122,700</b>
<b>053 Atomic energy defense activities:</b>			
Department of Energy .....	2,070	2,509	2,968
<b>054 Defense-related activities:</b>			
Department of Health, Education, and Welfare .....	— *		
General Services Administration .....	2	19	182
Other independent agencies:			
Central Intelligence Agency .....	35	44	52
Federal Emergency Management Agency .....	110	133	140
Intelligence Community Staff .....	9	12	12
Renegotiation Board .....	6	7	7
Selective Service System .....	6	9	10
<b>Deductions for offsetting receipts <sup>2</sup> .....</b>	<b>—92</b>	<b>—125</b>	<b>—238</b>
<b>Total 054 .....</b>	<b>76</b>	<b>97</b>	<b>166</b>
<b>Deductions for offsetting receipts <sup>2</sup> .....</b>	<b>—2</b>	<b>—3</b>	<b>—3</b>
<b>Total national defense .....</b>	<b>105,186</b>	<b>114,503</b>	<b>125,830</b>
<b>150 INTERNATIONAL AFFAIRS</b>			
<b>151 Foreign economic and financial assistance:</b>			
Funds appropriated to the President <sup>1</sup> .....	3,979	4,370	4,617
Department of Agriculture .....	812	1,055	993
Department of State .....	75	111	173
Department of Transportation <sup>1</sup> .....	8	7	5
Other independent agencies: Action <sup>1</sup> .....	90	106	104
<b>Deductions for offsetting receipts .....</b>	<b>—336</b>	<b>—346</b>	<b>—370</b>
<b>Total 151 .....</b>	<b>4,629</b>	<b>5,303</b>	<b>5,523</b>
<b>152 Military assistance:</b>			
Funds appropriated to the President .....	761	821	754
<b>Deductions for offsetting receipts .....</b>	<b>—277</b>	<b>—244</b>	<b>—239</b>
<b>Total 152 .....</b>	<b>484</b>	<b>577</b>	<b>516</b>
<b>153 Conduct of foreign affairs:</b>			
Funds appropriated to the President .....	24	26	26
Department of State <sup>1</sup> .....	1,209	1,327	1,533
Other independent agencies:			
Arms Control and Disarmament Agency .....	14	16	17
Foreign Claims Settlement Commission .....	1	1	1
International Trade Commission .....	12	14	15
Other temporary commissions .....	*		
<b>Deductions for offsetting receipts .....</b>	<b>—132</b>	<b>—166</b>	<b>—182</b>
<b>Total 153 .....</b>	<b>1,128</b>	<b>1,218</b>	<b>1,410</b>

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>150 INTERNATIONAL AFFAIRS—Continued</b>			
<b>154 Foreign information and exchange activities:</b>			
Department of State .....	3	7	.....
Other independent agencies:			
Board for International Broadcasting .....	66	91	88
International Communication Agency <sup>1</sup> .....	353	406	440
Japan-United States Friendship Commission (trust fund) .....	1	1	2
<b>Deductions for offsetting receipts</b> .....	— *	— *	— *
Total 154 .....	423	505	529
<b>155 International financial programs:</b>			
Funds appropriated to the President <sup>1</sup> .....	8,104	9,460	10,600
Department of the Treasury <sup>3</sup> .....	— 120	— 167	— 170
Other independent agencies: Export-Import Bank of the United States ..	— 106	91	561
<b>Deductions for offsetting receipts</b> .....	— 8,519	— 9,576	— 10,677
Total 155 .....	— 641	— 193	314
<b>Deductions for offsetting receipts <sup>2</sup></b> .....	— 100	— 97	— 78
Total international affairs .....	5,922	7,312	8,213
<b>250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY</b>			
<b>251 General science and basic research:</b>			
Department of Energy .....	355	419	453
Other independent agencies:			
National Science Foundation <sup>1</sup> .....	803	880	950
Smithsonian Institution <sup>1</sup> .....	2	2	*
Total 251 .....	1,160	1,300	1,403
<b>253 Space flight:</b>			
National Aeronautics and Space Administration .....	2,260	2,371	2,339
<b>254 Space science, applications, and technology:</b>			
National Aeronautics and Space Administration .....	972	1,170	1,310
<b>255 Supporting space activities:</b>			
National Aeronautics and Space Administration <sup>1</sup> .....	354	387	407
<b>Deductions for offsetting receipts</b> .....	— *	.....	.....
Total 255 .....	354	387	407
<b>Deductions for offsetting receipts <sup>2</sup></b> .....	— 4	— 2	— 2
Total general science, space, and technology .....	4,742	5,226	5,457
<b>270 ENERGY</b>			
<b>271 Energy supply:</b>			
Funds appropriated to the President .....	354	46	168
Department of Agriculture .....	23	25	27
Department of Energy <sup>1</sup> .....	2,799	3,740	3,515
Department of the Interior .....	142	221	83
Department of the Treasury .....	.....	1	1
Environmental Protection Agency .....	118	127	131
Other independent agencies: Tennessee Valley Authority .....	1,285	1,695	1,628
<b>Deductions for offsetting receipts</b> .....	— 752	— 959	— 1,181
Total 271 .....	3,970	4,896	4,371
<b>272 Energy conservation:</b>			
Department of Energy .....	221	490	660

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>ENERGY—Continued</b>			
<b>274 Emergency energy preparedness:</b>			
Department of Energy .....	897	2,367	1,961
<b>276 Energy information, policy, and regulation:</b>			
Department of Energy .....	527	669	624
Other independent agencies: Nuclear Regulatory Commission .....	271	305	345
Total 276 .....	798	974	969
<b>Deductions for offsetting receipts <sup>2</sup></b> .....	-25	-96	-84
Total energy .....	5,861	8,630	7,878
<b>300 NATURAL RESOURCES AND ENVIRONMENT</b>			
<b>301 Water resources:</b>			
Department of Agriculture <sup>1</sup> .....	205	291	235
Department of Defense—Civil <sup>1</sup> .....	2,602	2,659	2,739
Department of the Interior <sup>1</sup> .....	679	636	651
Department of State .....	15	20	23
Other independent agencies:			
Delaware River Basin Commission .....	*	*	*
Susquehanna River Basin Commission .....	*	*	*
Water Resources Council <sup>1</sup> .....	18	43	68
<b>Deductions for offsetting receipts</b> .....	-51	-49	-46
Total 301 .....	3,468	3,600	3,670
<b>302 Conservation and land management:</b>			
Department of Agriculture <sup>1</sup> .....	1,857	2,176	1,789
Department of Commerce .....	28	45	65
Department of the Interior <sup>1</sup> .....	429	573	587
Department of State .....	6	6	7
Other independent agencies: Marine Mammal Commission .....	1	1	1
<b>Deductions for offsetting receipts</b> .....	-336	-788	-734
Total 302 .....	1,984	2,014	1,716
<b>303 Recreational resources:</b>			
Department of Agriculture .....	3	4	3
Department of Defense—Civil .....	6	4	6
Department of the Interior <sup>1</sup> .....	1,430	1,453	1,386
Other independent agencies:			
Advisory Council on Historic Preservation .....	1	1	2
Smithsonian Institution .....	*	.....	.....
<b>Deductions for offsetting receipts</b> .....	-2	-3	-3
Total 303 .....	1,439	1,460	1,394
<b>304 Pollution control and abatement:</b>			
Department of Agriculture .....	.....	.....	7
Department of Transportation .....	11	15	39
Environmental Protection Agency <sup>1</sup> .....	3,954	4,067	4,623
Other independent agencies:			
Interstate Commission on the Potomac River Basin .....	*	*	*
Other temporary commissions .....	*	2	5
<b>Deductions for offsetting receipts</b> .....	-*	-*	-*
Total 304 .....	3,964	4,083	4,673
<b>306 Other natural resources:</b>			
Department of Commerce <sup>1</sup> .....	648	693	723
Department of the Interior <sup>1</sup> .....	520	622	632
<b>Deductions for offsetting receipts</b> .....	-12	-13	-13

See footnotes at end of table.



Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>300 NATURAL RESOURCES AND ENVIRONMENT—Continued</b>			
<b>306 Other natural resources—Continued</b>			
Total 306 .....	1,157	1,303	1,342
Deductions for offsetting receipts <sup>2</sup> .....	—1,087	—1,252	—1,339
Total natural resources and environment .....	10,925	11,207	11,456
<b>350 AGRICULTURE</b>			
<b>351 Farm income stabilization:</b>			
Department of Agriculture <sup>1</sup> .....	6,588	4,919	3,049
Other independent agencies: Farm Credit Administration .....	—*	*	.....
Total 351 .....	6,588	4,920	3,049
<b>352 Agricultural research and services:</b>			
Funds appropriated to the President .....	.....	40	.....
Department of Agriculture <sup>1</sup> .....	1,183	1,330	1,289
Deductions for offsetting receipts .....	—53	—63	—66
Total 352 .....	1,129	1,307	1,223
Deductions for offsetting receipts <sup>2</sup> .....	14	—3	—3
Total agriculture .....	7,731	6,224	4,269
<b>370 COMMERCE AND HOUSING CREDIT</b>			
<b>371 Mortgage credit and thrift insurance:</b>			
Department of Agriculture .....	449	218	362
Department of Housing and Urban Development .....	744	844	1,096
Other independent agencies:			
Federal Deposit Insurance Corporation (trust fund) .....	—567	—1,121	—1,192
Federal Home Loan Bank Board .....	—403	—390	—506
National Credit Union Administration .....	—13	—23	—83
Total 371 .....	210	—472	—323
<b>372 Postal Service:</b>			
Other independent agencies: Postal Service .....	1,778	1,803	1,698
<b>376 Other advancement and regulation of commerce:</b>			
Legislative branch .....	9	16	27
Department of Commerce <sup>1</sup> .....	498	648	1,037
Department of Housing and Urban Development .....	5	6	4
Department of the Treasury <sup>1</sup> .....	—4	37	54
General Services Administration .....	4	1	1
Other independent agencies:			
Commodity Futures Trading Commission .....	14	16	16
Emergency Loan Guarantee Board .....	1	.....	.....
Federal Communications Commission .....	64	70	71
Federal Trade Commission .....	59	65	68
National Center for Productivity and Quality of Working Life .....	3	1	*
National Consumer Cooperative Bank .....	.....	10	30
National Institute of Building Sciences .....	1	1	1
Securities and Exchange Commission .....	61	68	68
Small Business Administration .....	662	730	674
Other temporary commissions .....	*	*	.....
United States Metric Board .....	.....	1	3
Deductions for offsetting receipts .....	—37	—32	—40
Total 376 .....	1,342	1,637	2,016
Deductions for offsetting receipts <sup>2</sup> .....	—5	—*	—*
Total commerce and housing credit .....	3,325	2,968	3,390

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>400 TRANSPORTATION</b>			
<b>401 Ground transportation:</b>			
Department of Agriculture (trust fund).....	6	3	4
Department of Housing and Urban Development.....		*	
Department of Transportation <sup>1</sup> .....	9,381	10,944	11,244
Other independent agencies:			
Washington Metropolitan Area Transit Authority.....	149	126	84
Interstate Commerce Commission.....	65	73	81
United States Railway Association.....	754	827	464
Deductions for offsetting receipts.....	—*	—*	—*
Total 401.....	10,355	11,973	11,876
<b>402 Air transportation:</b>			
Department of Transportation <sup>1</sup> .....	2,778	2,949	2,994
National Aeronautics and Space Administration.....	398	476	539
Other independent agencies: Civil Aeronautics Board.....	101	101	102
Total 402.....	3,277	3,526	3,635
<b>403 Water transportation:</b>			
Department of Commerce <sup>1</sup> .....	598	492	549
Department of Defense—Civil.....	—24	—5	
Department of Transportation <sup>1</sup> .....	1,270	1,409	1,482
Other independent agencies:			
Federal Maritime Commission.....	9	11	11
Panama Canal Commission.....			15
Deductions for offsetting receipts.....	—1	—*	—*
Total 403.....	1,854	1,906	2,057
<b>407 Other transportation:</b>			
Department of Transportation.....	43	79	74
Other independent agencies:			
National Transportation Safety Board <sup>1</sup> .....	16	16	16
Other temporary commissions.....	2	2	*
Total 407.....	61	97	91
Deductions for offsetting receipts <sup>2</sup> .....	—102	—53	—50
Total transportation.....	15,444	17,449	17,609
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>			
<b>451 Community development:</b>			
Department of Housing and Urban Development.....	3,270	3,650	4,248
Other independent agencies:			
Commission of Fine Arts.....	*	*	*
Federal Emergency Management Agency.....	9	11	14
National Capital Planning Commission.....	2	2	2
Neighborhood Reinvestment Corporation.....			10
Pennsylvania Avenue Development Corporation.....	20	52	42
Total 451.....	3,302	3,715	4,316
<b>452 Area and regional development:</b>			
Funds appropriated to the President.....	262	283	297
Department of Agriculture.....	516	666	475
Department of Commerce <sup>1</sup> .....	3,487	2,519	987
Department of the Interior <sup>1</sup> .....	746	782	730
Other independent agencies:			
Community Services Administration.....			9
Appalachian Regional Commission <sup>1</sup> .....	6	7	8

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT—Continued</b>			
<b>452 Area and regional development—Continued</b>			
National Development Bank.....		4	195
Joint Federal-State Land Use Planning Commission for Alaska <sup>1</sup> .....	1	1	.....
Tennessee Valley Authority.....	127	150	125
Deductions for offsetting receipts.....	-295	-350	-353
Total 452.....	4,850	4,062	2,473
<b>453 Disaster relief and insurance:</b>			
Funds appropriated to the President.....	461	276	241
Department of Agriculture.....	15	25	25
Department of Commerce.....	133	17	5
Department of Housing and Urban Development.....	-34	-17	.....
Other independent agencies:			
Federal Emergency Management Agency.....	191	211	218
Small Business Administration.....	2,105	793	20
Total 453.....	2,871	1,305	510
Deductions for offsetting receipts <sup>2</sup> .....	-23	-19	-19
Total community and regional development.....	11,000	9,063	7,281
<b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES</b>			
<b>501 Elementary, secondary, and vocational education:</b>			
Department of Health, Education, and Welfare.....	5,456	6,277	6,876
Department of the Interior.....	230	240	230
Total 501.....	5,686	6,517	7,106
<b>502 Higher education:</b>			
Department of Health, Education, and Welfare.....	3,544	4,816	4,890
Department of Housing and Urban Development.....	-56	59	-2
Other independent agencies: Harry S Truman Scholarship Foundation (trust fund).....	-2	-2	-1
Total 502.....	3,486	4,873	4,887
<b>503 Research and general education aids:</b>			
Legislative branch <sup>1</sup> .....	116	162	165
Department of Health, Education, and Welfare <sup>1</sup> .....	476	582	576
Department of the Treasury.....	3	.....	.....
Other independent agencies:			
Corporation for Public Broadcasting.....	119	120	152
National Commission on Libraries and Information Science.....	1	1	2
National Endowment for the Arts <sup>1</sup> .....	121	135	142
National Endowment for the Humanities <sup>1</sup> .....	126	138	147
Smithsonian Institution.....	123	137	150
Deductions for offsetting receipts.....	-3	-4	-4
Total 503.....	1,082	1,272	1,330
<b>504 Training and employment:</b>			
Department of Commerce.....	12	16	.....
Department of Health, Education, and Welfare.....	364	372	378
Department of Labor <sup>1</sup> .....	10,408	11,341	10,624
Total 504.....	10,784	11,729	11,002
<b>505 Other labor services:</b>			
Department of Labor.....	293	390	390
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped.....	*	*	*

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued</b>			
<b>505 Other labor services—Continued</b>			
Federal Mediation and Conciliation Service.....	22	23	23
National Labor Relations Board.....	91	102	108
National Mediation Board.....	4	4	4
Total 505.....	410	520	525
<b>506 Social services:</b>			
Department of Health, Education, and Welfare.....	4,335	4,481	4,706
Department of Housing and Urban Development.....	4	7	9
Department of the Treasury.....		543	
Other independent agencies:			
ACTION.....	113	128	151
Community Services Administration <sup>1</sup> .....	575	597	506
National Commission on the International Year of the Child <sup>1</sup> .....		*	*
Total 506.....	5,027	5,757	5,372
Deductions for offsetting receipts <sup>2</sup> .....	-12	-12	-12
Total education, training, employment, and social services.....	26,463	30,656	30,210
<b>550 HEALTH</b>			
<b>551 Health care services:</b>			
Department of Health, Education, and Welfare <sup>1</sup> .....	45,922	51,883	55,831
Other independent agencies: Office of Personnel Management <sup>1,4</sup> .....	427	372	531
Deductions for offsetting receipts.....	-7,245	-7,761	-7,900
Total 551.....	39,103	44,494	48,462
<b>552 Health research:</b>			
Department of Health, Education, and Welfare.....	2,823	3,030	3,366
Department of Housing and Urban Development.....	-*	-1	-*
Total 552.....	2,822	3,029	3,365
<b>553 Education and training of health care work force:</b>			
Department of Health, Education, and Welfare.....	930	704	623
<b>554 Consumer and occupational health and safety:</b>			
Executive Office of the President.....	2	2	
Department of Agriculture.....	262	281	278
Department of Health, Education, and Welfare.....	276	306	317
Department of the Interior.....	48		
Department of Labor <sup>1</sup> .....	208	287	299
Other independent agencies:			
Consumer Product Safety Commission.....	40	41	41
Federal Mine Safety and Health Review Commission.....	1	5	5
Occupational Safety and Health Review Commission.....	7	7	7
Deductions for offsetting receipts.....	-6	-4	-4
Total 554.....	838	925	943
Deductions for offsetting receipts <sup>2</sup> .....	-18	-15	-14
Total health.....	43,676	49,136	53,379
<b>600 INCOME SECURITY</b>			
<b>601 General retirement and disability insurance:</b>			
Department of Health, Education, and Welfare <sup>1</sup> .....	95,584	105,463	118,358
Department of Labor <sup>1</sup> .....	158	395	670
Department of the Treasury.....	-*		
Other independent agencies:			
Railroad Retirement Board <sup>1</sup> .....	4,233	4,580	4,829

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>600 INCOME SECURITY—Continued</b>			
<b>601 General retirement and disability insurance—Continued</b>			
Other temporary commissions .....		1	2
Deductions for offsetting receipts .....	-2,718	-2,536	-2,636
Total 601 .....	97,257	107,903	121,224
<b>602 Federal employee retirement and disability:</b>			
Legislative branch (trust fund) .....	*	*	*
The Judiciary (trust fund) .....	2	2	2
Department of Labor .....	174	228	304
Department of State (trust fund) .....	94	113	128
Other independent agencies: Office of Personnel Management * (trust fund) .....	10,422	12,047	13,715
Deductions for offsetting receipts .....	-27	-22	-23
Total 602 .....	10,665	12,368	14,127
<b>603 Unemployment compensation:</b>			
Department of Labor * .....	12,814	11,096	13,310
Deductions for offsetting receipts .....	-1,045	-800	-900
Total 603 .....	11,769	10,296	12,410
<b>604 Public assistance and other income supplements:</b>			
Department of Agriculture .....	8,946	10,187	10,817
Department of Health, Education, and Welfare * .....	12,767	12,682	13,504
Department of Housing and Urban Development .....	3,658	4,417	5,280
Department of State .....	-4	2	.....
Department of the Treasury .....	881	841	1,747
Other independent agencies:			
Community Services Administration .....	193	71	11
Railroad Retirement Board .....	80	100	.....
Total 604 .....	26,521	28,300	31,360
Deductions for offsetting receipts * .....	*	—*	—*
Total income security .....	146,212	158,867	179,120
<b>700 VETERANS BENEFITS AND SERVICES</b>			
<b>701 Income security for veterans:</b>			
Veterans Administration * .....	10,229	11,389	12,412
Deductions for offsetting receipts .....	-484	-471	-457
Total 701 .....	9,745	10,918	11,955
<b>702 Veterans education, training, and rehabilitation:</b>			
Veterans Administration * .....	3,396	2,758	2,322
Deductions for offsetting receipts .....	-32	-58	-81
Total 702 .....	3,365	2,701	2,241
<b>703 Hospital and medical care for veterans:</b>			
Veterans Administration .....	5,254	5,918	5,842
<b>704 Veterans housing:</b>			
Department of Housing and Urban Development .....	-13	-17	-20
Veterans Administration .....	41	123	-195
Total 704 .....	28	106	-215
<b>705 Other veterans benefits and services:</b>			
Department of Defense—Civil * .....	21	25	25
Department of the Treasury (trust fund) .....	*	*	*
Veterans Administration * .....	560	658	611

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>700 VETERANS BENEFITS AND SERVICES—Continued</b>			
<b>705 Other veterans benefits and services—Continued</b>			
Other independent agencies: American Battle Monuments Commis- sion <sup>1</sup> .....	6	7	8
Deductions for offsetting receipts.....	— 2	— 2	— 2
Total 705.....	585	689	642
Deductions for offsetting receipts <sup>2</sup> .....	— 3	— 3	— 3
Total veterans benefits and services.....	18,974	20,329	20,461
<b>750 ADMINISTRATION OF JUSTICE</b>			
<b>751 Federal law enforcement activities:</b>			
Department of Health, Education, and Welfare.....	36	68	65
Department of Housing and Urban Development.....	16	15	20
Department of Justice.....	1,028	1,100	1,095
Department of the Treasury.....	666	762	755
Other independent agencies:			
Administrative Conference of the United States.....	1	1	1
Commission on Civil Rights.....	10	11	11
Equal Employment Opportunity Commission.....	74	114	124
Other temporary commissions.....	*	*	*
Total 751.....	1,831	2,071	2,072
<b>752 Federal litigative and judicial activities:</b>			
Legislative branch.....	9	9	9
The Judiciary <sup>1</sup> .....	435	525	618
Department of Justice.....	340	393	420
General Services Administration.....	*		
Other independent agencies:			
Indian Claims Commission.....	1	*	
Legal Services Corporation.....	157	261	281
Total 752.....	943	1,189	1,328
<b>753 Federal correctional activities:</b>			
Department of Justice <sup>1</sup> .....	307	367	377
<b>754 Criminal justice assistance:</b>			
Department of Justice.....	729	733	622
Deductions for offsetting receipts.....	— 8	— 10	— 10
Total administration of justice.....	3,802	4,351	4,388
<b>800 GENERAL GOVERNMENT</b>			
<b>801 Legislative functions:</b>			
Legislative branch <sup>1</sup> .....	909	1,029	1,071
Deductions for offsetting receipts.....	— 9	— 7	— 7
Total 801.....	900	1,022	1,064
<b>802 Executive direction and management:</b>			
Executive Office of the President.....	73	86	89
Funds appropriated to the President.....	*	1	1
General Services Administration.....	1	1	1
Total 802.....	73	89	91
<b>803 Central fiscal operations:</b>			
Department of the Treasury <sup>1 3</sup> .....	2,294	2,604	2,659
Deductions for offsetting receipts.....	— 170	— 165	— 174

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>800 GENERAL GOVERNMENT—Continued</b>			
<b>803 Central fiscal operations—Continued</b>			
Total 803 .....	2,124	2,438	2,485
<b>804 General property and records management:</b>			
General Services Administration <sup>1</sup> .....	213	304	226
Other independent agencies: Other temporary commissions .....	1	*	.....
Total 804 .....	214	304	226
<b>805 Central personnel management:</b>			
Other independent agencies:			
Advisory Committee on Federal Pay .....	*	*	*
Federal Labor Relations Authority <sup>4</sup> .....	8	10	11
Merit Systems Protection Board <sup>4</sup> .....	9	9	12
Office of Personnel Management <sup>4</sup> .....	7,546	8,885	10,131
Other temporary commissions .....	.....	*	*
Deductions for offsetting receipts .....	-7,434	-8,770	-10,015
Total 805 .....	129	135	140
<b>806 Other general government:</b>			
Legislative branch .....	26	5	45
The Judiciary .....	*	*	*
Department of Defense—Civil .....	71	82	5
Department of the Interior <sup>1</sup> .....	246	290	258
Department of the Treasury <sup>1</sup> .....	198	243	221
General Services Administration .....	3	3	3
Other independent agencies:			
Federal Election Commission .....	7	8	8
American Revolution Bicentennial Administration .....	.....	*	.....
Other Historical and Memorial Agencies .....	*	*	*
Advisory Commission on Intergovernmental Relations <sup>1</sup> .....	1	2	2
Office of Personnel Management <sup>4</sup> .....	19	19	18
Other temporary commissions .....	2	9	9
National Commission on the Observance of International Women's Year, 1975 <sup>1</sup> .....	2	*	.....
Deductions for offsetting receipts .....	-50	-56	-32
Total 806 .....	523	606	538
Deductions for offsetting receipts <sup>2</sup> .....	-188	-182	-133
Total general government .....	3,777	4,413	4,412
<b>850 GENERAL PURPOSE FISCAL ASSISTANCE</b>			
<b>851 General revenue sharing:</b>			
Department of the Treasury <sup>1</sup> .....	13,685	13,714	13,724
Deductions for offsetting receipts .....	-6,855	-6,855	-6,855
Total 851 .....	6,830	6,860	6,869
<b>852 Other general purpose fiscal assistance:</b>			
Department of Agriculture .....	226	241	283
Department of Defense—Civil .....	5	6	5
Department of Energy .....	*	*	*
Department of the Interior .....	415	474	497
Department of the Treasury .....	1,755	994	697
Other independent agencies: District of Columbia .....	415	404	487
Deductions for offsetting receipts .....	-44	-42	-25
Total 852 .....	2,772	2,077	1,945
Total general purpose fiscal assistance .....	9,601	8,936	8,814

See footnotes at end of table.

Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>900 INTEREST</b>			
<b>901 Interest on the public debt:</b>			
Department of the Treasury .....	48,695	59,800	65,700
<b>902 Other interest:</b>			
Department of the Treasury .....	325	329	334
General Services Administration .....		1	*
<b>Deductions for offsetting receipts:</b>	-5,054	-7,364	-9,012
Total 902 .....	-4,729	-7,034	-8,678
Total interest .....	43,966	52,766	57,022
<b>Allowances for:</b>			
Civilian agency pay raises .....			898
Contingencies for other requirements .....			500
<b>Undistributed offsetting receipts:</b>			
<b>Employer share, employee retirement:</b>			
Interfund transactions .....	-3,834	-3,993	-4,097
Receipts from off-budget Federal agencies .....	-1,149	-1,395	-1,385
Total, employer share, employee retirement .....	-4,983	-5,388	-5,482
Interest received by trust funds .....	-8,530	-9,782	-10,940
Rents and royalties on the Outer Continental Shelf .....	-2,259	-3,500	-2,600
Total outlays .....	450,836	493,368	531,566
<b>MEMORANDUM</b>			
Federal funds .....	332,016	361,315	381,844
Trust funds .....	155,318	171,694	192,175
Interfund transactions .....	-36,498	-39,641	-42,452
<b>ADDENDUM</b>			
Outlays of off-budget Federal entities:			
<b>270 ENERGY</b>			
<b>271 Energy supply:</b>			
Department of Agriculture .....	62		
<b>370 COMMERCE AND HOUSING CREDIT</b>			
<b>372 Postal Service:</b>	-496	349	529
<b>374 Federal Financing Bank:</b>			
Department of the Treasury .....	10,614	11,477	11,288
Total commerce and housing credit .....	10,118	11,826	11,817
<b>400 TRANSPORTATION</b>			
<b>401 Ground transportation:</b>			
United States Railway Association .....	66	63	27
<b>450 COMMUNITY AND REGIONAL DEVELOPMENT</b>			
<b>452 Area and regional development:</b>			
Department of Agriculture .....	113	124	143

See footnotes at end of table.



Table 13. OUTLAYS BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Function and department or other unit	1978 actual	1979 estimate	1980 estimate
<b>600 INCOME SECURITY</b>			
<b>601 General retirement and disability insurance:</b>			
Department of Labor.....	— 32	— 24	— 31
Outlays, off-budget Federal entities.....	10,327	11,990	11,956
Outlays including off-budget Federal entities.....	461,163	505,357	543,523

\*\$500 thousand or less.

<sup>1</sup> Includes both Federal and trust funds.

<sup>2</sup> Excludes offsetting receipts which have been distributed by subfunction above.

<sup>3</sup> Outlays for the administrative expenses formerly paid by the Exchange stabilization fund (ESF) and offsetting receipts (interest) for the ESF are now included in the Department of the Treasury. The offsetting receipts (interest) are in subfunction 155. The outlays for administrative expenses are in subfunction 803.

<sup>4</sup> The Office of Personnel Management has assumed the majority of activities previously included in the Civil Service Commission. The remainder of the Civil Service Commission activities have been assumed by the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Equal Employment Opportunity Commission.

Table 14. CONTROLLABILITY OF BUDGET OUTLAYS, 1970-80 (dollars in billions)

	Actual										Estimate	
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
<b>Relatively uncontrollable under present law:</b>												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement .....	31.3	37.2	41.5	50.7	57.6	68.4	76.2	20.7	87.7	96.2	106.6	120.4
Federal employees' retirement and insurance .....	5.6	6.6	7.7	9.0	10.8	13.3	15.6	4.3	17.8	20.0	22.7	25.7
(Military retired pay) .....	(2.8)	(3.4)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.3)	(11.4)
(Other) .....	(2.7)	(3.2)	(3.8)	(4.6)	(5.7)	(7.1)	(8.3)	(2.4)	(9.6)	(10.8)	(12.5)	(14.3)
Unemployment assistance .....	3.7	6.6	7.5	5.7	6.5	14.0	19.8	4.2	15.8	12.4	11.0	13.2
Veterans benefits: Pensions, compensation, educa-												
tion, and insurance .....	6.6	7.6	8.3	9.3	10.0	12.4	13.9	2.9	12.9	13.1	13.6	13.7
Medicare and medicaid .....	9.9	11.2	13.4	14.1	17.2	21.6	26.3	7.0	31.4	35.9	41.3	46.2
Housing payments .....	.5	.7	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.6	4.2	5.1
Public assistance and related programs .....	4.7	7.4	8.9	9.1	11.5	17.1	20.3	5.0	21.8	22.7	23.6	26.2
Subtotal, payments for individuals .....	62.3	77.3	88.5	99.6	115.4	148.9	174.5	44.7	190.4	203.8	223.1	250.5
Net interest <sup>1</sup> .....	14.4	14.8	15.5	17.4	21.4	23.2	26.7	6.9	29.9	35.4	43.0	46.2
General revenue sharing .....				6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.9	6.9
Farm price supports (CCC) .....	3.8	2.8	4.0	3.6	1.0	.6	.6	.7	3.5	5.5	5.0	2.8
Other open-ended programs and fixed costs .....	3.8	5.2	6.4	6.3	6.8	8.0	8.8	2.6	8.6	10.0	10.1	9.8
Total, open-ended programs and fixed costs ....	84.3	100.2	114.3	133.4	150.8	186.9	216.9	56.5	239.1	261.6	288.1	316.2
(National defense) .....	(2.9)	(3.4)	(4.0)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.2)	(10.4)	(11.6)
(Civilian programs) .....	(81.4)	(96.8)	(110.3)	(129.0)	(145.6)	(180.6)	(209.5)	(54.5)	(230.9)	(252.4)	(277.8)	(304.6)
Outlays from prior-year contracts and obligations: <sup>2</sup>												
National defense .....	24.1	21.1	19.4	17.7	20.4	22.3	17.9	7.7	18.5	28.2	32.4	37.1
Civilian programs .....	17.4	19.1	19.9	21.9	23.4	28.4	33.0	12.3	36.8	44.1	49.6	50.8
Total, outlays from prior-year contracts and obligations .....	41.5	40.2	39.2	39.6	43.8	50.7	50.9	20.0	55.3	72.3	82.1	87.9
<b>Total, relatively uncontrollable outlays .....</b>	<b>125.8</b>	<b>140.4</b>	<b>153.5</b>	<b>173.1</b>	<b>194.5</b>	<b>237.6</b>	<b>267.8</b>	<b>76.5</b>	<b>294.4</b>	<b>333.9</b>	<b>370.2</b>	<b>404.1</b>

**Relatively controllable outlays:**

National defense .....	51.6	51.3	53.2	52.5	52.2	57.0	64.2	12.7	70.8	67.8	71.7	77.1
Civilian programs .....	21.7	22.4	28.0	24.5	26.2	35.6	38.7	6.5	42.1	54.1	56.9	55.8
(Under current law) <sup>a</sup> .....	(73.3)	(73.7)	(81.3)	(76.9)	(78.4)	(92.6)	(102.8)	(19.2)	(112.9)	(121.9)	(128.5)	(134.8)
Under proposed legislation in:												
(Open-ended programs and fixed costs) <sup>a</sup> .....											(-1)	(-1.8)
(Relatively controllable and new programs) <sup>a</sup> .....											(.2)	
<b>Total, relatively controllable outlays .....</b>	<b>73.3</b>	<b>73.7</b>	<b>81.3</b>	<b>76.9</b>	<b>78.4</b>	<b>92.6</b>	<b>102.8</b>	<b>19.2</b>	<b>112.9</b>	<b>121.9</b>	<b>128.6</b>	<b>132.9</b>
<b>Undistributed employer share, employee retirement .....</b>	<b>-2.4</b>	<b>-2.6</b>	<b>-2.8</b>	<b>-2.9</b>	<b>-3.3</b>	<b>-4.0</b>	<b>-4.2</b>	<b>-1.0</b>	<b>-4.5</b>	<b>-5.0</b>	<b>-5.4</b>	<b>-5.5</b>
<b>Total budget outlays .....</b>	<b>196.6</b>	<b>211.4</b>	<b>232.0</b>	<b>247.1</b>	<b>269.6</b>	<b>326.2</b>	<b>366.4</b>	<b>94.7</b>	<b>402.7</b>	<b>450.8</b>	<b>493.4</b>	<b>531.6</b>

**MEMORANDUM**

## Percent of total outlays:

**Relatively uncontrollable under present law:**

Open-ended programs and fixed costs:												
Payments for individuals .....	31.7%	36.6%	38.1%	40.3%	42.8%	45.7%	47.6%	47.2%	47.3%	45.2%	45.2%	47.1%
Other .....	11.2	10.8	11.1	13.7	13.1	11.7	11.6	12.6	12.1	12.8	13.2	12.4
<b>Total open-ended programs and fixed costs .....</b>	<b>42.9</b>	<b>47.4</b>	<b>49.3</b>	<b>54.0</b>	<b>55.9</b>	<b>57.3</b>	<b>59.2</b>	<b>59.7</b>	<b>59.4</b>	<b>58.0</b>	<b>58.4</b>	<b>59.5</b>
<b>Outlays from prior-year contracts and obligations .....</b>	<b>21.1</b>	<b>19.0</b>	<b>16.9</b>	<b>16.0</b>	<b>16.2</b>	<b>15.5</b>	<b>13.9</b>	<b>21.1</b>	<b>13.7</b>	<b>16.0</b>	<b>16.6</b>	<b>16.5</b>
<b>Total relatively uncontrollable outlays .....</b>	<b>64.0</b>	<b>66.4</b>	<b>66.2</b>	<b>70.0</b>	<b>72.2</b>	<b>72.8</b>	<b>73.1</b>	<b>80.8</b>	<b>73.1</b>	<b>74.1</b>	<b>75.0</b>	<b>76.0</b>
<b>Relatively controllable outlays .....</b>	<b>37.3</b>	<b>34.8</b>	<b>35.0</b>	<b>31.1</b>	<b>29.1</b>	<b>28.4</b>	<b>28.1</b>	<b>20.3</b>	<b>28.1</b>	<b>27.0</b>	<b>26.1</b>	<b>25.0</b>
<b>Undistributed employer share, employee retirement .....</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.0</b>
<b>Total budget outlays .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>a</sup> Proposed legislation in open-ended programs and fixed costs includes less than — \$100 million in both 1979 and 1980 for net interest.<sup>a</sup> Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."<sup>a</sup> National defense portion includes \$71.7 billion in 1979 and \$77.3 billion in 1980 under current law, and — \$0.2 billion in 1980 under proposed legislation in relatively controllable programs.

Table 15. LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1980 BUDGET, PROJECTION OF <sup>1</sup> (in millions of dollars)

Agency	Estimate			Projection			Explanation	
	1979	1980	1981	1982	1983	1984		
<b>FAP:</b>								
Foundation for International Technological Cooperation.	BA	25	40	60	80	100	A semi-autonomous corporation would be established to improve U.S. cooperation with lesser developed countries in science and technology. It will manage some programs previously supported by AID.	
	O	6	20	26	30	34		
<b>Agriculture:</b>								
Commodity Credit Corporation .....	O	271	127	193	478	556	642	An International Emergency Wheat Reserve is proposed to provide adequate supplies for food aid programs and protect farmers from losses due to natural disasters.
Food stamps.....	BA	738	1,127	1,084	885	816	Proposal would remove food stamp funding ceiling so that benefits rise with food prices. It also would establish States' fiscal accountability.	
	O	68	1,076	1,054	855	787		
<b>Commerce:</b>								
Inland Energy Impact .....	BA	150	150	150	150	150	Proposed legislation will aid communities adversely affected by the effects of new energy resource development.	
	O	76	150	150	150	150		
Regional Action Planning Commissions Reauthorization.	BA	74	74	74	102	102	Proposed separately from Public Works and Economic Development Act Reauthorization. New proposal would provide for a national system of multistate regional commissions with responsibility for fostering community and economic development and promote coordinated planning of Federal, State, and local planning programs.	
	O	70	72	88	95	99		
Public Works and Economic Development Act Reauthorization.	BA	759	759	759	759	759	This new proposal would provide authorities for programs in planning, public works, and business development assistance to distressed areas.	
	O	832	626	669	702	716		
<b>Energy:</b>								
State energy management and planning...	BA	107	107	107	107	107	Proposal would consolidate several existing grant programs and give States additional flexibility.	
	O	66	107	107	107	107		
Spent fuel storage fund.....	BA	300	.....	.....	.....	.....	New proposal would authorize the Federal Government to accept spent nuclear fuel from utilities and provide interim storage for that fuel.	
	O	-100	-50	-50	-50	.....		
<b>Health, Education, and Welfare:</b>								
Alcohol, Drug Abuse, and Mental Health Administration.	BA	198	198	198	198	198	New proposal would provide grants to communities for mental health services, grants or contracts to States for comprehensive mental health services through cooperative agreements, and formula grants to States for mental health, alcohol, and drug abuse activities.	
	O	34	176	259	206	198		

Footnotes at end of table.

Health Care Financing Administration.....	BA } .....	288	498	644	813	990	Medicaid coverage will be given to over 2 million low-income children and over 100,000 low-income pregnant women.
	O } .....						
	BA .....	4	13	25	38	55	Medicaid and medicare coverage will be extended to disabled individuals
	O .....	11	39	77	98	123	who return to work but still have the medical condition causing the disability.
	O .....	27	32	37	42	49	This proposal will eliminate the additional waiting period for medicare entitlement.
	O .....	22	26	32	37	45	This proposal will increase medicare coverage for outpatient psychiatric services.
Refugee Assistance.....	BA } .....	90	89	88	87	51	Reimbursement will be extended to States of welfare costs of Indochina refugees in the United States less than 3 years.
	O } .....						
Grants to States for social services.....	BA } .....	434	480	504	529	543	Proposals will include increasing the funding ceiling on social services, constraining growth of State and local training, and helping States revive and improve their foster care and adoption system.
	O } .....						
<b>Justice:</b>							
Law Enforcement Assistance Administra-	BA .....	546	546	546	546	546	Proposal would create an Office of Justice Assistance Research and
tion.	O .....	622	627	573	565	546	Statistics to provide support and coordination for civil and criminal research, to gather and disseminate statistics, and to administer several grant programs.
<b>Transportation:</b>							
Offshore oil pollution liability and com-	BA } .....	25	50	50	50	50	New proposal would establish a fund to the cost of cleanup and
pensation fund.	O } .....						damages resulting from oil spills.
Rail Service Assistance.....	BA .....	250	400	325	250	250	New proposal would give aid to railroads in the light of regulatory
	O .....	40	320	360	275	20	reform proposals and need for utility restructuring.
Aviation Trust Fund.....	BA .....	1,238	2,440	2,680	2,920	3,160	Funding levels of the trust fund programs will be expanded.
	O .....	1,148	2,296	2,564	2,796	3,056	
<b>Treasury:</b>							
Real wage insurance .....	BA .....	200					Groups of employees whose compensation increases are within the
	O .....	200					President's guidelines will be eligible for a tax credit. Credits in excess of tax liabilities will be recorded as outlays.
<b>Veterans:</b>							
Compensation and pensions.....	BA .....	498	954	1,376	1,706	1,972	Proposed legislation would provide cost of living increases to compensa-
	O .....	457	874	1,256	1,564	1,808	tion rates.

Footnotes at end of table.

Table 15. LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1980 BUDGET, PROJECTION OF <sup>1</sup> (in millions of dollars)—Continued

Agency	Estimate			Projection			Explanation
	1979	1980	1981	1982	1983	1984	
<b>Independent Agencies:</b>							
National Development Bank.....	BA .....	4 3,530	2,563	2,574	2,588	2,602	This new facility would provide loan guarantees, grants, interest subsidies, and other incentives to induce business to locate or remain in economically depressed areas.
	O .....	4 195	756	971	1,137	1,275	
Water Resources Council .....	BA .....	50	50	50	50	50	Grants to States would be extended for water management and grants for technical assistance and education about water conservation.
	O .....	35	44	50	50	50	
<b>Allowances:</b>							
Relatively small and unforeseen items.....	BA .....	2,000	2,000	2,000	2,000	2,000	
	O .....	1,000	2,500	2,250	2,250	2,000	

.... Less than 25 million.

<sup>1</sup> This table is supplied pursuant to the requirements of sec. 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510). Estimates are shown for individual programs that involve at least \$25 million in outlays a year over a period of years. They are not intended to predict future economic conditions; they do not reflect possible changes in the scope and quality of the proposal that might result from experience gained in actual practice; nor do they reflect in all cases possible reductions in the costs of other programs that may come about as a result of the adoption of the proposals. Further, the resources that might appropriately be applied in later years will require a reexamination of the relative priorities of these and other government programs in the light of economic and other circumstances then prevailing. Thus, the estimates do not represent a commitment as to the amounts to be included in future years.



Table 16. BUDGET RECEIPTS BY SOURCE, 1970-1980 (in millions of dollars)

Source	Actual									Estimate		
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
Individual income taxes.....	90,412	86,230	94,737	103,246	118,952	122,386	131,603	38,801	157,626	180,988	203,602	227,322
Corporation income taxes.....	32,829	26,785	32,166	36,153	38,620	40,621	41,409	8,460	54,892	59,952	70,307	70,987
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance.....	29,396	31,354	35,132	40,703	47,778	55,207	58,703	15,886	68,032	73,141	83,167	96,548
Disability insurance.....	4,063	4,490	4,775	5,381	6,147	7,250	7,686	2,130	8,786	12,250	14,585	16,723
Hospital insurance.....	4,755	4,874	5,205	7,603	10,556	11,258	11,995	3,459	13,484	16,680	19,918	23,341
Railroad retirement.....	919	980	1,008	1,189	1,411	1,489	1,525	328	1,908	1,822	2,079	2,539
Total employment taxes and con- tributions.....	39,133	41,699	46,120	54,876	65,892	75,204	79,909	21,803	92,210	103,893	119,749	139,151
Unemployment insurance.....	3,464	3,674	4,357	6,051	6,837	6,771	8,054	2,698	11,312	13,850	15,870	15,855
Contributions for other insurance and retirement:												
Supplementary medical insurance.....	936	1,253	1,340	1,427	1,704	1,901	1,937	539	2,193	2,431	2,650	2,909
Employees' retirement—employee contributions.....	1,735	1,916	2,058	2,146	2,302	2,513	2,760	707	2,915	3,174	3,454	3,472
Other retirement contributions.....	29	37	39	41	45	52	54	13	59	62	66	66
Total contributions for other insur- ance and retirement.....	2,701	3,205	3,437	3,614	4,051	4,466	4,752	1,259	5,167	5,668	6,170	6,447
Total social insurance taxes and contributions.....	45,298	48,578	53,914	64,542	76,780	86,441	92,714	25,760	108,688	123,410	141,789	161,453
Excise taxes:												
Federal funds:												
Alcohol.....	4,610	4,696	5,004	5,040	5,248	5,238	5,318	1,279	5,295	5,492	5,536	5,580
Tobacco.....	2,093	2,205	2,205	2,274	2,435	2,312	2,484	622	2,393	2,444	2,497	2,551



Other .....	3,649	3,609	2,297	2,522	2,060	1,850	2,810	620	1,960	2,118	1,373	992
Total Federal excise taxes .....	10,352	10,510	9,506	9,836	9,743	9,400	10,612	2,520	9,648	10,054	9,406	9,123
Trust funds:												
Highway .....	5,354	5,542	5,322	5,665	6,260	6,188	5,413	1,676	6,709	6,904	7,317	7,466
Airport and airway .....		563	649	758	840	962	938	277	1,191	1,326	1,436	1,617
Black lung disability insurance trust fund .....										92	236	249
Total trust excise taxes .....	5,354	6,104	5,971	6,424	7,100	7,151	6,351	1,953	7,900	8,323	8,989	9,332
Total excise taxes .....	15,705	16,614	15,477	16,260	16,844	16,551	16,963	4,473	17,548	18,376	18,395	18,455
Estate and gift taxes .....	3,644	3,735	5,436	4,917	5,035	4,611	5,216	1,455	7,327	5,285	5,686	6,011
Custom duties .....	2,430	2,591	3,287	3,188	3,334	3,676	4,074	1,212	5,150	6,573	7,517	8,447
Miscellaneous receipts:												
Deposit of earnings by Federal Reserve System .....	3,266	3,533	3,252	3,495	4,845	5,777	5,451	1,500	5,908	6,641	7,600	8,600
Other miscellaneous receipts .....	158	325	381	426	524	934	2,575	112	622	772	1,093	1,278
Total miscellaneous receipts <sup>1</sup> .....	3,424	3,858	3,633	3,921	5,369	6,711	8,026	1,612	6,531	7,413	8,693	9,878
Total budget receipts .....	193,743	188,392	208,649	232,225	264,932	280,997	300,006	81,773	357,762	401,997	455,989	502,553
<b>MEMORANDUM</b>												
Federal funds .....	143,158	133,785	148,846	161,357	181,219	187,505	201,099	54,085	241,312	270,484	306,135	332,798
Trust funds .....	59,362	66,193	72,959	92,193	104,846	118,590	133,695	32,071	152,763	168,012	189,496	212,208
Interfund transactions .....	-8,778	-11,586	-13,156	-21,325	-21,133	-25,098	-34,789	-4,383	-36,313	-36,498	-39,641	-42,452

<sup>1</sup> Includes both Federal and trust funds.

Table 17. BUDGET OUTLAYS BY FUNCTION, 1970-1980 (in millions of dollars)

Function	Actual								Estimate			
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
<b>050 National defense:</b>												
051 Department of Defense—Military:												
Military personnel .....	23,031	22,633	23,036	23,246	23,728	24,968	25,064	6,358	25,715	27,075	28,220	28,447
Retired military personnel .....	2,849	3,386	3,885	4,390	5,128	6,242	7,296	1,947	8,216	9,171	10,281	11,435
Operation and maintenance .....	21,609	20,941	21,675	21,069	22,478	26,297	27,837	7,232	30,587	33,578	35,905	38,690
Procurement .....	21,584	18,858	17,131	15,654	15,241	16,042	15,964	3,766	18,178	19,976	22,476	25,749
Research and development .....	7,166	7,303	7,881	8,157	8,582	8,866	8,923	2,206	9,795	10,508	11,726	13,015
Military construction and other <sup>1</sup> .....	831	1,351	1,468	707	2,393	2,486	2,809	370	3,065	2,734	3,292	5,364
Subtotal, 051 .....	77,070	74,472	75,076	73,223	77,550	84,900	87,891	21,880	95,557	103,042	111,900	122,700
053 Atomic energy defense activities...	1,415	1,385	1,373	1,409	1,486	1,506	1,565	435	1,936	2,070	2,509	2,968
054 Defense-related activities .....	72	-45	103	-88	-1,242	-850	-23	-9	-8	76	97	166
Deductions for offsetting receipts .....	-3	-3	-2	-4	-13	-4	-3	1	-*	-2	-3	-3
<b>Total national defense .....</b>	<b>78,553</b>	<b>75,808</b>	<b>76,550</b>	<b>74,541</b>	<b>77,781</b>	<b>85,552</b>	<b>89,430</b>	<b>22,307</b>	<b>97,501</b>	<b>105,186</b>	<b>114,503</b>	<b>125,830</b>
<b>150 International affairs:</b>												
151 Foreign economic and financial assistance .....	2,842	2,775	3,118	2,415	2,852	3,598	3,345	1,410	3,907	4,629	5,303	5,523
152 Military assistance .....	579	971	693	834	1,341	1,915	1,142	925	562	484	577	516
153 Conduct of foreign affairs .....	398	405	451	475	606	658	726	262	981	1,128	1,218	1,410
154 Foreign information and exchange activities .....	235	241	274	295	320	348	382	115	386	423	505	529
155 International financial programs .....	293	-245	205	97	617	505	73	-492	-914	-641	-193	314
Deductions for offsetting receipts .....	-50	-49	-50	-51	-56	-103	-115	-27	-108	-100	-97	-78
<b>Total international affairs .....</b>	<b>4,297</b>	<b>4,097</b>	<b>4,693</b>	<b>4,066</b>	<b>5,681</b>	<b>6,922</b>	<b>5,552</b>	<b>2,193</b>	<b>4,813</b>	<b>5,922</b>	<b>7,312</b>	<b>8,213</b>
<b>250 General science, space, and technology:</b>												
251 General science and basic research .....	947	1,009	979	961	1,017	1,038	1,035	292	1,078	1,160	1,300	1,403

253	Space flight .....	2,340	1,988	1,906	1,726	1,694	1,661	2,000	525	2,252	2,260	2,371	2,339
254	Space, science, applications, and technology .....	853	829	953	1,041	947	958	980	251	1,006	972	1,170	1,310
255	Supporting space activities .....	370	355	338	304	322	334	358	94	343	354	387	407
	Deductions for offsetting receipts.....	-4	-2	-2	-2	-3	-2	-3	-1	-2	-4	-2	-2
	<b>Total general science, space, and technology .....</b>	<b>4,507</b>	<b>4,180</b>	<b>4,173</b>	<b>4,030</b>	<b>3,977</b>	<b>3,989</b>	<b>4,370</b>	<b>1,161</b>	<b>4,677</b>	<b>4,742</b>	<b>5,226</b>	<b>5,457</b>
<b>270</b>	<b>Energy:</b>												
271	Energy supply .....	874	898	1,107	975	517	1,743	2,508	603	3,266	3,970	4,896	4,371
272	Energy conservation .....					3	48	51	38	143	221	490	660
274	Emergency energy preparedness .....						33	65	31	123	897	2,367	1,961
276	Energy information, policy, and regulation .....	142	155	207	231	331	389	558	147	664	798	974	969
	Deductions for offsetting receipts.....	-25	-23	-43	-26	-14	-43	-55	-25	-23	-25	-96	-84
	<b>Total energy .....</b>	<b>990</b>	<b>1,031</b>	<b>1,270</b>	<b>1,179</b>	<b>837</b>	<b>2,170</b>	<b>3,127</b>	<b>794</b>	<b>4,172</b>	<b>5,861</b>	<b>8,630</b>	<b>7,878</b>
<b>300</b>	<b>Natural resources and environ- ment:</b>												
301	Water resources .....	1,539	1,776	1,975	2,249	2,228	2,633	2,772	813	3,241	3,468	3,600	3,670
302	Conservation and land manage- ment .....	717	855	784	725	740	1,300	1,245	477	1,279	1,984	2,014	1,716
303	Recreational resources .....	372	476	521	566	665	825	895	256	1,014	1,439	1,460	1,394
304	Pollution control and abatement .....	384	702	764	1,122	2,035	2,523	3,067	1,091	4,279	3,964	4,083	4,673
306	Other natural resources .....	432	498	571	570	673	762	897	229	973	1,157	1,303	1,342
	Deductions for offsetting receipts.....	-384	-398	-380	-469	-672	-707	-752	-334	-786	-1,087	-1,252	-1,339
	<b>Total natural resources and en- vironment .....</b>	<b>3,061</b>	<b>3,909</b>	<b>4,235</b>	<b>4,763</b>	<b>5,670</b>	<b>7,335</b>	<b>8,124</b>	<b>2,532</b>	<b>10,000</b>	<b>10,925</b>	<b>11,207</b>	<b>11,456</b>
<b>350</b>	<b>Agriculture:</b>												
351	Farm income stabilization .....	4,589	3,651	4,553	4,099	1,458	785	1,574	343	4,485	6,588	4,920	3,049
352	Agricultural research and services .....	577	639	729	755	772	877	923	237	1,058	1,129	1,307	1,223

See footnotes at end of table.

Table 17. BUDGET OUTLAYS BY FUNCTION, 1970-1980 (in millions of dollars)—Continued

Function	Actual									Estimate		
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
Deductions for offsetting receipts.....	— 5	— 2	— 2	— 3	— 3	— 2	7	1	— 11	14	— 3	— 3
Total agriculture.....	5,161	4,288	5,280	4,852	2,227	1,659	2,504	581	5,532	7,731	6,224	4,269
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance.....	97	— 255	— 43	— 1,198	1,513	2,791	1,209	271	— 3,280	210	— 472	— 323
372 Postal Service.....	1,510	2,183	1,772	1,567	1,698	1,877	1,720	938	2,267	1,778	1,803	1,698
374 Federal Financing Bank.....	— 143								— 143			
376 Other advancement and regulation of commerce.....	508	490	493	562	721	944	868	183	1,115	1,342	1,637	2,016
Deductions for offsetting receipts.....	— 7	— 60	— 6	— 6	— 7	— 5	— 4	— *	— 4	— 5	— *	— *
Total commerce and housing credit.....	2,108	2,358	2,216	924	3,925	5,607	3,792	1,392	— 44	3,325	2,968	3,390
400 Transportation:												
401 Ground transportation.....	4,678	5,180	5,353	5,640	5,583	6,501	9,305	2,284	10,037	10,355	11,973	11,876
402 Air transportation.....	1,422	1,824	1,925	2,177	2,236	2,408	2,557	587	2,816	3,277	3,526	3,635
403 Water transportation.....	913	1,053	1,111	1,231	1,354	1,459	1,558	417	1,749	1,854	1,906	2,057
407 Other transportation.....	26	37	36	56	57	74	65	28	76	61	97	91
Deductions for offsetting receipts.....	— 33	— 43	— 37	— 39	— 57	— 55	— 48	— 11	— 42	— 102	— 53	— 50
Total transportation.....	7,006	8,050	8,388	9,065	9,172	10,388	13,435	3,304	14,636	15,444	17,449	17,609
450 Community and regional development:												
451 Community development.....	1,475	1,754	2,136	2,086	2,142	2,336	2,848	912	3,529	3,302	3,715	4,316
452 Area and regional development.....	636	735	868	883	1,175	972	1,355	323	2,124	4,850	4,062	2,473
453 Disaster relief and insurance.....	257	353	396	1,580	782	398	522	111	649	2,871	1,305	510
Deductions for offsetting receipts.....	— 9	— 9	— 11	— 12	— 19	— 17	— 15	— 6	— 16	— 23	— 19	— 19

<b>Total community and regional development.....</b>		<b>2,360</b>	<b>2,833</b>	<b>3,388</b>	<b>4,537</b>	<b>4,080</b>	<b>3,689</b>	<b>4,709</b>	<b>1,340</b>	<b>6,286</b>	<b>11,000</b>	<b>9,063</b>	<b>7,281</b>
<b>500 Education, training, employment, and social services:</b>													
501	Elementary, secondary, and vocational education.....	3,107	3,544	3,962	3,745	3,771	4,634	4,690	1,207	5,078	5,686	6,517	7,106
502	Higher education.....	1,385	1,433	1,447	1,532	1,349	2,050	2,663	739	3,104	3,486	4,873	4,887
503	Research and general education aids.....	515	513	516	661	860	947	774	186	927	1,082	1,272	1,330
504	Training and employment.....	1,602	1,952	2,894	3,283	2,910	4,063	6,288	1,912	6,877	10,784	11,729	11,002
505	Other labor services.....	135	157	184	202	219	259	301	83	374	410	520	525
506	Social services.....	1,884	2,243	3,519	3,315	3,241	3,923	4,026	1,036	4,632	5,027	5,757	5,372
<b>Deductions for offsetting receipts.....</b>		<b>-3</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-5</b>	<b>-5</b>	<b>-5</b>	<b>-1</b>	<b>-7</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>
<b>Total education, training, employment, and social services.....</b>		<b>8,625</b>	<b>9,839</b>	<b>12,519</b>	<b>12,735</b>	<b>12,344</b>	<b>15,870</b>	<b>18,737</b>	<b>5,162</b>	<b>20,985</b>	<b>26,463</b>	<b>30,656</b>	<b>30,210</b>
<b>550 Health:</b>													
551	Health care services.....	11,142	12,641	15,024	16,005	19,053	24,242	29,448	7,743	34,524	39,103	44,494	48,462
552	Health research.....	1,054	1,119	1,338	1,566	1,652	1,923	2,341	536	2,543	2,822	3,029	3,365
553	Education and training of health care work force.....	633	681	747	858	844	856	982	275	981	930	704	623
554	Consumer and occupational health and safety.....	226	277	360	406	529	632	685	168	747	838	925	943
<b>Deductions for offsetting receipts.....</b>		<b>-6</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-6</b>	<b>-5</b>	<b>-8</b>	<b>-1</b>	<b>-10</b>	<b>-18</b>	<b>-15</b>	<b>-14</b>
<b>Total health.....</b>		<b>13,051</b>	<b>14,716</b>	<b>17,467</b>	<b>18,832</b>	<b>22,073</b>	<b>27,648</b>	<b>33,448</b>	<b>8,721</b>	<b>38,785</b>	<b>43,676</b>	<b>49,136</b>	<b>53,379</b>
<b>600 Income security:</b>													
601	General retirement and disability insurance:												
	Social security.....	29,685	35,247	39,409	48,288	54,936	63,648	72,664	19,763	83,861	92,242	102,323	115,237
	Other.....	1,618	2,238	2,557	3,396	3,678	5,734	4,508	1,166	4,781	5,015	5,581	5,987
<b>Subtotal, 601.....</b>		<b>31,303</b>	<b>37,485</b>	<b>41,966</b>	<b>51,684</b>	<b>58,614</b>	<b>69,382</b>	<b>77,172</b>	<b>20,929</b>	<b>88,642</b>	<b>97,257</b>	<b>107,903</b>	<b>121,224</b>

See footnotes at end of table.

Table 17. BUDGET OUTLAYS BY FUNCTION, 1970-1980 (in millions of dollars)—Continued

Function	Actual								Estimate			
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
602 Federal employee retirement and disability.....	2,689	3,192	3,790	4,502	5,645	6,980	8,174	2,319	9,503	10,665	12,368	14,127
603 Unemployment compensation.....	3,364	6,168	7,076	5,356	6,065	13,459	19,452	3,994	15,258	11,769	10,296	12,410
604 Public assistance and other income supplements.....	5,719	8,583	11,083	11,425	14,114	18,790	22,615	5,555	24,512	26,521	28,300	31,360
Deductions for offsetting receipts.....	-2	-2	-2	-2	-1	-1	-1	-*	*	*	-*	-*
<b>Total income security.....</b>	<b>43,073</b>	<b>55,426</b>	<b>63,913</b>	<b>72,965</b>	<b>84,437</b>	<b>108,610</b>	<b>127,412</b>	<b>32,797</b>	<b>137,915</b>	<b>146,212</b>	<b>158,867</b>	<b>179,120</b>
<b>700 Veterans benefits and services:</b>												
701 Income security for veterans.....	5,546	5,966	6,344	6,533	6,789	7,860	8,350	2,082	9,216	9,745	10,918	11,955
702 Veterans education, training, and rehabilitation.....	1,015	1,659	1,960	2,801	3,249	4,593	5,531	784	3,710	3,365	2,701	2,241
703 Hospital and medical care for veterans.....	1,800	2,036	2,425	2,711	3,006	3,665	4,046	1,039	4,708	5,254	5,918	5,842
704 Veterans housing.....	54	-179	-317	-381	-15	24	-72	-50	-145	28	106	-215
705 Other veterans benefits and services.....	263	296	320	350	359	458	578	110	549	585	689	642
Deductions for offsetting receipts.....	-2	-2	-2	-2	-2	-2	-2	-1	-1	-3	-3	-3
<b>Total veterans benefits and services.....</b>	<b>8,677</b>	<b>9,776</b>	<b>10,730</b>	<b>12,013</b>	<b>13,386</b>	<b>16,597</b>	<b>18,432</b>	<b>3,962</b>	<b>18,038</b>	<b>18,974</b>	<b>20,329</b>	<b>20,461</b>
<b>750 Administration of justice:</b>												
751 Federal law enforcement activities	570	691	810	984	1,091	1,349	1,498	407	1,673	1,831	2,071	2,072
752 Federal litigative and judicial activities.....	245	287	347	390	426	549	697	213	842	943	1,189	1,328
753 Federal correctional activities.....	79	94	115	140	179	200	208	57	240	307	367	377
754 Criminal justice assistance.....	65	233	380	624	770	853	921	213	847	729	733	622
Deductions for offsetting receipts.....	-6	-6	-2	-7	-5	-9	-4	-31	-2	-8	-10	-10
<b>Total administration of justice ..</b>	<b>952</b>	<b>1,299</b>	<b>1,650</b>	<b>2,131</b>	<b>2,462</b>	<b>2,942</b>	<b>3,320</b>	<b>859</b>	<b>3,600</b>	<b>3,802</b>	<b>4,351</b>	<b>4,388</b>

<b>800 General government:</b>												
801 Legislative functions .....	300	337	400	433	516	588	673	181	841	900	1,022	1,064
802 Executive direction and management.....	30	38	59	71	117	63	68	16	76	73	89	91
803 Central fiscal operations .....	934	1,013	1,183	1,209	1,329	1,752	1,819	435	1,947	2,124	2,438	2,485
804 General property and records management.....	616	637	719	910	1,030	418	95	67	141	214	304	226
805 Central personnel management .....	44	51	57	66	74	88	107	25	100	129	135	140
806 Other general government.....	152	211	206	215	419	472	454	228	455	523	606	538
Deductions for offsetting receipts.....	-188	-185	-174	-278	-189	-199	-210	-70	-186	-188	-182	-133
<b>Total general government .....</b>	<b>1,888</b>	<b>2,104</b>	<b>2,449</b>	<b>2,626</b>	<b>3,296</b>	<b>3,182</b>	<b>3,006</b>	<b>883</b>	<b>3,374</b>	<b>3,777</b>	<b>4,413</b>	<b>4,412</b>
<b>850 General purpose fiscal assistance:</b>												
851 General revenue sharing .....				6,636	6,106	6,130	6,240	1,588	6,762	6,830	6,860	6,869
852 Other general purpose fiscal assistance.....	536	535	673	715	784	1,057	994	504	2,737	2,772	2,077	1,945
<b>Total general purpose fiscal assistance.....</b>	<b>536</b>	<b>535</b>	<b>673</b>	<b>7,351</b>	<b>6,890</b>	<b>7,187</b>	<b>7,235</b>	<b>2,092</b>	<b>9,499</b>	<b>9,601</b>	<b>8,936</b>	<b>8,814</b>
<b>900 Interest:</b>												
901 Interest on the public debt .....	19,304	20,959	21,849	24,167	29,319	32,665	37,063	8,102	41,900	48,695	59,800	65,700
902 Other interest .....	-994	-1,357	-1,286	-1,385	-1,287	-1,754	-2,552	-885	-3,891	-4,729	-7,034	-8,678
<b>Total interest .....</b>	<b>18,309</b>	<b>19,602</b>	<b>20,563</b>	<b>22,782</b>	<b>28,032</b>	<b>30,911</b>	<b>34,511</b>	<b>7,216</b>	<b>38,009</b>	<b>43,966</b>	<b>52,766</b>	<b>57,022</b>
<b>Allowances:</b>												
Civilian agency pay raises .....												898
Contingencies for:												
Relatively uncontrollable programs.....												
Other requirements .....												500
<b>Total allowances.....</b>												<b>1,398</b>

See footnotes at end of table.

Table 17. BUDGET OUTLAYS BY FUNCTION, 1970-1980 (in millions of dollars)—Continued

Function	Actual									Estimate		
	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980
<b>950 Undistributed offsetting receipts:</b>												
951 Employer share, employee retirement.....	-2,444	-2,611	-2,768	-2,927	-3,319	-3,980	-4,242	-985	-4,548	-4,983	-5,388	-5,482
952 Interest received by trust funds.....	-3,936	-4,765	-5,089	-5,436	-6,583	-7,667	-7,800	-270	-8,131	-8,530	-9,782	-10,940
953 Rents and royalties on the Outer Continental Shelf.....	-187	-1,051	-279	-3,956	-6,748	-2,428	-2,662	-1,311	-2,374	-2,259	-3,500	-2,600
<b>Total undistributed offsetting receipts.....</b>	<b>-6,567</b>	<b>-8,427</b>	<b>-8,137</b>	<b>-12,318</b>	<b>-16,651</b>	<b>-14,075</b>	<b>-14,704</b>	<b>-2,567</b>	<b>-15,053</b>	<b>-15,772</b>	<b>-18,670</b>	<b>-19,021</b>
<b>Total budget outlays.....</b>	<b>196,588</b>	<b>211,425</b>	<b>232,021</b>	<b>247,074</b>	<b>269,620</b>	<b>326,185</b>	<b>366,439</b>	<b>94,729</b>	<b>402,725</b>	<b>450,836</b>	<b>493,368</b>	<b>531,566</b>
<b>MEMORANDUM</b>												
Federal Funds.....	156,300	163,651	178,110	186,951	199,918	240,115	269,943	65,089	295,772	332,016	361,315	381,844
Trust Funds.....	49,066	59,360	67,067	81,448	90,835	111,168	131,286	34,023	143,267	155,318	171,694	192,175
Interfund transactions.....	-8,778	-11,586	-13,156	-21,325	-21,133	-25,098	-34,789	-4,383	-36,313	-36,498	-39,641	-42,452
<b>OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES<sup>2</sup></b>												
<b>270 Energy:</b>												
271 Energy supply.....				51	484	477	213	-80	394	62		
<b>Total energy.....</b>				<b>51</b>	<b>484</b>	<b>477</b>	<b>213</b>	<b>-80</b>	<b>394</b>	<b>62</b>		
<b>370 Commerce and housing credit:</b>												
372 Postal Service.....					773	1,112	1,085	-726	-173	-496	349	529
374 Federal Financing Bank.....					102	6,355	5,863	2,564	8,201	10,614	11,477	11,288



<i>Total commerce and housing credit</i> .....				<u>875</u>	<u>7,468</u>	<u>6,949</u>	<u>1,838</u>	<u>8,028</u>	<u>10,118</u>	<u>11,826</u>	<u>11,817</u>
400 <i>Transportation:</i>											
401 <i>Ground transportation</i> .....					<u>34</u>	<u>52</u>	<u>11</u>	<u>219</u>	<u>66</u>	<u>63</u>	<u>27</u>
<i>Total transportation</i> .....					<u>34</u>	<u>52</u>	<u>11</u>	<u>219</u>	<u>66</u>	<u>63</u>	<u>27</u>
450 <i>Community and regional development:</i>											
452 <i>Area and regional development</i> .....				<u>9</u>	<u>88</u>	<u>110</u>	<u>93</u>	<u>17</u>	<u>59</u>	<u>113</u>	<u>124</u>
<i>Total community and regional development</i> .....				<u>9</u>	<u>88</u>	<u>110</u>	<u>93</u>	<u>17</u>	<u>59</u>	<u>113</u>	<u>124</u>
600 <i>Income security:</i>											
601 <i>General retirement and disability insurance</i> .....						<u>-34</u>	<u>-22</u>	<u>-*</u>	<u>-16</u>	<u>-32</u>	<u>-24</u>
<i>Total income security</i> .....						<u>-34</u>	<u>-22</u>	<u>-*</u>	<u>-16</u>	<u>-32</u>	<u>-24</u>
<i>Total outlays of off-budget Federal entities</i> .....				<u>60</u>	<u>1,447</u>	<u>8,054</u>	<u>7,285</u>	<u>1,785</u>	<u>8,684</u>	<u>10,327</u>	<u>11,990</u>
<i>Total outlays including off-budget Federal entities</i> .....				<u>196,588</u>	<u>211,425</u>	<u>232,021</u>	<u>247,134</u>	<u>271,067</u>	<u>334,239</u>	<u>373,724</u>	<u>96,514</u>
									<u>411,409</u>	<u>461,163</u>	<u>505,357</u>
										<u>543,523</u>	

\* \$500 thousand or less.

<sup>1</sup> Includes allowances for civilian and military pay raises for Department of Defense.<sup>2</sup> Off-budget entities begin in 1973.

Table 18. FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1969-80 (in billions of dollars)

Description	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
<b>RECEIPTS, NATIONAL INCOME BASIS</b>												
Personal taxes and nontax receipts.....	90.0	93.6	87.5	100.3	107.3	122.6	127.1	136.9	165.9	186.3	206.6	236.4
Corporate profits tax accruals.....	37.0	33.0	32.0	34.2	41.0	43.7	42.1	51.9	58.8	67.2	76.9	78.2
Indirect business tax and nontax accruals...	18.6	19.2	20.0	19.9	20.7	21.4	22.2	24.2	24.5	27.2	29.0	30.4
Contributions for social insurance.....	44.5	49.2	52.9	59.1	71.5	84.2	92.1	100.9	116.1	133.1	151.8	168.8
<b>Total receipts, national income basis.....</b>	<b>190.1</b>	<b>194.9</b>	<b>192.5</b>	<b>213.5</b>	<b>240.5</b>	<b>271.8</b>	<b>283.5</b>	<b>313.9</b>	<b>365.3</b>	<b>413.8</b>	<b>464.3</b>	<b>513.8</b>
<b>EXPENDITURES, NATIONAL INCOME BASIS</b>												
Purchases of goods and services.....	98.0	97.0	94.8	100.9	101.7	104.6	118.0	126.2	140.7	151.1	166.0	178.2
Defense.....	(76.1)	(75.3)	(72.1)	(72.5)	(73.3)	(74.1)	(80.3)	(85.5)	(92.3)	(98.1)	(105.1)	(115.4)
Nondefense.....	(21.9)	(21.7)	(22.7)	(28.4)	(28.4)	(30.5)	(37.6)	(40.7)	(48.4)	(53.0)	(60.9)	(62.8)
Transfer payments.....	50.9	57.0	70.1	78.9	89.7	104.7	134.3	156.5	169.6	181.8	200.2	226.4
Domestic ("to persons").....	(48.7)	(55.0)	(67.7)	(76.1)	(87.1)	(101.7)	(131.2)	(153.5)	(166.4)	(178.4)	(196.6)	(222.5)
Foreign.....	(2.2)	(2.0)	(2.3)	(2.8)	(2.7)	(3.0)	(3.1)	(3.0)	(3.2)	(3.4)	(3.6)	(3.9)
Grants-in-aid to State and local governments.....	19.2	22.6	26.8	32.6	40.4	41.6	48.4	57.5	66.2	74.6	78.2	78.9
Net interest paid.....	12.1	13.6	14.2	14.1	15.9	19.8	21.9	25.2	28.4	33.7	41.6	45.2
Subsidies less current surplus of Government enterprises.....	4.6	5.4	6.8	6.4	9.1	8.0	5.7	6.1	7.0	9.4	10.3	10.5
Wage disbursements less accruals.....	.....	-.1	.1	.....	-.5	.2	.4	.....	.....	-*	*	.....
<b>Total expenditures, national income basis.....</b>	<b>184.7</b>	<b>195.6</b>	<b>212.7</b>	<b>232.9</b>	<b>256.2</b>	<b>278.8</b>	<b>328.7</b>	<b>371.5</b>	<b>412.0</b>	<b>450.6</b>	<b>496.3</b>	<b>539.2</b>
<b>Excess of receipts (+) or expenditures (-), national income basis.....</b>	<b>+ 5.4</b>	<b>-.6</b>	<b>-20.2</b>	<b>-19.5</b>	<b>-15.7</b>	<b>-7.0</b>	<b>-45.3</b>	<b>-57.6</b>	<b>-46.7</b>	<b>-36.8</b>	<b>-32.0</b>	<b>-25.4</b>

Note.—Excludes the transition quarter.    \*\$50 million or less.

Table 19. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958-82 (dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts <sup>1</sup>		Outlays <sup>1</sup>						Federal debt, end of year			
		Amount	Percent of GNP	Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
				Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958.....	442.1	79.6	18.0	82.6	18.7	.....	.....	82.6	18.7	279.7	63.3	226.4	51.2
1959.....	473.3	79.2	16.7	92.1	19.5	.....	.....	92.1	19.5	287.8	60.8	235.0	49.7
1960.....	497.3	92.5	18.6	92.2	18.5	.....	.....	92.2	18.5	290.9	58.5	237.2	47.7
1961.....	508.3	94.4	18.6	97.8	19.2	.....	.....	97.8	19.2	292.9	57.6	238.6	46.9
1962.....	546.9	99.7	18.2	106.8	19.5	.....	.....	106.8	19.5	303.3	55.5	248.4	45.4
1963.....	576.3	106.6	18.5	111.3	19.3	.....	.....	111.3	19.3	310.8	53.9	254.5	44.2
1964.....	616.2	112.7	18.3	118.6	19.2	.....	.....	118.6	19.2	316.8	51.4	257.6	41.8
1965.....	657.1	116.8	17.8	118.4	18.0	.....	.....	118.4	18.0	323.2	49.2	261.6	39.8
1966.....	721.1	130.9	18.1	134.7	18.7	.....	.....	134.7	18.7	329.5	45.7	264.7	36.7
1967.....	774.4	149.6	19.3	158.3	20.4	.....	.....	158.3	20.4	341.3	44.1	267.5	34.5
1968.....	829.9	153.7	18.5	178.8	21.5	.....	.....	178.8	21.5	369.8	44.6	290.6	35.0
1969.....	903.7	187.8	20.8	184.5	20.4	.....	.....	184.5	20.4	367.1	40.6	279.5	30.9
1970.....	959.0	193.7	20.2	196.6	20.5	.....	.....	196.6	20.5	382.6	39.9	284.9	29.7
1971.....	1,019.3	188.4	18.5	211.4	20.7	.....	.....	211.4	20.7	409.5	40.2	304.3	29.9
1972.....	1,110.5	208.6	18.8	232.0	20.9	.....	.....	232.0	20.9	437.3	39.4	323.8	29.2
1973.....	1,237.5	232.2	18.8	247.1	20.0	.1	*	247.1	20.0	468.4	37.9	343.0	27.7
1974.....	1,359.2	264.9	19.5	269.6	19.8	1.4	.1	271.1	19.9	486.2	35.8	346.1	25.5
1975.....	1,457.3	281.0	19.3	326.2	22.4	8.1	.6	334.2	22.9	544.1	37.3	396.9	27.2
1976.....	1,621.7	300.0	18.5	366.4	22.6	7.3	.5	373.7	23.1	631.9	39.0	480.3	29.6
1977.....	1,834.0	357.8	19.5	402.7	22.0	8.7	.5	411.4	22.5	709.1	38.7	551.8	30.1
1978.....	2,043.4	402.0	19.7	450.8	22.1	10.3	.5	461.2	22.6	780.4	38.2	610.9	29.9
1979 estimate.....	2,289.4	456.0	19.9	493.4	21.6	12.0	.5	505.4	22.1	839.2	36.7	650.9	28.4
1980 estimate.....	2,505.7	502.6	20.1	531.6	21.2	12.0	.5	543.5	21.7	899.0	35.9	689.9	27.5
1981 estimate.....	2,758.6	576.8	20.9	578.0	21.0	11.5	.4	589.5	21.4	940.3	34.1	701.9	25.4
1982 estimate.....	3,025.2	652.6	21.6	614.9	20.3	11.1	.4	626.0	20.7	951.9	31.5	674.3	22.3

\* 0.05% or less.

<sup>1</sup> See footnotes to Table 1 for changes in budget coverage.

Table 20. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1958-1982 (in billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
	Total outlays	National defense	Nondefense				Total outlays	National defense	Nondefense			
			Total non- defense	Payments for individuals	Net interest	All other			Total non- defense	Payments for individuals	Net interest	All other
1958.....	82.6	43.7	38.9	19.4	5.6	13.8	141.9	74.0	67.9	28.0	16.2	23.7
1959.....	92.1	46.0	46.1	21.2	5.8	19.2	153.9	75.3	78.6	30.1	16.5	32.0
1960.....	92.2	45.2	47.1	22.9	6.9	17.2	150.8	73.8	77.0	32.1	16.3	28.6
1961.....	97.8	46.6	51.2	25.9	6.7	18.6	157.1	74.8	82.2	35.8	16.2	30.2
1962.....	106.8	49.0	57.8	27.1	6.9	23.8	168.7	77.2	91.5	37.1	16.6	37.8
1963.....	111.3	50.1	61.2	28.7	7.7	24.8	170.7	76.8	93.9	38.8	16.8	38.3
1964.....	118.6	51.5	67.1	29.8	8.2	29.1	177.4	77.0	100.4	39.7	16.7	44.0
1965.....	118.4	47.5	71.0	30.5	8.6	31.9	173.3	69.3	103.9	40.1	16.7	47.2
1966.....	134.7	54.9	79.8	34.3	9.4	36.1	187.9	76.3	111.6	44.2	16.4	50.9
1967.....	158.3	68.2	90.0	40.1	10.3	39.7	212.1	92.0	120.1	50.1	16.1	53.8
1968.....	178.8	78.8	100.1	46.0	11.1	43.0	229.5	101.4	128.1	55.6	16.9	55.6
1969.....	184.5	79.4	105.1	52.8	12.7	39.6	223.1	97.9	125.3	60.9	15.5	48.8
1970.....	196.6	78.6	118.0	59.8	14.4	43.9	220.8	90.3	130.5	65.1	15.0	50.4
1971.....	211.4	75.8	135.6	74.6	14.8	46.2	223.0	81.2	141.8	77.2	15.2	49.4
1972.....	232.0	76.6	155.5	85.3	15.5	54.7	232.0	76.6	155.5	85.3	15.5	54.7
1973.....	247.1	74.5	172.5	95.9	17.3	59.3	233.2	70.0	163.2	92.2	15.4	55.6
1974.....	269.6	77.8	191.8	111.1	21.4	59.3	231.9	67.9	164.0	98.0	14.3	51.6
1975.....	326.2	85.6	240.6	142.7	23.2	74.7	253.5	67.1	186.4	113.3	14.6	58.4
1976.....	366.4	89.4	277.0	167.4	26.7	82.9	266.6	65.6	201.0	124.2	16.4	60.4
1977.....	402.7	97.5	305.2	182.6	29.9	92.7	272.7	66.7	206.0	126.0	17.4	62.6
1978.....	450.8	105.2	345.6	195.4	35.4	114.9	283.2	67.3	216.0	125.9	17.8	72.3
1979 estimate.....	493.4	114.5	378.9	213.2	43.0	122.6	284.1	68.3	215.9	126.6	17.5	71.7
1980 estimate.....	531.6	125.8	405.7	237.7	46.1	121.9	286.2	70.4	215.9	132.0	17.2	66.7
1981 estimate.....	578.0	137.0	440.9	258.0	46.7	136.2	294.2	72.5	221.7	135.1	16.2	70.4
1982 estimate.....	614.9	148.2	466.7	276.8	45.0	144.8	299.9	74.7	225.1	138.4	15.5	71.3

Table 21. BUDGET RECEIPTS AND OUTLAYS, 1789-1982 (in millions of dollars)

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (-)	Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (-)
1789-1849 .....	1,160	1,090	+ 70	1958.....	79,636	82,575	- 2,939
1850-1900 .....	14,462	15,453	- 991	1959.....	79,249	92,104	-12,855
1901-1905 .....	2,797	2,678	+ 119	1960.....	92,492	92,223	+ 269
1906-1910 .....	3,143	3,196	- 52	1961.....	94,389	97,795	- 3,406
1911-1915 .....	3,517	3,568	- 49	1962.....	99,676	106,813	- 7,137
1916-1920 .....	17,286	40,195	-22,909	1963.....	106,560	111,311	- 4,751
1921.....	5,571	5,062	+ 509	1964.....	112,662	118,584	- 5,922
1922.....	4,026	3,289	+ 736	1965.....	116,833	118,430	- 1,596
1923.....	3,853	3,140	+ 713	1966.....	130,856	134,652	- 3,796
1924.....	3,871	2,908	+ 963	1967.....	149,552	158,254	- 8,702
1925.....	3,641	2,924	+ 717	1968.....	153,671	178,833	-25,161
1926.....	3,795	2,930	+ 865	1969.....	187,784	184,548	+ 3,236
1927.....	4,013	2,857	+ 1,155	1970.....	193,743	196,588	- 2,845
1928.....	3,900	2,961	+ 939	1971.....	188,392	211,425	-23,033
1929.....	3,862	3,127	+ 734	1972.....	208,649	232,021	-23,373
1930.....	4,058	3,320	+ 738	1973.....	232,225	247,074	-14,849
1931.....	3,116	3,577	- 462	1974.....	264,932	269,620	- 4,688
1932.....	1,924	4,659	- 2,735	1975.....	280,997	326,185	-45,188
1933.....	1,997	4,598	- 2,602	1976.....	300,005	366,439	-66,434
1934.....	3,015	6,645	- 3,630	TQ.....	81,773	94,729	-12,956
1935.....	3,706	6,497	- 2,791	1977.....	357,762	402,725	-44,963
1936.....	3,997	8,422	- 4,425	1978.....	401,997	450,836	-48,839
1937.....	4,956	7,733	- 2,777	1979 est.....	455,989	493,368	- 37,379
1938.....	5,588	6,765	- 1,177	1980 est.....	502,553	531,566	- 29,013
1939.....	4,979	8,841	- 3,862	1981 est.....	576,757	577,973	- 1,216
1940.....	6,361	9,456	- 3,095	1982 est.....	652,629	614,870	37,758
1941.....	8,621	13,634	- 5,013	<i>Totals, including outlays of off-budget Federal entities</i>			
1942.....	14,350	35,114	-20,764	Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total Budget surplus or deficit (-)
1943.....	23,649	78,533	- 54,884	1973.....	60	247,134	- 14,908
1944.....	44,276	91,280	-47,004	1974.....	1,447	271,067	- 6,135
1945.....	45,216	92,690	-47,474	1975.....	8,054	334,239	-53,242
1946.....	39,327	55,183	-15,856	1976.....	7,285	373,724	-73,719
1947.....	38,394	34,532	+ 3,862	TQ.....	1,785	96,514	-14,741
1948.....	41,774	29,773	+12,001	1977.....	8,684	411,409	-53,647
1949.....	39,437	38,834	+ 603	1978.....	10,327	461,163	-59,166
1950.....	39,485	42,597	- 3,112	1979 est.....	11,990	505,357	-49,368
1951.....	51,646	45,546	+ 6,100	1980 est.....	11,956	543,523	-40,969
1952.....	66,204	67,721	- 1,517	1981 est.....	11,501	589,474	-12,717
1953.....	69,574	76,107	- 6,533	1982 est.....	11,096	615,966	26,662
1954.....	69,719	70,890	- 1,170				
1955.....	65,469	68,509	- 3,041				
1956.....	74,547	70,460	+ 4,087				
1957.....	79,990	76,741	+ 3,249				

Data for 1789-1939 are for the administrative budget; 1940-1980 are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1-June 30 basis to an Oct. 1-Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Off-budget Federal entity outlays begin in 1973.

See footnotes to Table 1 for changes in budget coverage.

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