97th Congress, 2nd Session ----- House Document No. 97–124

Budget of the United States Government

Fiscal Year 1983

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THE BUDGET DOCUMENTS

Budget of the United States Government, 1983 contains the Budget Message of the President and presents an overview of the President's budget proposals. It 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.

United States Budget in Brief, 1983 is designed for use by the general public. It provides a more concise, less technical overview of the 1983 budget than the above volume. Summary and historical tables on the Federal budget and debt are also provided, together with graphic displays.

Budget of the United States Government, 1983—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, new legislative proposals, 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 are presented separately. Information is also provided on certain activities whose outlays are not part of the budget totals.

Special analyses previously published in the Special Analyses volume of the Budget may be purchased individually.

Major Themes and Additional Budget Details, a supplementary report to the budget documents, highlights the ways in which the 1983 Budget implements major themes of the President's program and describes specific programmatic changes and their effects.

Instructions for purchasing copies of any of these materials are on the preceding two pages of this volume.

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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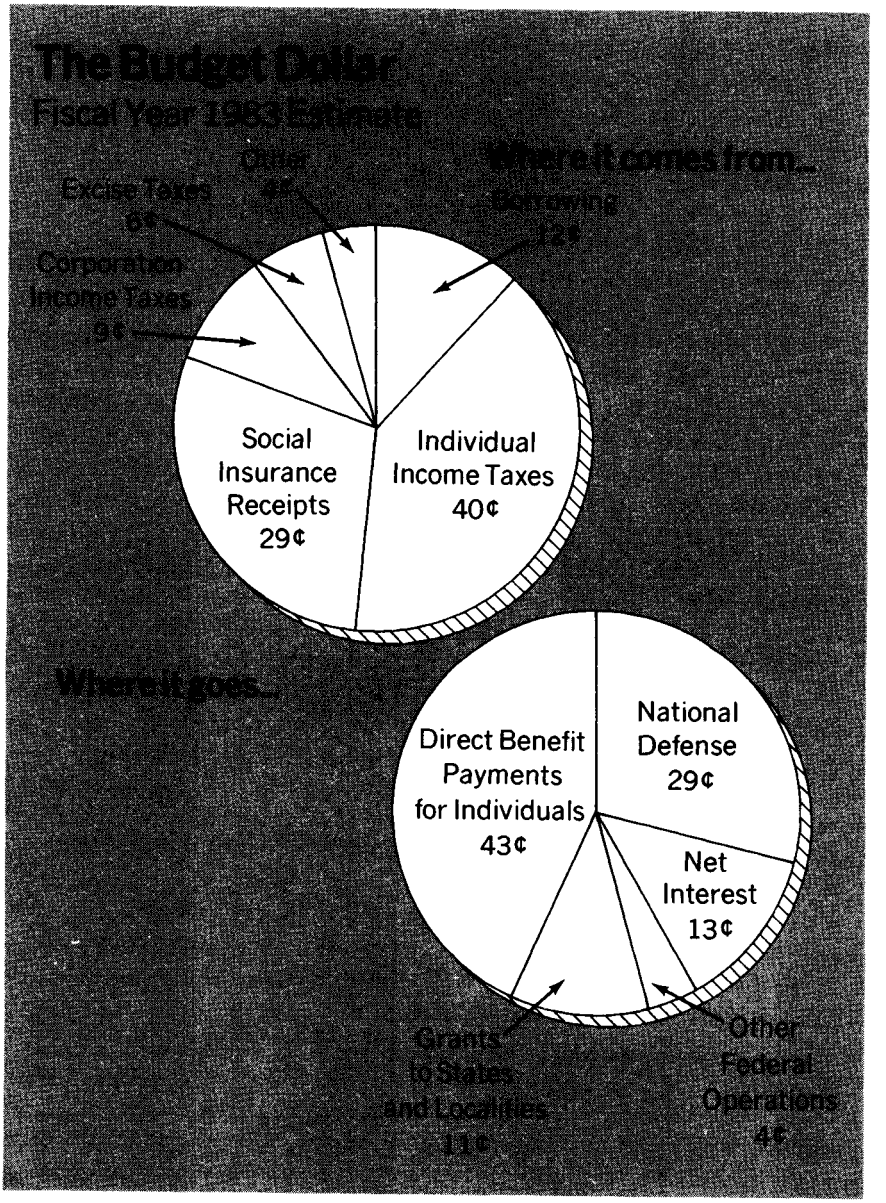

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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

One year ago, in my first address to the country, I went before the American people to report on the condition of our economy. It was not a happy occasion.

Inflation, interest, and unemployment rates were at painfully high levels, while real growth, job creation, new investment, personal savings, and productivity gains had virtually ceased. Our economy was staggering under the burden of excessive tax rates, double-digit inflation, runaway Government spending, counter-productive regulations, and uneven money supply growth. The economy, I declared, was in the "worst mess" in half a century.

To our great good fortune, there were many in the Congress who understood the nature of our difficulties and who rose with us to meet the challenge. Fundamental and long-overdue remedies were proposed and put in place. Together, we enacted the biggest spending and tax reductions in history. Counter-productive regulations have been swept away, and the Federal Reserve has taken action to bring excessive monetary growth under control.

The first year of the 97th Congress will be remembered for its decisive action to hold down spending and cut tax rates. Today, the question before us is whether the second year of this Congress will bring forward equal determination, courage, and wisdom. Clearly, there is a great deal more to be done.

Some seek instant relief from the economic problems we face. There is no such panacea. Our program began October 1, and it cannot solve in 4 months problems that have been building for more than 4 decades. All the quick fixes tried in the past not only failed to solve but actually aggravated our economic difficulties. They simply ensured a new cycle of boom and bust, of exaggerated hopes and eventual disappointment.

We did not promise the American people a miracle. We did promise them progress, and progress they will get.

Our goal was and remains economic recovery—the return of non-inflationary and sustained prosperity. We seek a larger economic pie to provide all Americans more jobs, more after-tax income, and a better life. Quick fixes won't get us there.

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What will get us there is firm resolve and unwavering adherence to the four fundamentals of our economic recovery program that I outlined to the Congress 1 year ago:

- Reducing personal and business taxes to stimulate saving, investment, work effort, and productivity.
- Reducing the growth of overall Federal spending by eliminating Federal activities that overstep the proper sphere of Federal Government responsibilities.
- Reducing the Federal regulatory burden in areas where the Federal Government intrudes unnecessarily into our private lives or interferes unnecessarily with the efficient conduct of private business or of State or local government.
- Supporting a moderate and steady monetary policy, to bring inflation under control.

At the same time, I have proposed strengthening the Nation's defenses, to restore our margin of safety and counter the Soviet military buildup.

Congressional response to these proposals has been positive and gratifying. While much remains to be done, we have made a good beginning.

The Nation's fiscal policy is now firmly embarked on a new, sound, and sustainable course. For the first time in 2 decades, the destructive pattern of runaway spending, rising tax rates, and expanding budgetary commitments has been slowed, and with the cooperation of the Congress this year, will finally be broken.

- Where the growth rate of spending had soared to 17.4% in 1980, it is now declining dramatically—to 10.4% this year, and, under the budget I am submitting, to 4.5% next year.
- Where budget growth totaled $166 billion from 1979 to 1981, spending will rise by only 60% of that amount from 1981 to 1983, despite cost-of-living adjustments and the needed defense buildup.
- After having reached 23% of GNP in 1981, the Federal Government's claim on our economy will steadily recede—to 22% in 1983 and to below 20% by 1987.
- After a decade of tax-flation in which fiscal and monetary excess fueled the unrelenting rise of prices and the automatic increase of taxes, significant tax rate reductions have been enacted. A permanent safeguard against bracket creep and Government profiteering on inflation—income tax indexing—has also been created.
- Where Government had passively tolerated the swift, continuous growth of automatic entitlements and had actively shortchanged the national security, a long-overdue reordering of priorities has begun, entitlement growth is being checked, and the restoration of our defenses is underway.

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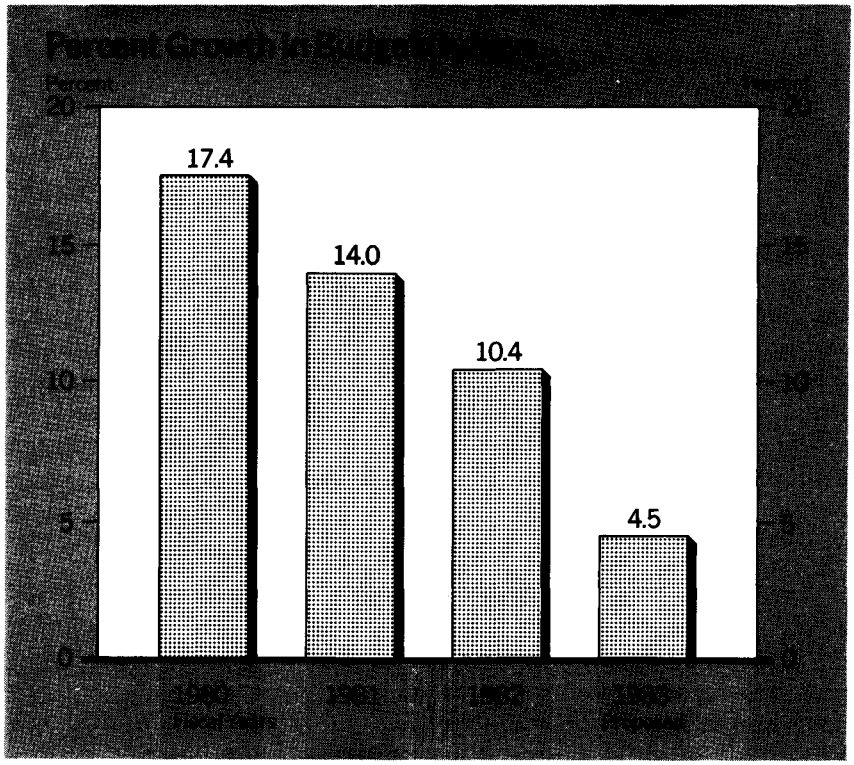

This dramatic progress in reordering fiscal policy has been paralleled by a similar redirection of monetary policy. The excessive, unsustainable, and eventually ruinous growth of money and credit of the past decade has been curbed. The inflation spiral has been broken. The growth of prices is slowing down. Peoples' savings are beginning to flow out of unproductive speculation, tangible assets, and other inflation hedges back into the Nation's financial arteries where they will be available to power economic recovery, more jobs, and growing incomes and opportunities.

THE BUDGET TOTALS

(In billions of dollars)

	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Budget receipts	599.3	626.8	666.1	723.0	796.6
Budget outlays	657.2	725.3	757.6	805.9	868.5
Surplus or deficit (−)	−57.9	−98.6	−91.5	−82.9	−71.9
Budget authority	718.4	765.5	801.9	858.0	943.5

In short, we are putting the false prosperity of overspending, easy credit, depreciating money, and financial excess behind us. A

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solid foundation has been laid for a sound dollar, sustained real economic growth, lasting financial stability, and noninflationary prosperity for all Americans.

We are also moving to shackle the regulatory juggernaut that burdened production, consumed jobs, and diminished productivity growth. During the past year no significant new regulatory statutes were enacted and few major new regulations were imposed. Additions to the Federal Register declined by 23,000 pages. Benefit-cost analysis was made mandatory for regulations. Dozens of existing regulations were reviewed, modified, or eliminated. Without taking into account billions of dollars of savings from regulations never formally proposed because of the changed climate our program has created, quantifiable one-time cost savings of over $3 billion and recurring annual savings of nearly $2 billion have been realized. And the effort has just begun.

A YEAR OF HISTORIC ACHIEVEMENT

These remarkable achievements are the cornerstones of our national economic recovery program. They far exceed anything that the skeptics and critics ever dreamed possible just 1 year ago. They occurred because the executive and legislative branches of our Government joined together to respond to the mandate of the American people and overcome the impediments that had paralyzed Washington for a decade. Together, we have launched a process of reform and change that can transform the course of events.

The Economic Recovery Tax Act of 1981 is the largest, most comprehensive, and most constructive tax bill ever adopted. With the cooperation of the Congress and support of the public, it was enacted in just 5 months. It addressed and substantially remedied most of the tax system's shortcomings and disincentives that had accumulated over decades—distortions that were imposing an increasingly heavy toll on investment, economic growth, and job creation.

- The penalty tax rate on investment income has been eliminated. By dropping the top rate from 70 to 50%, the attractiveness of tax shelters will be reduced and the incentives for productive investment in stocks, bonds, new business ventures, and other financial assets will be increased. Our Nation's capital will again flow to the growth of business and jobs rather than to the vendors of protection from punitive taxation.
- Marginal tax rates have been significantly lowered for the first time in two decades. The 23% across-the-board rate reduction will mean $183 billion in lower taxes for individuals over the first 3 years. The financial reward for savings, work

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effort, and new production will stop diminishing and start rising once again.

- Powerful new incentives for savings have been established. Beginning this year, 50 million workers will be eligible for the first time to set aside tax-free up to $2,000 per year for Individual Retirement Accounts. The annual limit for existing Keogh and IRA investors will also be raised. By sharply altering the incentives for saving as opposed to consumption, a huge new flow of current income will be channeled toward restoring our productivity and lifting our national savings rate from last place in the industrial world.
- The taxation of phantom corporate profits has also been significantly curtailed. The new accelerated cost recovery system will shorten depreciation periods to 5 years for machinery and 15 years for structures. This will permit fuller recovery of asset costs, a more valid accounting of taxable profits, and a reasonable after-tax return on investments for the first time in years. By eliminating the drastic under-depreciation provided in previous tax law, after-tax business cash flow will be increased by $10½ billion this year and $211 billion over the next 6 years. This growing stream of funds for modernization, new machinery, new technology, new products, and new plants will revive our lagging productivity, restore our competitiveness in world markets, and spur the steady growth of jobs, production, and real incomes.
- The confiscatory taxing of estates and inheritances has been halted as well. By raising the exemption to $600,000, by lowering the rate to 50%, and by removing the limits on the marital deduction, 99.7% of all estates will eventually be exempt from estate taxation. Hard-working American farmers, small businessmen, investors, and workers can once again be confident that the sweat, sacrifices, and accumulations of a lifetime will belong to their heirs rather than their Government.
- Government profiteering on inflation has been abolished. Beginning in 1985, the individual income tax brackets, the zero-bracket amount, and the personal exemption will be corrected annually for inflation. Bracket creep will never again systematically plunder the rewards for production and effort. Government will never again use inflation to take a rising share of the peoples' income without a vote of their representatives.

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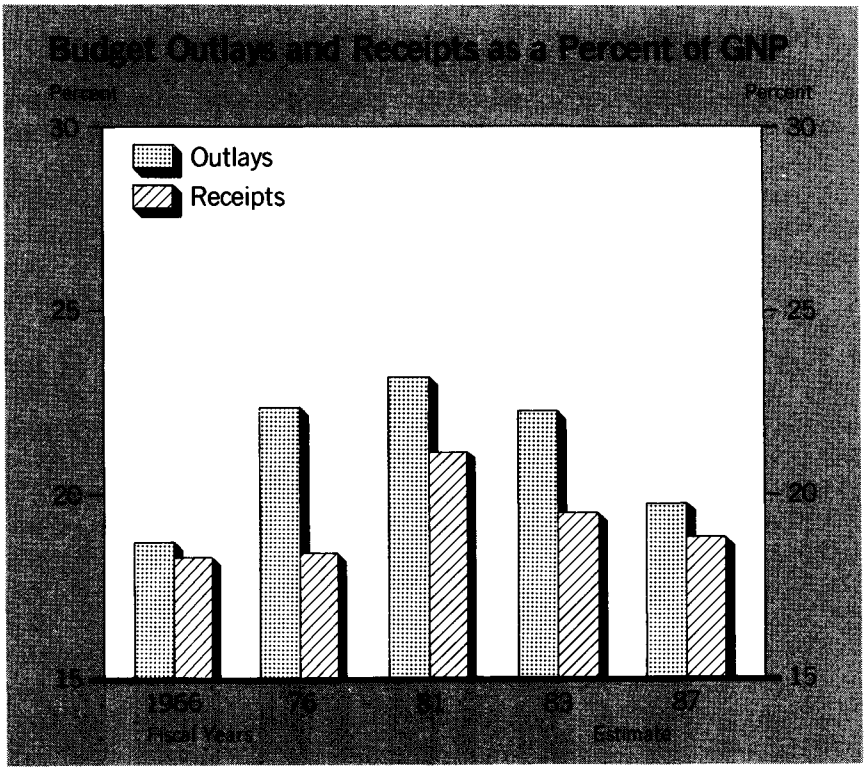

The past year's achievements on spending control and the reestablishment of budgetary discipline are no less impressive than the sweeping tax changes. For the first time ever, the Congress activated its central budgetary machinery and overcame the spending impulses of its fragmented parts. The Omnibus Budget Reconciliation Act of 1981 was a watershed in fiscal history—a giant step toward the restoration of fiscal discipline. By the accounting of its own Congressional Budget Office, spending will be $35 billion lower this year and about $130 billion lower over the next 3 years due to just one bill passed in only 5 months after having been considered by 30 different committees, a bill that reduced, reformed or eliminated hundreds of programs. The growth of budgetary outlays is at last being brought in line with the growth of the tax base and the national income. Excess spending commitments, unnecessary programs and overlapping activities were meaningfully addressed in the Reconciliation Act for the first time in decades.

- As a result of congressional action in 1981, the growth of entitlements will be reduced by $41 billion during the next 3 years. For the first time, eligibility standards for food stamps and student loans have been tightened. Unemployment benefits have been targeted to States where they are needed. Subsidies for non-needy students have been reduced in the school lunch program. Abuses of the medicaid, nutrition, and

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AFDC programs have been curtailed, saving $14.4 billion over the next 3 years. Overly generous and unaffordable twice-a-year cost-of-living adjustments for Federal retirees have been eliminated. The "uncontrollables" are being brought under control, and benefits have been retargeted where they are most needed.

- Dozens of ineffective or counter-productive programs have been eliminated or reduced. The $4 billion make-work CETA public sector jobs program was abolished. Extravagant dairy subsidies have been cut substantially. The ineffective $700 million Economic Development Administration is being phased out. The Community Services Administration has been eliminated. An unnecessary $2 billion in Government subsidies for new energy supplies and technologies has been cut. The excessively-funded impact aid program was substantially scaled back. In short, a long-overdue housecleaning of excess budgetary commitments was accomplished.
- Inappropriate Federal subsidies have been withdrawn. Legislation to return Conrail to the private sector has been enacted. The National Consumer Cooperative Bank has been privatized. Subsidies to the auto industry for new technology demonstrations have been eliminated. Operating subsidies to local mass transit systems are being phased out. Subsidies to exporters have been sharply curtailed. Subsidized disaster loans to financially viable businesses have been eliminated.
- A major stride toward rationalizing the structure, reducing the cost, and increasing State and local flexibility in the Nation's $91 billion grant-in-aid system has been enacted. Fifty-seven narrow, redtape-ridden categorical grants programs have been replaced with 9 block grants. The pages of regulation imposed on State and local governments have been reduced from over 300 to 6, while the cost to the Federal budget has been reduced.
- Total funding for nondefense discretionary programs has been reduced. After continuous growth for two decades, the budget cost of these programs will actually decline from $137 billion in 1981 to $130 billion in 1982.
- An impressive start at reducing fraud, waste, abuse, and unnecessary Government overhead was made. The President's Council on Integrity and Efficiency, established to coordinate a Government-wide attack on fraud and waste, saved $2 billion in the last 6 months of 1981 alone. A comprehensive effort to collect $33 billion in delinquent debts has been launched and will recover $1.5 billion in 1982 and $4.0 billion in 1983. These estimates include recoveries of delinquent taxes due to the Internal Revenue Service. Federal nondefense employment has been reduced by 35,000 since January

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1981. The cost of Government travel, publications, and consultants has been reduced substantially.

At the same time that the Congress joined in these long-overdue efforts to pare back the size of the Federal budget and slow its momentum of growth, it has fully supported our ambitious but essential plan to rebuild our national defense. A year ago every component of military strength was flashing warning lights of neglect, under-investment, and deteriorating capability. Today, health is being restored.

- Pervasive deficiencies in readiness—including too many units not ready for combat, too many weapons systems out of commission, too few people with critical combat skills, and too few planes and ships fully capable of their missions—are being corrected. Funds for operations and maintenance, including training and aircraft flying hours, have been boosted. Backlogs of combat equipment needing repair are being eliminated. Adequate supplies of spare parts necessary to support high operating rates for training, as well as to provide war reserves, are being purchased.
- The serious inadequacy in pay and benefits that threatened the all-volunteer force, caused an exodus of skilled personnel, and sapped morale throughout the armed services has been corrected. Last year's 14.3% pay increase has improved recruit quality, boosted reenlistment rates, stopped the drain of critical skills, and contributed to the dramatic revival of morale in our military services. End-strength goals are now being exceeded. In addition, the percentage of recruits with higher test scores has risen in the past year.
- Critical investments in conventional and strategic force modernization are now moving rapidly forward. A new bomber for early deployment and an advanced (Stealth) bomber for the 1990's have been approved to retain our capability to penetrate Soviet air defenses. Development of a new, larger, and more accurate MX missile to preserve our land-based deterrent is proceeding. A 5-year shipbuilding program including 133 new ships and a total investment of $96 billion—double the 5-year program of the previous administration—has been launched. Rapid production of new combat systems including the M-1 Abrams tank, the AV-8B Marine Corps attack aircraft and the F/A-18 Navy tactical fighter have been approved. Improvements in our airlift and sealift forces to transport equipment and soldiers rapidly to counter military aggression anywhere in the world, are moving forward.

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NO TIME TO RETREAT

These achievements of the first year truly constitute a new beginning. In every major dimension of national strength and well-being we have launched the redirection of policy that was so desperately needed and so long overdue. We are ending the destructive inflation and the financial disorder built up over a decade. We have removed the yoke of over-taxation from our workers and our business enterprises. We have begun to dismantle the regulatory straitjacket that impeded our commerce and sapped our prosperity. And we have reversed the dangerous erosion of our military capabilities.

The task before us now is a different one, but no less crucial. Our task is to persevere; to stay the course; to shun retreat; to weather the temporary dislocations and pressures that must inevitably accompany the restoration of national economic, fiscal, and military health.

The correction of previous fiscal and monetary excesses has come too late to avert an unwelcome, painful, albeit temporary business slump. In the months ahead there will be temptation to resort to pump-priming and spending stimulus programs. Such efforts have failed in the past, are not needed now, and must be resisted at every turn. Our program for permanent economic recovery is already in place. Artificial stimulants will undermine that program, not reinforce it.

Likewise, previous excesses in money and credit growth have resulted in financial strain in many regions and sectors of our national economy. The adjustment to lower inflation and a more moderate money and credit policy did not come soon enough to avoid interest rates and unemployment far higher than we would like, and that we are working to reduce. But these effects are temporary. They cannot be remedied by a return to rapid, unsustainable expansion of Federal spending and money growth, which would drive inflation and interest rates to new highs. Our hard-won gains in reducing inflation must be preserved and extended—because permanent reduction of interest rates and unemployment is impossible if the fight against inflation is abandoned, just when it is being won.

Similarly, our budget deficits will be large because of the current recession, and because it is impossible in a short period of time to correct the mistakes of decades. But our incentive-minded tax policy and our security-based defense programs are right and necessary for long-run peace and prosperity, and must not be tampered with in a vain attempt to cure deficits in the short-run. The answer to deficits is economic growth and indefatigable efforts to

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control spending and borrowing. These principles we dare not abandon.

THE DEFICIT PROBLEM: ITS ORIGINS

Despite the new course we have charted and the gains we have achieved, the voices of doubt, retreat, and rejection are beginning to rise. They conveniently forget that the present business slump was not caused by our program but is the result of the accumulated burdens of past policy errors, which we have taken action to redress. They fail to comprehend that our spending cuts and tax reductions were not designed to redistribute the output of a stagnant economy, but to revive the economy's growth and to increase its size—for the jobless as well as the affluent, for those who aspire to get ahead as well as those who have already arrived.

Increasingly, the larger budget deficits that we unavoidably face are offered as evidence that our entire course should be recharted. The matter of budget deficits, therefore, must be addressed squarely. We must fully comprehend why they have grown from our original projections, why they may remain with us for some time to come, what dangers they pose if not vigorously combatted and what steps we can and must take to steadily reduce their size and drain on our available savings.

Our original plan called for a balanced budget in 1984. Balance is no longer achievable in 1984, but the factors that have postponed its realization are neither permanent nor cause for abandoning the goal of eventually living within our means.

In the near term, the most important setback to our budgetary timetable is the recession now underway. During 1982, receipts will decline by $31 billion and outlays rise by $8 billion due to the fall-off of business activity and the increase of unemployment-related payments. This factor alone accounts for nearly all of the difference between the $45 billion 1982 deficit we projected last year and our current estimate of $98.6 billion.

While the recession will end before this fiscal year is over, its budgetary impact will spill over for many years into the future. It will take time for the unemployment rate to come down and safety net payments to diminish. The growth of receipts will recover, but not at the levels previously projected. This will add billions to deficits for 1983 and 1984.

The second major factor widening the deficit projection is interest payments on our trillion dollar debt. Here we are being penalized doubly for the misguided policies of the past.

The discredited philosophy of spend and spend, borrow and borrow, saddled us with a permanent debt burden of staggering dimensions. This year's interest payment of $83 billion exceeds the size of the entire Federal budget as recently as 1958.

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In addition, past fiscal, monetary, and credit excesses have resulted in temporarily high interest rates—rates that will come down, but only as inflation abates, private and public financing practices adjust, and long-term confidence rebuilds. Since market confidence has been so badly shaken by runaway inflation and interest rates in the past 3 years, it is apparent that interest rates over the next several years will fall less rapidly than we had originally anticipated. Between the huge inherited base of national debt, the higher interest rates, and the large prospective additions to the national debt in the next several years, our total debt service costs will rise substantially.

Interest payments on the debt will exceed our original projections by $18 billion in 1982, $32 billion in 1983, and $182 billion over 1982–86 taken as a whole. The interest rate/debt service factor, then, constitutes a major source of the setback to our budget timetable. But let us be clear about its origins: it arises primarily from a legacy of past excesses, not from a shortfall in our current budget control efforts, nor from a flaw in our overall program.

The third and most important factor contributing to the growth in deficit projections is quite simply the ironic by-product of our rapid and decisive success in bringing down the rate of inflation. Our economic forecast last February projected a 9.5% inflation rate in calendar year 1981 and a further decline to 7.7% in 1982. This projection was scorned by many as too rosy just 1 year ago. Yet the actual inflation rate in 1981 turned out to be lower than our projection, and the inflation decline this year and next year almost certainly will exceed our earlier projections.

This is welcome news to every American and we have adjusted our inflation forecast accordingly. But lower rates of price increase also mean lower inflation components in wages and incomes and a reduced flow of inflation-swollen tax receipts to the Treasury.

This point is not merely academic. Over the next 5 years, our forecast projects a 9.9% average rate of growth in nominal GNP reflecting a steady fall of inflation to about 4½% by 1987. If nominal GNP growth were just 2% higher each year, reflecting a continuation of higher inflation, Federal receipts would be enlarged by the staggering sum of $353 billion over the 5 years. On paper, at least, the budget would be nearly balanced in 1987 rather than more than $50 billion in deficit.

But if the last decade offers any lesson, it is that we cannot inflate our way to budget balance. Indeed, every budget from 1975 forward projected a balanced budget 2 years into the future and growing surpluses in the out-years. Not one of these surpluses materialized for a very compelling reason: the monetary excesses needed to finance inflationary growth of wages and incomes are the enemy of savings, investment, real economic growth, and fun-

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damental business confidence and financial stability. They lead to the kind of pervasive economic breakdown that we experienced during 1979–81—a breakdown that swells Government spending, interrupts the flow of receipts, and causes prospective budgetary surpluses to vanish in a flow of red ink.

Thus, we cannot and will not pursue the will-o'-the-wisp of reflation nor the phantom of future budget surpluses premised on a continuance of high inflation.

Instead, we must recognize that for a period of time, success in our unyielding battle against inflation will appear to work against our goal of a balanced budget. Thus, while our current revenues will reflect the decline of inflation today, part of our current outlays will reflect the higher rates of inflation in years past. This is especially true in the case of some $249 billion in indexed programs. Generally, the inflation rate used to adjust indexed benefits lags a year or more behind the current payment period. During 1983, for example, an inflation rate of 6.5% is projected, but cost-of-living adjustments to social security and other program benefits will be 8.1% based largely on the actual inflation experience of 1981. Much the same is true of the $96.4 billion in debt service for 1983. Some part of that will reflect the higher cost of debt securities issued in 1980–82 when inflation and interest rates will have been higher than is now projected for 1983.

Thus, the conquest of inflation will contribute to budgetary imbalance for some years to come. But these deficits will prove manageable if we understand why we have them and redouble our efforts to reduce them.

The final factor contributing to the worsening of the deficit outlook is that all of the budget savings we had planned for last year were not actually achieved. Most importantly, our plan to ensure the short- and long-run solvency of social security was discarded by the Congress. In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the social security system by next fall. I am confident that the commission will do just that, but in the meanwhile our outlay projections must be increased by $6 billion in 1983 and $18 billion for 1987.

Likewise, the Congress failed to adopt all of the reforms we proposed for medicaid, guaranteed student loans, food stamps and other entitlements. Without further action, about $4 billion would be added to the 1983 deficit in these areas alone. While major and unprecedented action was taken to curb the growth of entitlements last year, the shortfall is still substantial. Entitlement reforms not acted upon by the Congress last year will add nearly $20 billion to the deficit over the next 3 years. When this is combined with

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substantial added outlays for farm subsidies and for discretionary programs that were not reformed, it is clear that the task of budget control is far from complete.

THE BUDGET DEFICIT IN PERSPECTIVE

Taken together, the effects of recession, higher interest rates, declining inflation, and incomplete congressional action will mean high, continuing, and troublesome Federal budget deficits. Constant vigilance and relentless efforts to pare back future spending and borrowing will be imperative to ensure that they are not permitted to worsen and add further pressure to financial markets and interest rates.

Nevertheless, three features of these high deficit numbers must not be lost sight of even as we seek eventually to eliminate them.

First, even the 1982 deficit of $98.6 billion is not unprecedented in the context of a recession and recovery cycle. Relative to the present size of the U.S. economy, the budget deficit would have been $94 billion for 1975, followed by deficits of $139 billion, $91 billion and $97 billion in the next 3 years, respectively.

Second, these deficits reflect the excess spending commitments of past rather than new spending programs with potential to grow in the future. That means that by remaining firm in our efforts to reduce waste and excess, reform entitlements, reduce low priority spending, and gradually return domestic programs back to State and local governments, the gap between spending subject to firm fiscal discipline and revenues being lifted by steady economic expansion will gradually diminish.

Finally, the share of GNP taken in taxes will be substantially lower and the incentives for savings markedly stronger. This expansion of the total savings supply will increase our capacity to absorb deficits and give us additional time to work toward their elimination.

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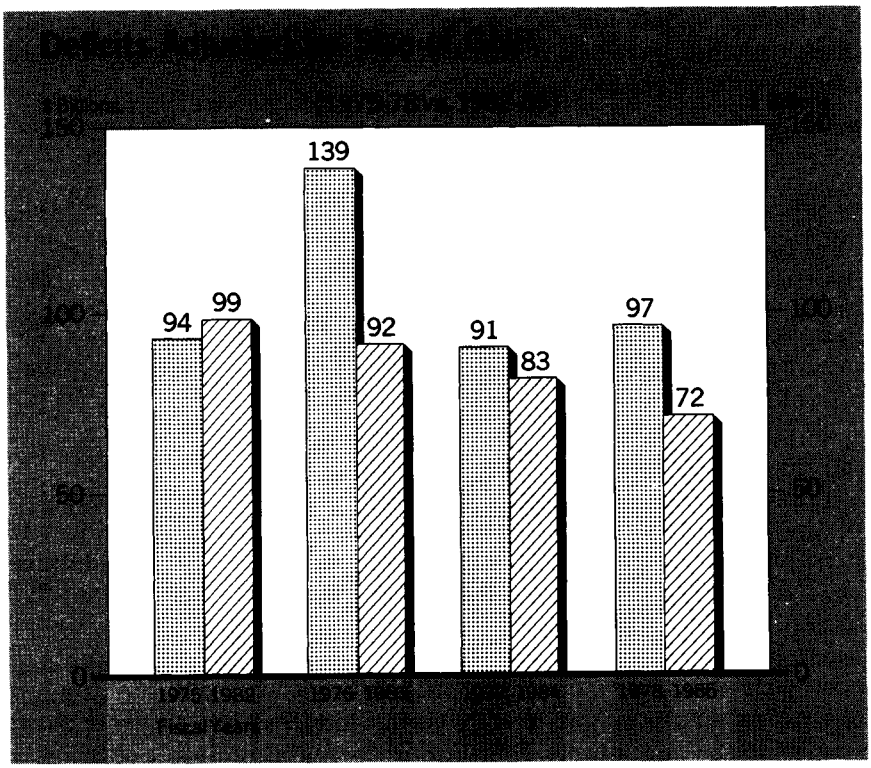

$239 BILLION DEFICIT REDUCTION PLAN

The prospect of high deficits during the transition to strong economic growth and low inflation contains a profound warning: any relaxation of our budget control efforts, any backsliding to spending politics as usual, any retreat to time-worn excuses about "uncontrollables"—that results in spending growth significantly above our projections, will mean a serious threat to the progress of our entire economic recovery program. There is precious little margin for shirking or diluting the task the American people have charged us with. That task is nothing less than a constant, comprehensive, ceaseless search for ways to reduce the size of Government and the future growth of its spending.

The 1983 budget I am presenting to the Congress faithfully adheres to that mandate. If all proposed measures are adopted, the prospective deficit will be reduced by $56 billion next year, $84 billion in 1984, and $99 billion in 1985. In short, the budget this year represents much more than simply a tabulation of accounts or a compilation of spending decisions, large and small. Instead, it represents a far-reaching, resourceful, and integrated blueprint for reducing the prospective deficit by $239 billion over the next 3 years. It is a bold action plan that, if faithfully implemented, can cut the prospective deficits over that period by nearly 50%.

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Our plan for deficit reduction consists of five parts. It addresses each area of the budget where actions to reduce the gap between spending and revenues are possible and desirable.

The first area concerns nonsocial security entitlements. Despite the heartening progress we made toward reform last year, the cost of these automatic spending programs will rise to $201 billion in 1983 without further action. This figure compares to only $119 billion in 1979.

Thus, our 1983 budget proposals continue the objective set out previously: to reduce the swift growth of automatic entitlements while preserving benefits for the truly needy. If acted upon fully by the Congress, these new reform measures will save $12 billion next year and $52 billion over the next 3 years. They include new steps to tighten eligibility, reduce errors and abuse and curtail unwarranted benefits in the welfare, medical, and nutrition programs. The explosive growth of medical programs—16.7% per year since 1978—will be contained with tighter reimbursement standards for providers, modest copayment requirements for medicaid beneficiaries, and, later in the year, a comprehensive plan to reform the health care reimbursement system and provide new cost control incentives for all participants. We have also proposed measures to target guaranteed student loans better to those with financial need and to limit the cost growth of Federal military and civilian retirement programs.

Nevertheless, let me be clear on this point. Our administration has not and will not turn its back on our elderly or needy citizens. Under our new budget, funding for social insurance programs will be more than double the amount spent only 6 years ago. For example, the Federal Government will subsidize 95 million meals every day. That is one of every seven of all meals served in America. Headstart, senior nutrition programs, and child welfare programs will not be cut from the levels we proposed last year.

The second component of our deficit reduction plan covers domestic discretionary and other programs for purposes ranging from agricultural research to housing subsidies and manpower training. Our proposed savings here total $14 billion next year and $76 billion over the next 3 years.

These savings measures involve two essential principles. First, where programs are unnecessary, can be better targeted or can be significantly streamlined, we have proposed substantial reductions. Our proposals to convert the fragmented and wasteful CETA training program to a block grant, to target low-income energy assistance to the colder States where it is needed, to combine the WIC program with the child and maternal health block grant, and to further reduce subsidies to business for energy technology development and commercialization are all examples of this principle.

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The other principle governing discretionary programs is that we have generally not provided inflation allowances for them. This will provide a powerful incentive to reduce overhead, waste, and low-priority activities and ensure that the money we spend for many worthwhile purposes in the areas of education, transportation, community development, and research is utilized in the most efficient and productive manner possible. Our deficit problem is simply too severe to permit business as usual to continue any longer.

The third component of the deficit reduction program involves user fees, or more appropriately, the recovery of costs borne by the taxpayers generally, but that predominantly benefit a limited group of businesses, communities or individuals. Total savings would amount to $2.5 billion in 1983 and $10 billion over the next 3 years.

While the Congress made great strides on most of our proposed budget cuts last year, the user fees proposals were a noticeable and disappointing departure from this pattern. The case for action now is even stronger than it was last year. With sacrifices required of almost every beneficiary of Federal programs, it is simply inexcusable and intolerable that yacht owners escape without paying even a small part of the Coast Guard services; or that commercial and general aviation are not paying the cost of the air traffic control system that ensures their safety; or that ship and barge operators do not pay a fair share of the costs of waterways maintained by the Federal Government. Our user fee package corrects these and similar shortcomings in current budget policy and will contribute significantly toward reducing the deficit.

The fourth part of the plan is aimed at the executive branch and the most inexcusable of all forms of spending: lax management, the toleration of fraud and abuse, the failure to recover debts owed the Government or to dispose of properties it does not need, and outdated, inefficient, procurement practices.

Our fiscal plan has always assumed that our new management would take hold, and that savings would be possible in areas we have simply never looked at before. After 1 year, our new management team has indeed taken hold, the results to date have been impressive, and our plans for future savings are bold and far-reaching. All told, these efforts will reduce the budget deficit by $20 billion next year and $68 billion over the next 3 years.

We will collect the debts we are owed and the taxes we are due. New legislation will be needed in some cases, but much of these savings will flow from tighter, more aggressive management throughout executive branch agencies.

Likewise, we will move systematically to reduce the vast Federal holdings of surplus land and real property. It is estimated that the

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Federal Government owns approximately 775 million acres, and 405,000 buildings, covering about 2.6 billion square feet. Some of this real property is not in use and would be of greater value to society if transferred to the private sector. During the next 3 years we will save $9 billion by shedding these unnecessary properties while fully protecting and preserving our national parks, forests, wildernesses and scenic areas.

Our management efforts will also be directed toward the more cost-effective procurement of the goods and services required by the Federal Government. The changes we seek will increase competition for the Government's business, reduce and simplify paperwork and regulations, and develop better standards for our procurement processes and personnel. Over time these efforts will yield large outyear savings not included in the budget totals.

Finally, our emphasis thus far has been on reducing excessive tax rates and shrinking the Government's take from the paychecks of workers and the profits of business. On that principle we will not waver. But that does not mean unintended loopholes should go uncorrected, that obsolete tax incentives should be continued, or that profitable business should not contribute at least some minimum fair share to the cost of financing Government. Thus, our deficit reduction plan includes $34 billion over the next 3 years in additional receipts from new initiatives in these areas.

About one-third of this total is attributable to our proposal to strengthen the minimum corporate tax, and a substantial share of the other tax revisions will also affect business. In every case, these measures involve the collection of a tax that is owed now or that was intended by the Congress, or elimination of incentives that are no longer needed due to the sweeping reform of business taxation contained in the Economic Recovery Tax Act of 1981.

These new proposals will have no adverse impact on our economic recovery program, are fair and equitable, and will contribute significantly to the reduction of future deficits.

CONTINUING THE RESTORATION OF NATIONAL DEFENSE

Our 1983 budget plan continues the effort begun last year to strengthen our military posture in four primary areas: strategic forces, combat readiness, force mobility, and general purpose forces.

A thorough 8-month review of U.S. strategic forces and objectives preceded my decision this past October to strengthen our strategic forces. The review found that the relative imbalance with the Soviet Union will be at its worst in the mid-1980's and hence needs to be addressed quickly. It also concluded that the multiple protec-

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tive structure basing proposal for MX did not provide long-term survivability since the Soviets could counter it (at about the same cost) by simply deploying more warheads.

In addition, our review pointed to serious deficiencies in force survivability, endurance, and the capability to exercise command and control during nuclear war. Current communications and warning systems were found to be vulnerable to severe disruption from an attack of very modest scale.

The 1983 budget funds programs to correct these deficiencies. The 1983 strategic program of $23.1 billion, an increase of $6.9 billion over 1982, provides for both near-term improvements and longer-term programs. These initiatives include:

- Early deployment of cruise missiles on existing bombers and attack submarines.
- Acquisition of a new bomber (the B-1B) and development of advanced technology (Stealth) bomber for deployment in the 1990's to provide a continued capability to penetrate Soviet defenses.
- Development and procurement of a new, larger, and more accurate land-based missile, the MX.
- Continued deployment of Trident ballistic missile submarines to strengthen the sea-based leg of our strategic deterrent.

Longer-term programs include: development of a survivable deployment plan for the MX missile, development of a new submarine-launched ballistic missile, continued improvements in the survivability of warning and communications systems, and improvements in strategic defenses against both bomber and missile attacks.

The 1983 budget provides $114.3 billion in operations and military personnel costs, an increase of over $13 billion from the 1982 level to improve the combat readiness of our forces.

Today a major conflict involving the United States could occur without adequate time to upgrade U.S. force readiness. Our concerns with military readiness reflect both the long lead time required to procure sophisticated equipment (both parts and finished equipment) and past failures to provide adequate peacetime support for combat units. We cannot wait for a period of rising tensions before bringing forces up to combat readiness.

My program will continue to bolster combat readiness by increasing training, operating rates, and equipment support. There will be increased aircraft flying hours and supply inventories. In addition, backlogs of combat equipment and real property awaiting maintenance will be reduced. Also, the 1983 budget will provide levels of military compensation that will improve the readiness and capability of the All Volunteer Force.

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Current U.S. mobility forces cannot move the required combat or combat support units fast enough to counter effectively military aggression in Europe, Korea or in the Southwest Asia/Persian Gulf region. For example, at present only a small light combat force could be moved rapidly to the Southwest Asia region. Major mobility shortages include wide-body military cargo aircraft; fast logistics ships; and prepositioned ships and associated support equipment. Elimination of these shortages is an essential first step toward improving U.S. military capability during the first 30 days after the beginning of a crisis.

The 1983 budget provides $4.4 billion for:

- Initial procurement of a fleet of improved C–5 cargo aircraft, and additional KC–10A tanker/cargo aircraft that will double our wide-bodied military airlift capability by the 1990's.
- Continued upgrading of existing C–5A aircraft to extend their effectiveness beyond the year 2000.
- Conversion of four additional fast logistic ships that will provide the capability to move heavy combat forces rapidly.
- Chartering a fleet of supply ships that can be stationed with equipment and supplies in Southwest Asia to reduce the time required for deployment of heavy forces.

In the last decade, the Soviet Union introduced large quantities of highly capable, new-generation tactical equipment including combat ships, tanks and aircraft, which must be countered by modernized U.S. forces. Also, the traditional U.S. superiority in system quality has been considerably narrowed, making Soviet quantitative advantages more serious. The Soviet military force buildup has increased the risk that they may rely on military power to support their foreign policy goals. For the U.S. to maintain, in concert with our allies, sufficient conventional forces to deter potential aggression, our forces must be provided with adequate numbers of new, modern tactical equipment.

My 1983 budget includes $106.2 billion for general purpose forces (including both operations and investment), an $18 billion increase over 1982. A key initiative is an expanded shipbuilding program. The United States, dependent on open seas for commerce and military resupply, must have the naval capability to maintain control of vital sea lanes. While our naval forces have declined from the mid-1960's, the Soviets have in existence or under construction eight new classes of submarines and eight new classes of major surface warships, including nuclear-powered cruisers and new aircraft carriers.

The budget provides an $18.6 billion shipbuilding program including full funding for two nuclear-powered aircraft carriers, to be constructed during 1983–87. Other ships included in my 1983 program are three large cruisers equipped with an advanced air de-

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fense system; two nuclear-powered attack submarines; two frigates for convoy protection and four mine countermeasure ships to improve fleet capability to operate in mined waters. My longer term objective is to increase the deployable battle force from 513 ships in 1982 to over 600 by the end of the decade.

In addition, the budget provides for increased production of ground and tactical air force weapons. Production rates will be increased for a variety of new systems such as the M-1 Abrams tank, light armored vehicles, and the AV-8B Marine Corps attack aircraft.

All of this will be done with a major reform of the acquisition process and vastly improved management of defense operations, which will save $51 billion by 1987. In a continuing fight against fraud, waste, and inefficiency, the Secretary of Defense has appointed an Assistant for Review and Oversight and a Council on Integrity and Management Improvement.

REVITALIZATION OF AMERICAN FEDERALISM

The Constitution provides clear distinctions between the roles of the Federal Government and of the States and localities. In their wisdom, our founding fathers provided for considerable flexibility so that in following centuries these responsibilities could be adapted to new conditions. But in recent years we have not adapted well to new conditions. We have created confusion as to who is responsible for what. During the past 20 years, what had been a classic division of functions between the Federal Government and the States and localities has become a confused mess. Traditional understandings about the roles of each level of government have been violated.

Governments at all levels have had and will continue to face various problems. But, as Governor of California, I learned that a problem in one part of the country does not automatically mean that we need a new Federal program in all 50 States. Yet that is what has happened.

In 1964, total Federal grants to State and local governments were $10 billion. By 1980, total Federal grants to States and localities exceeded $90 billion, meaning that 18% of Federal tax receipts were being passed through to States and localities for one reason or another. However, these funds were not passed through entirely benignly. Attached to them were Federal rules, mandates, and requirements. This massive Federal grantmaking system has distorted State and local decisions and usurped State and local functions.

I propose that over the coming years we clean up this mess. I am proposing a major effort to restore American federalism. This transition over nearly 10 years will give States and localities the time

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they need to plan for themselves when and how to meet State and local needs that are now being met with Federal Government funds. My proposal will also make available to the States and localities the tax resources that would otherwise fund these programs by the Federal Government.

In coming weeks, we will have intensive discussions with local and State officials, the Congress, and many others to hammer out a proposal I will soon send to the Congress. Essentially, I believe the Federal Government should assume full responsibility for the medicaid program which assures adequate health care for the poor. In contrast, financial assistance to the poor is a legitimate responsibility of States and localities. I am proposing, therefore, that the aid to families with dependent children (AFDC) and food stamp programs be turned over to the States. This swap will clarify responsibilities substantially because these programs will become the clear responsibility of one level of government or another. That responsibility is now mixed.

In addition, I propose that more than 40 current grant-in-aid programs costing the Federal Government about $30 billion a year be turned back to the States and localities, along with the funds to pay for them. During the period 1984–87, these programs will be funded by a specially designated set of taxes to be used exclusively for financing this transition program. These taxes will be deposited in a fund that will belong to the States. Each State will be able to make its own decision on how rapidly to phase out the turnback programs. This is because each State will have two options: it may use its share of the federalism trust fund to reimburse Federal agencies for continuing to carry out turnback programs, or it may ask that the programs be terminated and then use the funds directly for whatever purposes it desires.

Beginning in 1987, the federalism trust fund will gradually be dissolved and the tax sources themselves will be made available to the States.

The key to this program is that the States and localities make the critical choices. They have the time to make them in an orderly way. A major sorting out of Federal, State and local responsibilities will occur, and the Federal presence and intervention in State and local affairs will gradually diminish.

CONCLUSION

While some administration proposals have been turned down, turned aside, or compromised by the Congress, the overall assessment of the past year's action on the budget is heartening. Cooperation, support, goodwill, and a genuine sense of national purpose have enabled us to make significant progress in setting the Federal

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Government's affairs in order and America on the road to economic recovery.

I urge the Congress to approach the new, or renewed, proposals in this budget in the same spirit and with the same goodwill as it did my proposals of a year ago. Much has been accomplished. This budget proposes that more be done.

The proposals set forth in this budget will not be accepted readily. They are a second challenging installment of a politically difficult, yet necessary, program. In their specifics, these proposals will undoubtedly be altered by the Congress. The general direction we must travel, however, is clear. I urge the Congress to weigh these budget proposals thoughtfully, and to join me, and my administration, in a constructive effort to curb the growth of Federal spending and to provide for the Nation's security. We must, in the end, roll up our sleeves, face our responsibilities squarely, and persevere at the unending task of setting, and keeping, the Nation's affairs in order.

RONALD W. REAGAN.

FEBRUARY 8, 1982.

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PART 2

ECONOMIC ASSUMPTIONS AND THE BUDGET

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ECONOMIC ASSUMPTIONS AND THE BUDGET

This part of the budget discusses the budget outlook and the economic assumptions underlying that outlook. The first section presents economic assumptions for calendar years 1982 through 1987, and explains the nature of these assumptions. The second section discusses the sensitivity of the budget to changes in economic assumptions. The third section examines the changes in the budget outlook since last year.

The Economic Outlook

Previous Government efforts to manage the economy through a mixture of excessive spending, taxing, borrowing, and fine-tuning have exacted a heavy toll in terms of lost economic growth. Major disruptions, imbalances, and abnormalities have appeared in every nook and cranny of the economy.

By 1981, the resulting problems had reached crisis proportions. Since early 1979, real output has grown at an average annual rate of only 0.4% and output per manhour has grown by only 0.5% per year, while the level of industrial production has actually declined by 5.7%. Housing starts have managed only an average 1.4 million units. The unemployment rate has been trending steadily higher since mid-1979 and has averaged 7.4% in the last 2 years. In short, economic growth has virtually disappeared.

The financial markets have also suffered. Interest rate fluctuations have widened as market uncertainty has grown and the balance sheets of many industrial and financial firms have become dangerously illiquid. With the increasing looseness and unpredictability of fiscal and monetary policies in the 1970's, rising inflation premiums have been supplemented by risk factors to drive interest rates to record levels. Short-term interest rates, such as those on large commercial bank CDs, have fallen to single digits in only 4 out of the past 36 months. The prime rate has not fallen below 10% since 1978, and over the last 3 years it has averaged 15.6%. Long-term Government bond yields reached a lofty 12.4% in 1980 and a record 14.7% in 1981.

In 1981 the economy found itself in a state of recession for the second time in 2 years. The final wave of excess Government spending and credit expansion during the second half of 1980 virtually ensured the substantial shrinkage in real output and the rise in unemployment that in fact occurred in 1981. As a result of this

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artificial stimulus, economic imbalances worsened, financial market disruptions intensified, and business and consumer attitudes turned more pessimistic.

In early 1981 the President redirected economic policy to break cleanly from the free-spending, easy money, excess credit trends of previous years. In its place, the administration seeks a new era of strong and sustainable economic growth predicated on a new fiscal/monetary policy of tax reduction, budget control, deregulation, and moderate monetary growth. This proved to be a difficult task after the spending spree of the past few years—and the shaking out of previously nurtured excesses has not been accomplished without some difficult short-run side effects. But the adjustment phase appears to be coming to a close, and there are numerous signs that economic recovery will appear on schedule in the spring quarter.

From the standpoint of the administration's redirection of policy, the most encouraging development in 1981 was the substantial reduction in the rate of inflation. Money supply growth during 1981 fell to 5%, the first year since 1976 that it was below 7%. Inflation rates correspondingly declined by a range of 3 to 5 percentage points for the consumer and producer price indexes. For the year as a whole, 1981 registered the first significant downturn in inflation since 1976.

ANNUAL INFLATION RATES

(Percent; 4th quarter over 4th quarter)

	Consumer Price Index	Producer Price Index	GNP deflator
1977	6.6	7.1	6.1
1978	8.9	8.8	8.4
1979	12.9	12.7	8.0
1980	12.6	12.5	9.8
1981	9.4	7.2	8.6

Progress on the inflation front has not been confined to a narrow segment of the economy, but instead has been well represented in the areas of wages, food, energy, housing (homeownership), apparel, and entertainment. Particularly encouraging are recent collective bargaining discussions that suggest the possibility of greater than expected wage moderation in the auto sector, indicating that credible and persistent anti-inflation policies are capable of overcoming longer-term structural problems and rigidities.

The economic assumptions used for developing the budget estimates indicate a continued reduction in inflation during 1982. Growth in the GNP deflator drops to a range of 7–8%, against the policy backdrop of persistent budget control and moderate monetary growth. Following this expected inflation decline, the econom-

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ic assumptions anticipate a gradual withdrawal of inflation premiums and further reduction in market interest rates beyond the modest beginning initiated in 1981.

During the past year all market rates moved erratically, but by yearend the prime rate had fallen to 15¾% from a peak of 20½%. The 91-day Treasury bill rate finished the year at 10.9%, which was considerably below its May peak of 16.3%. Long-term rates also gave ground from their 1981 peaks, and Government bonds finished the year around 13.7%, which is 160 basis points below their highest levels reached in September and October.

Continued progress on inflation and inflation expectations in 1982 will open the way for the first steps toward economic recovery. Additionally, the effects of the Economic Recovery Tax Act will be more prominent in 1982, contributing new incentives for enhanced saving, investment, work, and productivity. As a result, real GNP is expected to increase by 3.0% from the fourth quarter of 1981 through the fourth quarter of 1982, with even more robust growth anticipated during the final quarters of the calendar year. Interest rates during the year are expected to descend, if perhaps unevenly. For the year as a whole, the 91-day Treasury bill rate is estimated to average 11.7%, considerably below the 1981 average of 14.1%.

The recovery is expected to continue in 1983. Real output is estimated to rise by 5.2% from the fourth quarter of 1982 to the end of 1983, and the unemployment rate is projected to decline to 7.6% by the fourth quarter of 1983. The GNP deflator is projected to rise by only 5.5%, while the consumer price index is estimated to increase by 5.1%. Against this background of inflationary improvement, 91-day Treasury bills are assumed to decline to 9.8% in the last quarter of 1983.

The forecasts for 1982 and 1983 are subject to substantial margins of error, particularly in the interest rate area. For periods further in the future, economic projections are subject to even greater uncertainty. In contrast to the short-range economic forecast, the long-range assumptions for the 1984-87 period are not forecasts of future economic conditions. Instead, they are projections consistent with the economic policy objectives of the administration that assume steady progress in reducing unemployment, inflation, and interest rates and in sustaining strong real growth.

A central policy objective embodied in the long-range assumptions is the steady reduction in the growth of nominal GNP. During the recovery year 1983, GNP is projected to increase at an annual rate of 11.5%. Over the next 4 years, however, nominal GNP growth declines steadily to a rate of 9.0% by 1987. Fundamental to this expected decline in the growth of nominal GNP is the assumption of a moderate money supply growth path during the

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SHORT-RANGE ECONOMIC FORECAST

(Calendar years; dollar amounts in billions)

Item	Actual 1980	Forecast		
		1981 [1]	1982	1983
Major economic indicators:				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars	9.4	9.3	10.4	11.0
Constant (1972) dollars	−0.3	0.7	3.0	5.2
GNP deflator (percent change, fourth quarter over fourth quarter)	9.8	8.6	7.2	5.5
Consumer Price Index (percent change, fourth quarter over fourth quarter) [2]	12.6	9.4	6.6	5.1
Unemployment rate (percent, fourth quarter)	7.5	8.4	8.4	7.6
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	2,626	2,922	3,160	3,524
Percent change, year over year	8.8	11.3	8.1	11.5
Constant (1972) dollars:				
Amount	1,481	1,510	1,513	1,591
Percent change, year over year	−0.2	2.0	0.2	5.2
Incomes:				
Personal income	2,160	2,404	2,641	2,887
Wages and salaries	1,344	1,483	1,605	1,747
Corporate profits	246	230	215	260
Price level:				
GNP deflator:				
Level (1972=100), annual average	177.4	193.6	208.9	221.5
Percent change, year over year	9.0	9.1	7.9	6.0
Consumer Price Index: [2]				
Level (1967=100), annual average	247.0	272.3	292.1	309.5
Percent change, year over year	13.5	10.3	7.3	6.0
Unemployment rates:				
Total, annual average	7.1	7.6	8.9	7.9
Insured, annual average [3]	3.8	3.5	4.9	4.3
Federal pay raise, October (percent): [4]				
Civilian	9.1	4.8	5.0	5.0
Military	11.7	14.3	8.0	7.6
Interest rate, 91-day Treasury bills (percent) [5]	11.5	14.1	11.7	10.5

[1] Preliminary actual data.

[2] CPI for urban wage earners and clerical workers. Two versions of the CPI are now published. The index shown here is that currently used, as required by law, in calculating automatic cost-of-living increases for indexed Federal programs.

[3] 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.

[4] General schedule pay raises become effective in October—the first month of the fiscal year. Thus, the October 1982 pay raise will set new pay scales that will be in effect during fiscal year 1983.

[5] Average rate on new issues within period. These projections assume, by convention, that interest rates decline with the rate of inflation. They do not represent a forecast of interest rates.

entire period, rather than the stimulative monetary acceleration that has accompanied business cycle recoveries during the past 20 years. It is this fundamental break from the stop-go policies of the past that promises a continuing descent of inflation, rather than merely a temporary pause, and that creates a financial environment in which strong, permanent real growth is possible.

Money growth is one of the key determinants of the trend rate of inflation. Consistent with the assumed pattern of moderate money growth and steadily declining nominal GNP growth, the GNP deflator is expected to show a slow but steady decline from a 6.0% rate in 1983 to a 4.5% rate by 1987.

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Against a backdrop of firm budget restraint and a controlled expansion of money and credit, inflation expectations and inflation premiums will gradually recede during the period ahead, paving the way for a sustained decline in market interest rates. But the widely anticipated decline in interest rates will not proceed as rapidly nor as predictably as many hope.

The attitude of inflationary pessimism that has dominated economic behavior in recent years will not be dissolved quickly. Nonetheless, firm anti-inflation resolve and reliable Government policies to reduce fiscal borrowing requirements can be expected to moderate inflation fears and generate substantially lower interest rates. Accordingly, the interest rate objectives of the administration are embodied in long-range assumptions that anticipate Treasury bill rates of 9.5% in 1984, 8.5% in 1985, 7.0% in 1986, and 5.5% in 1987.

In an environment marked by slowing inflation and declining interest rates, the historic reduction of average and marginal tax rates resulting from the Economic Recovery Tax Act of 1981 is expected to create major new incentives for saving, investment, and productivity. Substantial efforts to lower the regulatory burden and other forms of unnecessary interference with private economic activity will supplement the incentives from the tax reductions. Indeed, the interactive combination of lower tax rates, fiscal restraint, reduced regulatory drag, and the improved purchasing power of money is expected to generate the most robust economic recovery period in more than a decade. When measured on a year-over-year basis, the administration's long-run economic policy objectives set real GNP growth at 5.0% in 1984, 4.7% in 1985, 4.4% in 1986, and 4.3% in 1987.

Sensitivity of the Budget to Economic Assumptions

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

Both budget outlays and the tax structure have substantial effects on national output and its composition, employment, and inflation. Other activities of Government that are not reflected in the budget totals, such as guaranteed loans, off-budget outlays, and regulatory requirements, also affect the economy.

Budget receipts vary with individual and corporate incomes, which respond both to real economic growth and to inflation. Outlays for many Federal programs are also 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 indices. Interest on the debt is linked to market interest rates and the size of the budget surplus or deficit, both of which in

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LONG-RANGE ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	Assumptions			
	1984	1985	1986	1987
Major economic indicators:				
Gross national product, percent change, fourth quarter over fourth quarter:				
Current dollars	10.0	9.4	9.1	8.9
Constant (1972) dollars	4.9	4.6	4.3	4.3
GNP deflator (percent change, fourth quarter over fourth quarter)	4.9	4.6	4.6	4.4
Consumer Price Index (percent change, fourth quarter over fourth quarter) [1]	4.7	4.6	4.6	4.4
Unemployment rate (percent, fourth quarter)	6.8	6.2	5.6	5.2
Annual economic assumptions:				
Gross national product:				
Current dollars:				
Amount	3,883	4,258	4,651	5,068
Percent change, year over year	10.2	9.7	9.2	9.0
Constant (1972) dollars:				
Amount	1,670	1,750	1,827	1,905
Percent change, year over year	5.0	4.7	4.4	4.3
Incomes:				
Personal income	3,121	3,411	3,723	4,057
Wages and salaries	1,887	2,065	2,256	2,458
Corporate profits	314	330	317	334
Price level:				
GNP deflator:				
Level (1972=100), annual average	232.5	243.4	254.6	266.0
Percent change, year over year	5.0	4.7	4.6	4.5
Consumer Price Index: [1]				
Level (1967=100), annual average	323.8	339.2	354.8	370.8
Percent change, year over year	4.6	4.8	4.6	4.5
Unemployment rates:				
Total, annual average	7.1	6.4	5.8	5.3
Insured, annual average [2]	3.7	3.2	2.8	2.4
Federal pay raise, October (percent): [3]				
Civilian	5.0	5.0	5.0	5.0
Military	5.5	5.0	5.0	5.0
Interest rate, 91-day Treasury bills (percent) [4]	9.5	8.5	7.0	5.5

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

[2] 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.

[3] General schedule pay raises become effective in October—the first month of the fiscal year. Thus, the October 1984 pay raise will set new pay scales that will be in effect during fiscal year 1985.

[4] Average rate on new issues within period. These projections assume, by convention, that interest rates decline with the rate of inflation. They do not represent a forecast of interest rates.

turn are influenced by economic conditions. Outlays for certain benefits, such as unemployment compensation and food stamps, vary with unemployment and incomes and are thereby linked to the state of the economy.

In recent years the sensitivity of the budget to economic conditions has become increasingly apparent. For example, actual Federal spending in 1980 was $48 billion higher than the original budget estimate in January 1979, with over half the increase directly

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attributable to economic conditions different from those originally assumed. Similarly, 1981 outlays were nearly $45 billion above the original January 1980 estimate, with assumptions about economic conditions again accounting for over half of the increase.

The budget impact of declining nominal GNP growth.—The interaction effects between the economy and the budget are particularly crucial now. The Nation's economic policy is undergoing dramatic change, including a clear reversal of the past trends toward continually higher Federal taxes, spending, and borrowing. As discussed earlier in the context of the administration's economic assumptions, a central feature of the shift in policy is the expectation that the growth rate of nominal GNP will fall steadily each year after the initial recovery from the current recession and will reach 9% by 1987.

NOMINAL GNP GROWTH

(Calendar years; annual rates; percent)

1961–66	1970–75	1978–81	Peak, mid-1980 to mid-1981	1983–85	1985–87
7.6	9.3	10.7	12.5	9.9	9.1

The disinflationary process reflected in the falling growth of nominal GNP over this period has major implications for the budget aggregates, particularly for actual and projected receipts. Tax collections increase automatically as inflation swells various tax bases—personal incomes, corporate profits, payrolls, and sales. This rise occurs almost immediately because of our system of income and payroll tax withholding and estimated payments. The increase in receipts has been proportionately larger than the growth in incomes because of the progressive individual income tax. However, a declining rate of growth of nominal incomes yields a shortfall in receipts as overall economic policy functions to reduce the inflation component of taxable incomes.

Federal spending in a variety of areas, such as social security and interest, also responds automatically to inflation. For outlays, however, the response is less than proportionate and occurs more slowly. Statutory cost-of-living benefit increases occur at fixed intervals and are not paid until substantially after the price increases that triggered them. If, for example, benefit increases for social security and other Federal retirement programs were based on a contemporaneous increase instead of a lagged increase beginning in 1982, outlays would be reduced by $5 billion in 1983 and $9 billion by 1987. Similarly, higher interest rates that generally accompany higher inflation are only reflected in new debt issues and do not affect existing debt until it is refinanced. If all debt were

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financed at contemporaneous rates, net interest outlays would be reduced by $24 billion by 1987.

During the last decade the true fiscal imbalance between Federal revenues and spending has been masked by the accelerating growth in nominal GNP and inflation. This acceleration has increased receipts faster than spending, relative to what would have occurred with non-accelerating inflation and GNP growth rates. In the period of disinflation projected over the next 5 years, the reverse is the case. Receipts will respond immediately to the projected shrinkage in the inflation component of incomes. Outlays, however, will respond with a lag effect. This is partially attributable to built-in prior year spending commitments and partially due to the fact that the inflation-sensitive sectors of the budget (indexed programs and the debt service) discussed above will be driven by higher, earlier rates of inflation.

In short, the disinflation process tends to worsen the budget imbalance temporarily and to highlight the extent to which previous deficit levels were artificially supressed by rising inflation.

The structural imbalance associated with disinflation is best portrayed by showing what the administration's budget projections would be if inflation and nominal GNP growth were increased by 2 percentage points during calendar years 1982–87. The table below shows that for 1985 receipts would be increased by $67.5 billion compared to an outlay rise of $46.5 billion. This budget gain of $21 billion would widen to $38.5 billion by 1987. Thus, with the higher inflation, the budget would be $15 billion in deficit in 1987 in contrast to the projected deficit of $53 billion in that year.

BUDGET EFFECT OF TWO PERCENTAGE POINT HIGHER NOMINAL GNP GROWTH [1]

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Receipts	7.4	26.3	45.1	67.5	92.6	121.7
Outlays	3.7	17.4	31.6	46.5	63.7	83.2
Reduction in deficit	3.7	8.9	13.5	21.0	28.9	38.5
MEMORANDUM						
Projected deficits:						
Administration forecast	−98.6	−91.5	−82.9	−71.9	−66.0	−53.2
Higher nominal GNP path	−94.9	−82.6	−69.4	−50.9	−37.1	−14.7

[1] Estimates assume that the projected inflation rate is 2 percentage points higher beginning in calendar year 1982 and that the projected real growth rate is unchanged. Interest rates are also assumed to be 2 percentage points higher.

The above table suggests that inflation-induced increases in nominal GNP growth would have salutory budget implications. However, the higher nominal GNP path contradicts the goal of moderate and noninflationary monetary policy. Assuming historically high velocity growth rates, the monetary growth implied from a 2 percentage point rise in nominal GNP would range between 7

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and 8%, the same rate of rise as occurred during the inflationary period of 1976 to 1980. Consequently, a return to the high money growth rates required to achieve this GNP growth would reignite inflationary expectations, generate a rapid run-up of interest rates and inflation premiums, and produce the sort of financial and economic instability that would be incompatible with the objective of sustained real economic growth. Thus, the potential short-run improvement to the budget from inflationary policies would undermine economic recovery. In time, a high unemployment, high interest rate, low growth economy would undermine the objective of budget restraint.

Budget impact of the composition of GNP.—The reduction in inflation and nominal GNP growth projected to result from the administration's proposals does create short-run structural imbalances in the Federal budget for the reasons cited above. These structural imbalances are partly ameliorated, however, by the projected shift in the composition of nominal GNP between real GNP growth and inflation. This shift, which will result from the combination of tax and spending cuts, deregulation, and restoration of monetary stability, will change the inflation and real growth composition of nominal GNP from the 5:1 ratio that occurred in 1978–81 to a projected 1:1 ratio in 1983–87. Such a change will represent a major improvement over the recent past and will be a realistic first step toward regaining the low inflation-high growth record of the early 1960's, when the inflation-to-real-GNP-growth ratio was 1:3.

COMPOSITION OF CHANGES IN NOMINAL GNP

	Nominal GNP	Real GNP	Inflation (GNP deflator)
Annual rate of change:			
1961–1966	7.6%	5.4%	2.1%
1978–1981	10.7	1.7	8.9
1983–1987	9.5	4.6	4.7
Share of total GNP growth (percent):			
1961–1966	100	72	28
1978–1981	100	16	84
1983–1987	100	50	50

This change in the composition of GNP growth will improve the overall budget posture and thereby help constrain the increases in the deficit due to lower nominal GNP growth. The table below shows the effect on the deficit of changes in the composition of GNP growth. The shift in composition from inflation to real growth will have little or no effect on receipts because they are determined

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primarily by the level of nominal GNP. Outlays, however, would be significantly affected. A shift from inflation to real growth reduces both inflation-sensitive and unemployment-sensitive outlays. Such a shift therefore reduces the budget deficit.

To highlight the magnitude of compositional shifts, the table below shows the effect on the administration's projected budget deficits for 1983–87 of a 1.2 percentage point change in the composition of GNP. The higher real growth scenario assumes real growth 1.2 percentage points above the administration forecast each year and an inflation path correspondingly lower. The lower real growth scenario assumes the opposite changes.

COMPARISON OF ECONOMIC ASSUMPTIONS*

(Percentages)

	1982	1983	1984	1985	1986	1987
Real GNP growth rate:						
Administration forecast	3.0	5.2	4.9	4.6	4.3	4.3
Higher growth scenario	4.2	6.4	6.1	5.8	5.5	5.5
Lower growth scenario	1.8	4.0	3.7	3.4	3.1	3.1
Inflation (GNP deflator):						
Administration forecast	7.2	5.5	4.9	4.6	4.6	4.4
Higher growth scenario	6.0	4.3	3.7	3.4	3.4	3.2
Lower growth scenario	8.4	7.7	6.1	5.8	5.8	5.6
Unemployment rate:						
Administration forecast	8.9	7.9	7.1	6.4	5.8	5.3
Higher growth scenario	8.6	7.1	5.7	4.5	3.3	2.3
Lower growth scenario	9.2	8.7	8.5	8.3	8.3	8.3

*Nominal GNP is the same in all cases as in the administration forecast. Interest rates are modified for changes in inflation from the administration forecast.

The impact of these GNP composition changes on budget projections is substantial. Under the higher real GNP growth scenario, the projected deficit is reduced by $32 billion in 1984 relative to the administration forecast and by $82 billion in 1987. By contrast, the lower real growth path produces deficits above the $100 billion level each year.

EFFECT ON DEFICIT OF SHIFT IN THE COMPOSITION OF NOMINAL GNP

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Administration forecast	−98.6	−91.5	−82.9	−71.9	−66.0	−53.2
Alternative deficit projections: [1]						
Higher growth/lower inflation	−94.0	−74.7	−50.7	−23.9	−0.6	28.8
Lower growth/higher inflation	−102.8	−108.3	−115.1	−119.9	−131.4	−135.2

[1] Alternative projections assume that the rates of growth of real GNP and inflation are changed in opposite directions and by 1.2 percentage points, beginning in calendar year 1982.

The administration's budget projections are predicated on sustained real growth from the middle of calendar year 1982 through

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1987. Over this period, real growth is projected to average 4.7%. This is higher than the 3.5% average for the period from 1947 to 1981 but it is lower than the 5.4% average rate from 1961 to 1966. Thus, the higher real growth scenario exceeds the 1960's experience by one-half of one percentage point. The lower real growth scenario equals the post-World War II average.

REAL GNP GROWTH RATES

(Average annual percentage rates)

Average 1947–81	3.5
Average 1961–66	5.4
Administration forecast, 1982–87	4.7
Alternative forecasts:	
High growth	5.9
Low growth	3.5

With a major reversal from the inflationary policies of recent years, the objective of the administration's comprehensive economic program is to produce real economic growth that exceeds the average for the post-war period. Federal spending cuts will contribute to a more efficient use of resources in the economy. The tax program enacted last year will substantially boost the after-tax rewards to work, saving, and investment. And removing the excessive burdens of government regulation will further reduce costs to individuals and businesses and increase efficiency and productivity. These administration initiatives, together with the implementation of a sound monetary policy by the independent Federal Reserve System, provide a foundation for sustained economic growth above the average for the post-war period. However, in view of the distortions and imbalances that have resulted from past policy excesses, it does not seem reasonable to expect an immediate return to the highest growth rates observed in the past.

The following table provides some historical perspective for alternative economic growth scenarios over 22-quarter periods comparable to the continuous high real growth projected in the administration forecast from mid-1982 through 1987. In view of the above policy initiatives, the administration's projection of 4.7% real growth would seem to be an achievable goal. Consistent with the dramatic reversal from past policy trends, however, it would still exceed the growth attained in four-fifths of such periods over the past 25 years. In contrast, there has never been a 22-quarter period when real growth has approached the 5.9% rate assumed in the high growth scenario, thus implying that the high growth scenario has an extremely low probability of materializing. On the other hand, growth of 3.5% or less occurred only half of the time and this seems too pessimistic in view of the substantial changes in

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monetary and fiscal policy brought about by actions of the administration, the Congress, and the Federal Reserve.

POST-WAR REAL GNP GROWTH EXPERIENCE*

(118 twenty-two quarter periods)

	Number of periods above	Number of periods below
High growth scenario (5.9% annual rate)	0	118
Administration projection, 1982–87 (4.7% annual rate)	22	96
Low growth scenario (3.5% annual rate)	66	52

*Average annual percentage change over 22-quarter periods.

Changes in the Budget Outlook Since Last Year

The budgetary effects of changes in economic assumptions are illustrated by an analysis of the changes in estimated budget totals resulting from changes in economic assumptions since the administration's budget program was first presented a year ago. A summary comparison of the current economic assumptions with those used last March is shown in the table below. The largest difference between the two sets of assumptions arises because of the current recession, not anticipated a year ago, which results in a 1982 GNP now estimated to be 4% lower than was forecast last March and a 1982 unemployment rate over 1½ percentage points higher. The lower GNP base (and correspondingly lower taxable incomes) is estimated to reduce 1982 receipts by $31 billion compared to the level that would be expected under last March's economic assumptions. At the same time, outlays for unemployment-sensitive programs are estimated to be $7.9 billion higher for 1982 and $7.4 billion higher for 1983.

COMPARISON OF MARCH 1981 AND CURRENT ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	1981	1982	1983	1984	1985	1986
Nominal GNP:						
1981 forecast	2,920	3,293	3,700	4,098	4,500	4,918
1982 forecast	2,922	3,160	3,524	3,883	4,258	4,651
Real GNP (percent change):						
1981 forecast	1.1	4.2	5.0	4.5	4.2	4.2
1982 forecast	2.0	0.2	5.2	5.0	4.7	4.4
GNP deflator (percent change):						
1981 forecast	9.9	8.3	7.0	6.0	5.4	4.9
1982 forecast	9.1	7.9	6.0	5.0	4.7	4.6
Interest rate on 91-day Treasury bills (percent):						
1981 forecast	11.1	8.9	7.8	7.0	6.0	5.6
1982 forecast	14.1	11.7	10.5	9.5	8.5	7.0
Unemployment rate (percent):						
1981 forecast	7.8	7.2	6.6	6.4	6.0	5.6
1982 forecast	7.6	8.9	7.9	7.1	6.4	5.8

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A second major difference in the two sets of economic assumptions lies in the lower rates of inflation that are now forecast. The 1981 price level (GNP deflator) ended up about three-quarters of a percentage point lower than was forecast in March, and the 1982 level is now expected to be even further below the March forecast. After 1982, the rate of inflation is projected to average three-quarters of a percent per year lower than was forecast last March. By 1986, the projected overall price level is 4% lower than last year's forecast.

The less rapid growth of nominal GNP (and of taxable incomes) corresponding to this lower inflation substantially reduces the growth of Federal tax collections, as shown in the table below. Outlays for inflation-sensitive programs also slow, but not by as much, and only with a substantial time lag, because of the factors discussed earlier.

Within the projected nominal GNP growth rate, the lower inflation is partially offset by slightly higher real growth after 1982 than was forecast last March, as the economy rebounds and recovers from the recession. This offsets some of the receipts slowdown associated with lower inflation.

EFFECTS ON THE BUDGET OF CHANGES IN ECONOMIC ASSUMPTIONS SINCE MARCH 1981

(In billions of dollars)

	1982	1983	1984	1985	1986
Current budget estimates adjusted to March 1981 forecast:					
Receipts	657.7	718.7	779.7	856.9	922.7
Outlays	699.4	721.1	771.2	836.1	897.5
Deficit (−)	−41.7	−2.4	8.5	20.8	25.2
Changes due to economic assumptions:					
Receipts	−31.0	−52.6	−56.7	−60.3	−61.7
Outlays:					
Inflation	1.5	−2.1	−5.7	−9.8	−11.9
Unemployment	7.9	7.4	4.4	2.3	0.9
Interest rates and deficits	16.6	31.1	36.0	39.8	40.5
Total	25.9	36.5	34.7	32.4	29.5
Increase in deficit (−)	−56.9	−89.1	−91.4	−92.6	−91.2
Current budget estimates:					
Receipts	626.8	666.1	723.0	796.6	861.0
Outlays	725.3	757.6	805.9	868.5	927.0
Deficit (−)	−98.6	−91.5	−82.9	−71.9	−66.0

Interest rates are now projected to be substantially higher than was assumed last March; for 91-day Treasury bills, the rate was 3 percentage points higher in 1981 and is projected to be higher by 3 percentage points in 1982, 2½ percentage points in 1983–85, and 1½ percentage points in 1986. This shift toward higher interest rate assumptions substantially increases estimated interest costs for interest on the public debt, and for other interest rate-sensitive

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programs, such as subsidized housing credit programs. Higher projected deficits also add to total projected interest costs. In 1982, these factors add an estimated $16.6 billion to budget outlays, compared to last March's interest assumptions; by 1986, this grows to $40.5 billion, as shown in the preceding table.

The budget impact of interest rate assumptions.—Interest costs are a major component of Federal spending. In 1983, net interest costs are projected to be $96.4 billion, or 12.7% of total Federal spending.

Estimates of interest costs are highly sensitive to interest rates. If market interest rates rise from, say, 10 to 12%, this two-percentage-point rise would eventually increase interest costs by 20% once all securities are financed at the higher interest rates.

Interest costs are also a function of the amount of debt outstanding. In the last decade the public debt has grown rapidly. In December of last year it was over $1 trillion, more than double the amount outstanding only 7 years earlier. The structural deficits that will occur in the immediate future will further add to the future burden of interest costs.

COMPARISON OF INFLATION AND INTEREST RATES

(Calendar years; percent)

	1960–69	1970–79	1980–81	1982–85	1986–87
Average inflation rate	2.5	6.5	9.1	5.9	4.5
Average 91-day bill rate	4.0	6.3	12.8	10.0	6.2
Difference	1.5	−0.2	3.7	4.1	1.7

Interest costs are expected to be especially burdensome in the next few years because interest rates are expected to remain high relative to inflation. Interest rates reflect borrowers' expectations about inflation. These expectations, reflecting the inflationary fiscal and monetary policies of the last decade, can be expected to adjust only slowly to the disinflationary policies currently in effect. As a result, the gap between inflation and short-term interest rates is likely to be large for the next few years, as shown in the table above.

OUTLAY EFFECT OF INTEREST RATE INCREASE

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Direct effect of two percentage point higher rates	3.8	10.4	14.0	16.0	17.8	19.4
Effect of financing additional borrowing due to higher rates	0.2	0.8	2.2	3.6	4.6	5.8
Total effect	4.0	11.2	16.2	19.6	22.4	25.2

Note: Estimates assume that interest rates are two percentage points higher beginning in January 1982.

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The large "real" interest rates in the next few years will have important consequences for Federal spending. This can best be understood by the table above, which shows the effect on Federal spending of a two-percentage-point increase in interest rates. The table shows both the direct effect of higher rates, which increases over time as more and more Federal securities are refinanced at the higher rates, and the effect of the additional Federal borrowing necessitated by the higher interest rates. The combined effects add $11 billion to outlays in 1983 and more than double that amount by 1987.

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PART 3

BUDGET PROGRAM AND TRENDS

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BUDGET PROGRAM AND TRENDS

Summary

The shape, direction, and composition of the Federal budget are undergoing dramatic change under this administration. The 1982 budget began this process with long-range measures to reduce Federal spending. The 1983 budget continues and expands this redirection. Together, the actions achieved and actions proposed result in two fundamental changes: a new environment to foster economic prosperity, and a rational and lean realignment of domestic programs, combined with an adequate defense force.

Economic prosperity.—The 1983 budget supports the President's program for economic recovery in several important ways:

- *Tax, spending, and management initiatives proposed in the budget will reduce the deficits by $239 billion during 1983 to 1985.* This figure includes $34 billion in additional revenues due to proposed tax revisions, including a strengthened minimum tax for corporations. Reform of entitlement programs will save $52 billion. Discretionary programs will be cut by $76 billion. New or reproposed user fees will save $10 billion. Budget savings of $68 billion will be achieved through better management: such as debt collection, surplus property sales, accelerated leasing of off-shore oil areas, and prevention of fraud, waste, and abuse. Taken together, all of these measures will reduce the deficit by $56 billion in 1983, $84 billion in 1984, and $99 billion in 1985.
- *The overall rate of growth in spending is being substantially reduced.* After peaking at the unsustainable rate of 17% in 1980, spending growth will decline to 10% in 1982, and 4% in 1983. In real terms, spending growth will average less than 1% in the 1982 to 1987 period, as compared to 4% in the 1976 to 1981 period.
- *The growth path of the budget has been shifted dramatically downward.* Under policies in effect before February 1981, total Federal outlays with an adequate defense would have climbed by 12%, or to $755 billion in 1982, with further large increases to $844 billion in 1983 and $916 billion in 1984. Overall, outlays would have increased by $241 billion between 1981 and 1984. Budget reductions enacted last year and the

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new measures now proposed, will reduce built-in budget growth markedly: outlay reductions total $30 billion in 1982, $88 billion in 1983, $112 billion in 1984. For the 6 years projected in this budget, the proposed and achieved reductions total $659 billion.

- *The heretofore rapidly growing Federal Government claim on the private economy is being reversed.* Under tax laws in effect prior to August 1981, Federal receipts would have equalled 21.7% of our national output in 1983 and 24.1% by 1987. Because of the President's tax cuts, the receipts share under current law will decline to 19.0% in 1983 and to 18.3% by 1987, resulting in a 5.8% or $287 billion shift of GNP from the Federal to the private sector of the economy compared to previous tax law.
- *The underlying imbalance in the Federal budget will be steadily reduced.* The budget imbalance inherited from the previous administration was substantially larger than the reported back-to-back deficits of nearly $60 billion each year for 1980-1981. This is because of underfunding of defense and uncontrolled growth of off-budget spending. Taking these factors into account, a valid measure of the true underlying deficit as a share of GNP was 3.4% in both 1980 and 1981. On a comparable basis, the total deficit will decline to 2.6% of GNP in 1984 and 1.3% by 1987. This steady reduction of the total deficit—and the burden it places on financial markets—is an indispensible element of the President's economic recovery program.
- *Total Federal credit demands on financial markets are being systematically reduced.* Total Federal credit demand, including the budget deficit, off-budget borrowing, guaranteed loans, and federally sponsored borrowing soared from $79 billion in 1977 to $142 billion in 1981. During 1981, Federal credit demands accounted for 35% of all funds raised in U.S. credit markets. Systematic efforts to curtail this counterproductive growth have now been put in place. Net direct and guaranteed lending will decrease by 6% in 1983, compared to average growth rates of 21% a year between 1977 and 1981. The off-budget deficit will decline from a 1981 peak of $21 billion to $16 billion in 1983 and $14 billion in 1984.

Restructuring of the Federal budget.—These overall trends, which are essential to economic revival, complement the structural changes in the budget that are now being proposed—changes that build on the successful efforts begun in 1982.

- *Real defense spending will rise rapidly in the next several years, and the defense share of the Federal budget will climb steadily.* As the President's program to restore an adequate

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national defense continues apace during 1982, real defense funding will increase by 12.7%, followed by another 13.2% increase in 1983. Over the entire 1981–87 rebuilding period, real Department of Defense obligations will increase at an 8.3% annual rate. As a consequence, the national defense share of total outlays will steadily rise from 24.3% in 1981 to 29.2% by 1983 and 37.2% by 1987.

- *Entitlement spending growth is being brought under control for the first time since the entitlement explosion began.* There is a broad consensus on the need for a well designed, well financed social security system. But beyond that, many entitlement programs have grown explosively and not necessarily wisely. Between 1970 and 1981, entitlements other than social security grew from $33 billion to $168 billion, or 412%, representing a 15.6% annual rate of growth. Last year's Omnibus Budget Reconciliation Act—plus new proposals in this budget—will reduce these non-social security entitlements by $25 billion in 1983 and $44 billion by 1987. The projected annual growth rate will decline to 5.2%, a rate only one-third that of the 1970–81 period.
- *The structural changes in the budget will result in radically asymmetrical patterns of budget growth in the years ahead.* Growth will be limited primarily to defense, social security, and medical care. These will account for 62% of the 1983 budget and total $467 billion compared to $357 billion in 1981. By 1987, total outlays for these programs will climb to $704 billion, representing an 11% annual rate of growth above 1983. By contrast, the budget outside of medicare, medicaid, social security, and defense will decline by 1% a year during the same period.
- *The budget margin for discretionary programs and lower priority activities will shrink after the tax reduction program is fully effective.* Tax reform will stabilize receipts as a share of GNP at 18.7% by 1987. Defense, net interest and the social insurance programs—social security, medicare and unemployment insurance—will absorb 15.8% of GNP in 1987. Other Federal budget commitments, therefore, must be steadily reduced if fiscal balance is to be achieved. The process is underway and part of this shrinkage has already occurred. Excluding defense, interest, and social insurance, the budget will decrease from 8.1% of GNP in 1981 to 5.6% in 1983. The fundamental fiscal challenge for several years ahead will be further reductions in the discretionary components of the budget to a level compatible with the tolerable revenue claim on national income.

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- *A major realignment of the responsibilities of Federal, State, and local governments will begin in 1984, reversing the trend of Federal interference in State and local affairs and the bloated growth of Federal grants (from $3 billion in 1954 to $91 billion in 1980).* The President's federalism program will redistribute responsibilities among the units of government in the United States to take advantage of the relative capabilities of each. The Federal Government will take full responsibility for all major Government-financed medical programs including medicaid, which is now a shared responsibility among the various levels of government. In exchange, States and localities will assume full responsibility for public assistance and food stamps—also now shared responsibilities. In addition, the President is proposing that the Federal Government turnback to the States over 40 grant programs that address problems that can best be handled closer to the local level. Along with this shift in responsibility will be a comparable shift of tax resources. States and localities can choose to continue programs, restructure them, or terminate them, according to local needs and desires.

Current Services Budget With Adequate Defense

If an adequate defense had been provided by the previous administration, military pay would have been higher, readiness improvements we are now undertaking would have begun earlier, and investment in weapons and support systems would have been substantially larger. This higher defense spending, together with the already high levels of nondefense spending, would have resulted in much larger deficits during recent years than those actually recorded.

The table below presents projections of Federal spending for 1982 to 1987 that assume the administration program for an adequate level of defense and current services for nondefense. Two spending baselines are projected. One is the current services baseline for this budget, which is based on an extrapolation of enacted 1982 program levels. Differences in outlays between this path and administration policy represent the effect of proposed changes recommended in the 1983 budget. The second baseline is extrapolated from 1981 program levels. It is designed to show the path of the budget prior to the sweeping budget reductions initiated by this administration in February 1981. Differences between the pre-February 1981 policy path and the current services baseline represent the effect of changes enacted since this administration came into office. Differences between the pre-February 1981 policy path and the 1983 budget estimates measure the total change in spending levels—both enacted and proposed.

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THE OUTLAY IMPACT OF ENACTED AND PROPOSED BUDGET CHANGES

(Dollar amounts in billions)

	1982	1983	1984	1985	1986	1987
Pre-February 1981 baseline with adequate defense	754.8	844.0	916.1	994.4	1,069.4	1,132.3
Enacted changes:						
Entitlement programs	−10.6	−14.8	−14.2	−12.2	−12.6	−13.3
Other programs	−16.6	−30.2	−33.3	−35.9	−38.1	−37.3
Subtotal, Enacted changes [1]	−27.1	−45.0	−47.5	−48.0	−50.7	−50.6
Current services baseline with adequate defense	727.7	799.0	868.6	946.3	1,018.7	1,081.7
Proposed change in the 1983 Budget:						
Major decreases:						
Entitlement programs	−1.4	−12.8	−18.1	−23.8	−29.4	−35.9
Other	−1.2	−30.2	−46.7	−56.7	−64.7	−69.0
Subtotal, Decreases	−2.6	−43.0	−64.7	−80.5	−94.0	−104.9
Major increases	0.2	1.8	2.1	2.7	2.3	2.1
Administration budget proposals	725.3	757.6	805.9	868.5	927.0	978.9
MEMORANDUM						
Total savings by major budget category:						
Entitlements	−12.0	−27.6	−32.3	−36.0	−42.0	−49.2
Other	−17.7	−60.5	−80.0	−92.6	−102.7	−106.3
Total savings	−29.7	−88.1	−112.2	−128.6	−144.7	−155.5
Comparative growth rates (percent): [2]						
Pre-February 1981 baseline with adequate defense	11.8	11.8	8.5	8.5	7.5	5.9
After reductions achieved last year	7.8	9.8	8.7	8.9	7.7	6.2
After reductions proposed in the 1983 budget	7.5	4.5	6.4	7.8	6.7	5.6

[1] The outlay savings shown are less than the congressional estimates of the savings associated with the Omnibus Reconciliation Act of 1981 largely because they do not include the reductions associated with shifting the strategic petroleum reserve off-budget and because they reflect different methods of calculating the savings from restraining Federal pay raises and other programs. In addition, the estimates shown reflect the impact of legislation other than the Reconciliation Act.

[2] The 1982 growth rates are calculated from 1981 outlays restated for adequate defense.

The momentum of nondefense spending that existed prior to this administration coming into office, together with adequate defense spending, would have resulted in spending growth about 9% per year through 1987. Under this path, Federal spending would have remained at 23 to 24% of GNP over the next 5 years. The spending reductions proposed by the administration, when combined with spending reductions enacted last year, reduce the annual rate of spending to about 6% per year. Under this path, spending is reduced to 20% of GNP by 1987, 3 percentage points less than under previous budget momentum.

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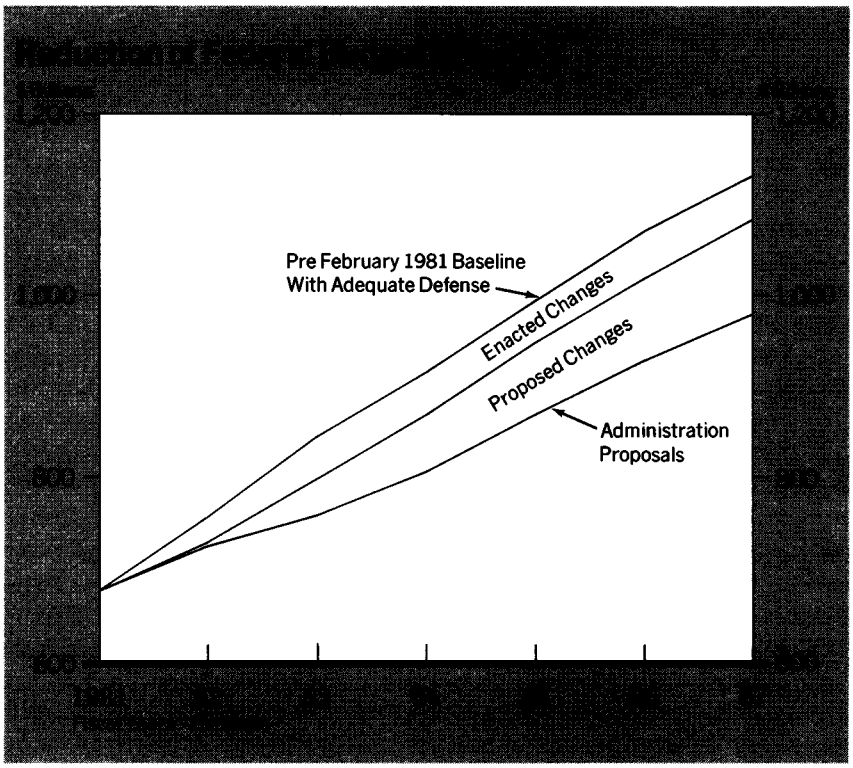

The net reductions enacted in the administration's first year in office will lower Federal spending by more than $269 billion in the 1982–87 period. The further reductions now proposed are almost one and a half that magnitude. Total reductions, enacted and proposed, reduce spending nearly $659 billion over the same period. About 30% of the total cuts are directed toward reducing entitlement programs and 70% are in other programs.

The 1983 Budget Deficit Reduction Program

Due to the economic influences discussed in Part 2 and incomplete action on the administration's program last year, the budget deficit would soar into the triple digit range and remain there beyond 1987 without corrective action. Deficits of this magnitude would impose extreme pressures on financial markets, undermine the outlook for continued monetary restraint, reduced inflation and economic growth and result in a permanent deficit-to-GNP ratio that is unprecedented in peacetime.

The policy actions proposed in the President's 1983 budget change this picture dramatically. Total deficit reduction initiatives rise from $56 billion in 1983 to $99 billion by 1985. If implemented, these measures will assure a steady reduction of the deficit from the 1982 recession peak to levels that, while high by past standards, will be increasingly less burdensome on financial markets

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given the increase in national savings expected from the tax program.

The President's deficit reduction program attacks the budgetary imbalance on a broad range of fronts. The following section discusses the savings proposed in the budget by major category.

THE 1983 DEFICIT REDUCTION PROGRAM

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Outlays:						
Current services baseline with adequate defense	727.7	799.0	868.6	946.3	1,018.7	1,081.7
Proposed savings	−2.6	−43.0	−64.7	−80.5	−94.0	−104.9
Proposed increases	0.2	1.8	2.1	2.7	2.3	2.1
Budget total	**725.3**	**757.6**	**805.9**	**868.5**	**927.0**	**978.9**
Receipts:						
Current services receipts	626.4	653.3	703.8	778.3	843.3	906.7
Deficit reduction measures	0.3	12.8	19.4	18.8	18.6	20.2
Other proposals		*	−0.1	−0.5	−0.9	−1.2
Budget total	**626.8**	**666.1**	**723.0**	**796.6**	**861.0**	**925.7**
Deficit:						
Current services deficit with adequate defense	−101.2	−145.6	−164.8	−168.0	−175.4	−174.9
Budget deficit	**−98.6**	**−91.5**	**−82.9**	**−71.9**	**−66.0**	**−53.2**

*50 million or less.

COMPOSITION OF 1983 BUDGET DEFICIT REDUCTION MEASURES

(In billions of dollars)

	1983	1984	1985	Total	Percent
Entitlement savings: [1]					
Medical entitlements	5.1	8.3	12.5	25.9	10.8
Cash assistance and nutrition	4.6	5.2	5.9	15.6	6.5
Federal retirement	0.9	1.8	2.3	5.1	2.1
Other	1.1	1.8	2.1	5.0	2.1
Subtotal, Entitlement savings	11.7	17.1	22.8	51.6	21.5
User fee increases:					
Offsetting receipts	1.2	2.1	2.2	5.5	2.3
Governmental receipts	1.3	1.4	1.6	4.3	1.8
Subtotal, User fee increases	2.5	3.5	3.8	9.8	4.1
Management initiatives [1]	20.3	24.0	23.9	68.2	28.5
Discretionary and other programs	14.2	26.1	35.3	75.6	31.6
Tax revisions	7.2	13.5	13.5	34.1	14.3
Total, all deficit reduction measures	**55.9**	**84.1**	**99.3**	**239.3**	**100.0**

[1] Includes both outlay and receipts changes.

Entitlement savings.—The administration is proposing further entitlement reforms to restore the focus of social welfare programs

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on the people who need them most and to prevent overcompensation of benefits. The major proposals in entitlement programs include:

- *Medical entitlements.*—Excessive medicare reimbursements would be reduced by slowing the rate of increase in reimbursible physician fees and by imposing an interim 2% reduction in hospital reimbursement. The supplementary medical insurance (SMI) deductible would be indexed to the CPI. Federal employees would be covered by medicare. Beneficiaries would be required to contribute a modest payment for use of medicaid services. Federal matching payments would be reduced for optional medicaid services and phased out for State payment errors over a 4-year period.

EFFECTS OF ENTITLEMENT REFORM

(In billions of dollars)

Outlay savings	1982	1983	1984	1985	1986	1987
Medical entitlements:						
Medicaid	0.3	2.0	2.3	3.7	4.3	4.9
Proposed legislation	.....	(1.9)	(2.2)	(3.6)	(4.2)	(4.8)
Administrative action	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Medicare	0.3	2.5	5.1	7.8	11.4	16.1
Proposed legislation	(0.2)	(1.7)	(2.3)	(2.6)	(3.0)	(3.4)
Future legislation	(—)	(—)	(2.0)	(4.1)	(7.2)	(11.3)
Administrative action	(0.1)	(0.7)	(0.9)	(1.1)	(1.3)	(1.4)
Subtotal	0.6	4.5	7.5	11.6	15.7	21.0
Cash assistance and nutrition:						
Aid for families with dependent children	0.2	1.2	1.1	1.1	1.2	1.2
Child support enforcement	*	0.1	0.2	0.2	0.2	0.2
Food stamps	0.3	2.4	2.8	2.9	3.1	3.1
Child nutrition and special milk	.....	0.3	0.4	0.5	0.5	0.6
Combined welfare administration	.....	0.3	0.4	0.5	0.6	0.8
Supplemental security income	0.1	0.3	0.5	0.7	0.9	1.1
Subtotal	0.6	4.6	5.2	5.9	6.5	6.9
Federal retirement and disability:						
Civil service retirement	*	0.5	1.1	1.5	1.7	1.9
Military retirement	.....	0.1	0.2	0.3	0.3	0.3
Railroad retirement	.....	2.0	2.2	2.4	2.5	2.7
Federal Employees Compensation Act	.....	0.1	0.1	0.1	0.1	0.1
Subtotal	*	2.7	3.6	4.3	4.7	5.1
Other:						
Unemployment benefits	*	0.1	0.1	0.1	0.1	0.1
Veterans Administration	*	0.2	0.5	0.5	0.6	0.6
Guaranteed student loans	0.2	0.8	1.1	1.4	1.8	2.2
Subtotal	0.3	1.1	1.8	2.1	2.5	2.9
Total outlay savings	**1.4**	**12.8**	**18.1**	**23.8**	**29.4**	**35.9**
Revenue effects:						
Railroad retirement	.....	—1.7	—1.8	—1.9	—2.0	—2.1
Medicare coverage of Federal employees	.....	0.6	0.8	0.9	1.1	1.2
Net revenue effect	.....	**—1.1**	**—1.0**	**—1.0**	**—1.0**	**—1.0**
Total effect on the deficit	**—1.4**	**—11.7**	**—17.1**	**—22.8**	**—28.4**	**—34.9**

*50 million or less.

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- *Cash assistance and nutrition.*—Federal matching payments for State payment errors would be phased out over a 4-year period. Work requirements for AFDC and disability criteria for SSI would be strengthened. Food stamp benefits would be reduced 35 cents for every dollar increase in a recipient's income, rather than 30 cents. The allowance for shelter and utilities of AFDC families living in larger households would be reduced and energy assistance would be counted as income.
- *Federal retirement.*—A private rail industry pension would replace a portion of the present Federal pension for railroad workers. The cost-of-living increases in retirement benefits for civilian and military employees of the Federal Government would be limited to the percentage increase in Federal pay if that is lower than the CPI increase.
- *Other.*—A needs test would be applied for guaranteed student loans at all income levels, and charges for making the loans would be increased.

These reforms will restore the original character of those Federal entitlement programs which were meant to ensure reasonable levels of income security for those who, through no fault of their own, need assistance from society.

The President has also established a bipartisan National Commission on Social Security Reform to propose realistic, long-term reforms. The Commission will make its recommendations by January 1983. No entitlement reforms for social security are proposed in this budget.

User fees.—Most Government programs are designed to benefit the Nation as a whole, or provide special assistance to needy or vulnerable groups. Some activities, however, provide direct services to specific groups of individuals or enterprises above and beyond those that accrue to the general public. While it is often necessary or desirable for these activities to be conducted by the Federal Government, it is clearly inequitable and inefficient for the general taxpayer to bear the burden of special services for specific users. To the extent that special beneficiaries of Federal programs do not pay the full cost of those programs, they are receiving a subsidy. Such subsidies both increase the size of the budget and distort the workings of the marketplace.

The administration's 1983 budget request includes several proposals to shift the cost of Federal programs that provide special benefits to those who directly benefit from them.

The administration supports legislation to:

- Reauthorize use of the *airport and airway trust fund,* and institute user fees to recover all Federal Aviation Administration capital operating and maintenance costs clearly allocable to air carriers and general aviation.

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PROPOSED INCREASES IN USER FEES

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Offsetting receipts:						
Coast Guard user fees		0.2	0.8	0.8	0.8	0.8
Corps of Engineers navigation fees		0.4	0.5	0.5	0.5	0.5
Commercial nuclear waste		0.3	0.5	0.5	0.6	0.7
Other		0.3	0.3	0.3	0.3	0.4
Subtotal, offsetting receipts		1.2	2.1	2.2	2.3	2.3
Governmental receipts:						
Airport and airway trust fund	0.1	1.2	1.4	1.5	1.7	1.9
Passport and visa fees	*	0.1	0.1	0.1	0.1	0.1
Subtotal, governmental receipts	0.2	1.3	1.4	1.6	1.8	2.0
Total, user fees	**0.2**	**2.5**	**3.5**	**3.8**	**4.1**	**4.4**

*$50 million or less.

- Recover the costs of constructing and maintaining commercial *navigation* projects.
- Cover the costs of developing permanent disposal facilities for high-level radioactive waste through user fees on electric utilities that generate *nuclear waste.*
- Collect fees for special services to boat and yacht owners provided by the *Coast Guard.* The proposal calls for the full costs of services allocable to users to be recovered by the end of 1984.
- Increase existing entrance fees at Federal *recreation* areas and expand the number of areas where fees are charged.
- Cover the costs of various other goods, services and activities for special users.

In total these proposed user charges will reduce the deficit by $2.5 billion in 1983.

Management initiatives.—The 1983 budget includes a number of management initiatives that will substantially reduce the budget deficit over the next 5 years and improve the efficiency of Federal operations. These initiatives include:

- a vigorous program to reduce fraud, waste, and abuse;
- an aggressive program to collect delinquent debts to the Federal Government and to prevent unnecessary new delinquencies from occurring;
- a further reduction of 75,000 workyears in the non-Defense agencies over the 1985–87 period, consistent with the transfer of more than 40 programs to State and local governments and with management efficiencies;
- sale of underused Federal property and creation of economic incentives for agencies to manage property more efficiently;

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- acceleration of leasing of Outer Continental Shelf (OCS) lands that have the promise of containing oil and gas;
- restraint on Federal pay raises;
- improved asset sale management;
- replacing monthly premiums for FHA mortgage insurance with a one time payment at settlement; and
- improved tax collection and enforcement through speed up of corporate income tax payments, withholding on interest and dividends, and increased IRS enforcement.

In total, these management initiatives will reduce the deficit by $20 billion in 1983 and larger amounts in subsequent years.

SAVINGS FROM MANAGEMENT INITIATIVES

(In billions of dollars)

	1982	1983	1984	1985	1986	1987
Outlay reductions:						
Prevention of fraud, waste, and abuse	1.0	1.0	1.0	1.0	1.0	1.0
Improved debt collection		1.0	1.0	2.0	2.0	2.0
Federal employment reduction				0.7	1.5	2.3
Federal property disposition		1.0	4.0	4.0	4.0	4.0
Accelerated OCS leasing		8.4	7.8	5.8	6.3	5.4
Federal pay restraint		1.4	3.0	4.5	5.8	6.9
Improved asset sale management	0.1	1.3	1.0	0.5	0.5	0.7
Revised FHA mortgage insurance payments		0.7	0.7	0.7	0.6	0.6
Subtotal, outlays	1.1	14.8	18.5	19.2	21.8	22.9
Receipts increases:						
Improved tax collection and enforcement:						
Speed up of corporate tax collections		1.4	1.7	0.9	0.2	—0.2
Withholding on interest and dividends		2.0	1.3	1.4	1.6	1.9
Increased IRS enforcement and collections	0.2	2.1	2.4	2.4	1.3	0.6
Subtotal, receipts	0.2	5.5	5.5	4.7	3.0	2.4
Total, management initiatives	**1.2**	**20.3**	**24.0**	**23.9**	**24.8**	**25.2**

Discretionary and other programs.—The administration is proposing reductions in discretionary and other programs that total $14 billion in 1983 outlays. These cuts are needed to reduce the Federal role in areas that are more appropriately the responsibility of the private sector or of the State and local sector; to eliminate unwarranted subsidies; and to reduce lower priority spending.

Major sources of discretionary outlay cuts in 1983 include the following:

—A $0.9 billion reduction for energy research and development, conservation, and regulation consistent with the need to reduce or phase out energy programs that have subsidized industry and substituted for appropriate private sector investments.

—A reduction of $0.7 billion for natural resources and environment programs results primarily from emphasizing non-Feder-

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al financial and cost-sharing for water projects and cuts in low priority programs.

—A $1.6 billion reduction in transportation-related outlays, with increased responsibility given to States and localities to build and maintain highways and roads that serve primarily State and local traffic. Formula grants for mass transit operating expenses will also be phased out by 1985. Also, Federal aid for railroads is being reduced as the financial condition of the industry improves.

—A $1.0 billion reduction in outlays for elementary and secondary education consistent with current fiscal stringencies and the fact that States and localities must continue to have primary responsibility for meeting education needs.

—A reduction of $2.2 billion for training and employment programs, reflecting the consolidation of the fragmented CETA program into a block grant to the States.

—A reduction of $1.0 billion in social services programs reflecting the need to reduce costs and better target services produced by State and local delivery systems.

—A reduction of $0.6 billion for housing assistance. A major reform of the structure of Federal housing assistance, which has been endorsed by the President's housing commission, is reflected in the 1983 budget. Budget authority for subsidized housing is reduced by $22.5 billion in 1983.

—A $0.6 billion reduction in low-income energy assistance, through an adjustment of the grant formula to target funds to those States most in need.

—Reductions of $1.3 billion for various discretionary health and income security programs reflecting program consolidations and improved targeting.

—A $2.7 billion reduction in net interest outlays relative to the current services base, reflecting the lower Federal borrowing associated with the deficit reduction measures.

SUMMARY OF REDUCTIONS IN DISCRETIONARY AND OTHER PROGRAMS

(Outlays; in billions of dollars)

	1983
Energy	−0.9
Natural resources	−0.7
Transportation	−1.6
Elementary and secondary education	−1.0
Training and employment	−2.2
Social services	−1.0
Housing assistance	−0.6
Low-income energy assistance	−0.6
Other income security and health	−1.3
Net interest	−2.7
All other	−1.7
Total	**−14.2**

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Tax revisions.—The administration is proposing a variety of tax changes designed to eliminate unintended tax benefits and remove obsolete incentives. These changes include the following:

- *Completed contract accounting.*—Under current law, contractors may defer tax on income from long-term capital gains until the year that the contract is completed, even when income is received throughout the term of the contract and certain costs are deducted as they occur. The administration proposes to disallow this method of accounting effective January 1, 1983.
- *Business energy tax credits.*—Effective January 1, 1983, the administration proposes to repeal all business energy tax credits.
- *Tax-exempt revenue bonds.*—The administration proposes that assets financed with tax-exempt revenue bonds issued after 1982 must be depreciated using the straightline method over an extended recovery period. In addition, tax-exempt revenue bond financing will be limited to bonds that are publicly approved by local governments and that, after 1985, receive a financial contribution, commitment, or obligation from the local government.
- *Modified coinsurance.*—Under current tax accounting rules, insurance companies that enter into modified coinsurance arrangements are able to convert taxable investment income, which is subject to tax at a 46% rate, into underwriting income, which is subject to tax at a maximum rate of 23%. The administration proposes to eliminate this tax benefit.
- *Construction period interest and taxes.*—Under current law, corporations are allowed an immediate write-off of interest and taxes incurred during the construction of commercial buildings. The administration proposes that for nonresidential property, these costs must be amortized over 10 years, effective January 1, 1983.
- *Corporate minimum tax.*—Corporations currently must pay a minimum tax, in addition to regular income tax, equal to 15% of certain preferences. The administration proposes to repeal this "add-on" tax effective January 1, 1983. An alternative minimum tax is proposed that would apply only to those corporations that pay very low regular rates of tax.

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In total, these tax revisions increase receipts by $7.2 billion in 1983, $13.5 billion in 1984, and $16.8 billion by 1987.

RECEIPT EFFECT OF TAX REVISIONS

(In billions of dollars)

	1983	1984	1985	1986	1987
Tax revisions:					
Completed contract accounting	3.3	5.0	3.2	2.7	2.8
Business energy tax credits	0.1	0.4	0.6	0.6	0.6
Tax-exempt revenue bonds	−0.2	0.3	1.1	2.1	3.3
Modified coinsurance	1.1	2.2	2.5	2.7	3.0
Construction period interest and taxes	0.5	1.1	1.0	1.0	1.0
Corporate minimum tax	2.3	4.6	5.1	5.6	6.2
Total	**7.2**	**13.5**	**13.5**	**14.8**	**16.8**

Budget outlays in constant dollars.—The abrupt shift in budget trends and priorities is highlighted by reviewing Federal spending estimates after adjusting for inflation. In the period from 1975 to 1981, real outlays grew by almost 4% per year, with major growth in nondefense spending at the expense of very sluggish growth in spending for our national defense. In sharp contrast to these past trends, overall real spending growth under the administration's proposals will be slowed to an average of only 1% per year from 1981 to 1987, only one-fourth the rate of the previous period. Moreover, spending growth for national defense will be almost 8% per year in real terms, with real nondefense spending declining by almost 2% per year. The decline in nonentitlement outlays is much sharper, averaging about 8% per year.

ANNUAL RATES OF INCREASE IN REAL FEDERAL SPENDING

(Percent)

	1975 to 1981	1981 to 1987
National defense	1.8	7.9
Nondefense:		
Entitlements	4.7	1.5
Other	4.3	−7.6
Subtotal, Nondefense	4.6	−1.7
Total	**3.9**	**1.0**

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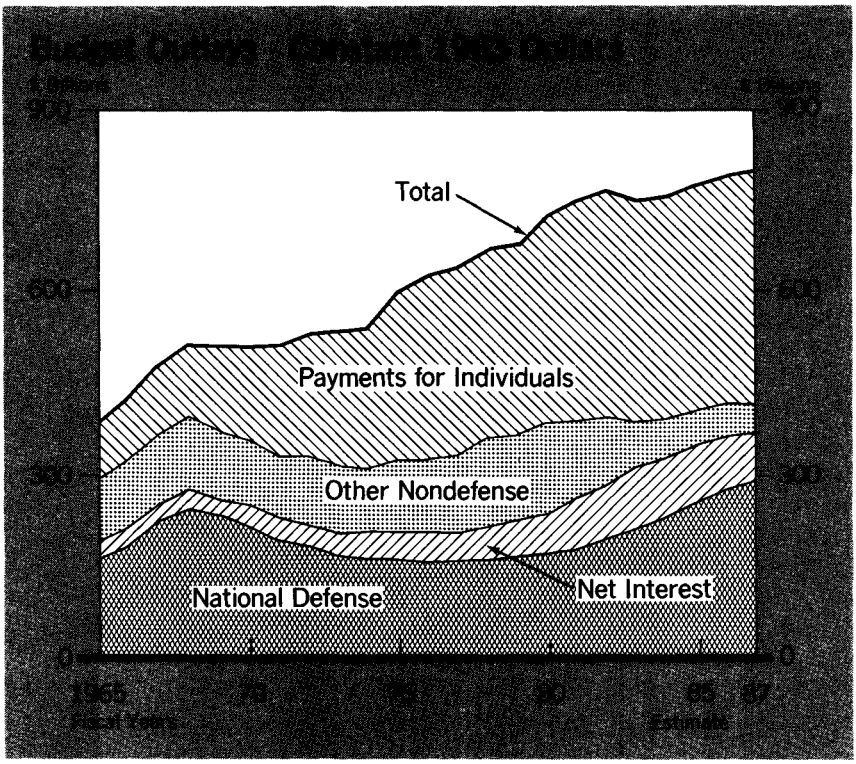

The Impact of Adequate Defense Funding on the Budget

The underfunding of national defense between 1975 and 1981 substantially complicates the challenge of restoring budget equilibrium. During this period, the real growth in defense spending averaged only 1.8% at a time when Soviet investment growth rates reached unprecedented peacetime levels. As a consequence, the catch-up costs for restoring our military capabilities will be substantial.

Strategic deterrence will be strengthened by modernizing all strategic force elements: bombers, land- and submarine-based ballistic and cruise missiles, and command and control systems. Conventional forces will be strengthened and modernized with new aircraft, tanks, missiles, and warships. The budget provides for military pay raises that will permit continued improvements in the quality of armed forces personnel through improved recruitment and retention, and provides for increased training. The budget proposals will also make possible increases in the readiness of our forces through increases in ammunition, spare parts, and other supplies; and improvements in mobility.

The planned rebuilding of our military capabilities will be expensive, but only in comparison to the defense budgets of the 1970's. At its peak for the 1980's, the defense budget will remain a consid-

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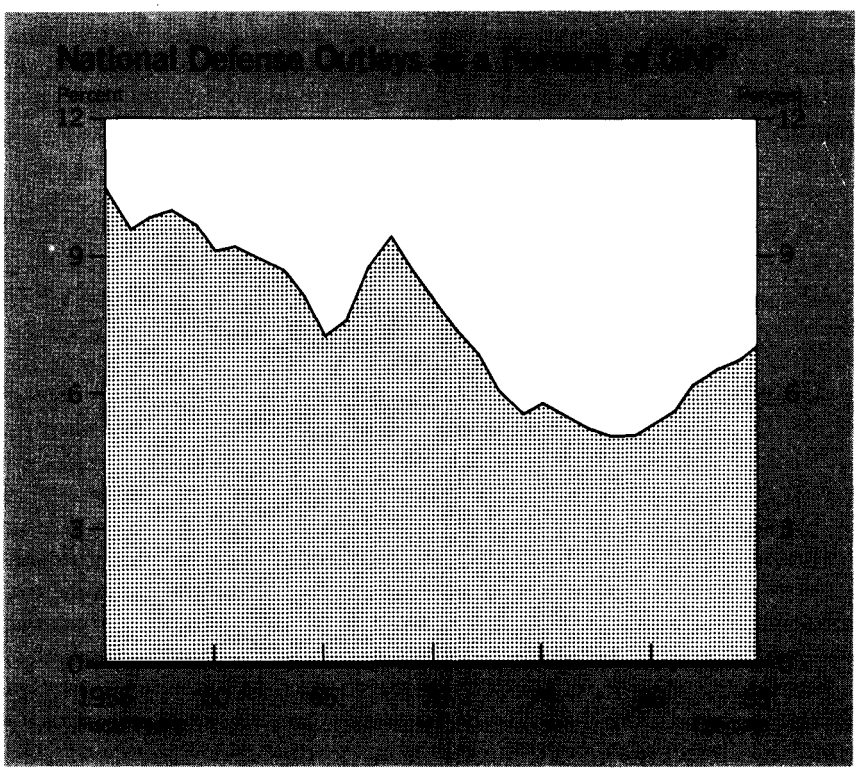

erably smaller percentage of GNP than the average during the 1950's and 1960's.

The accompanying table indicates projected defense outlays, total obligational authority and annual real growth rates from inadequate 1981 levels proposed by the previous administration.

DEPARTMENT OF DEFENSE FUNDING

(Dollar amounts in billions)

	Total obligational authority		Outlays	
	Amount	Real growth rate	Amount	Real growth rate
1982	214.2	12.7	182.8	7.7
1983	258.0	13.2	215.9	10.5
1984	285.5	4.6	247.0	8.0
1985	331.7	10.4	285.5	9.6
1986	367.6	5.4	324.0	8.0
1987	400.8	3.8	356.0	4.6
Average annual growth rate:				
1981–1984	17.5%	10.1	16.5%	8.7%
1981–1987	14.7%	8.3	14.7%	8.1

These defense catch-up requirements will absorb most of the gain in receipts projected for 1982–87, necessitating the pervasive alteration of priorities and reductions of spending commitments elsewhere in the budget. Through 1984, three-quarters of the growth in

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total budget receipts will be required to fund the defense buildup. While this requirement will relax somewhat beyond 1984, three-fifths of the receipts growth will still be needed to meet defense requirements in subsequent years.

INCREASE IN RECEIPTS AND DEFENSE DEPARTMENT OUTLAYS

(Dollar amounts in billions)

	1982	1983	1984	1985	1986	1987
Cumulative increase in Defense Department outlays over 1981	26.7	59.8	90.9	129.4	167.9	199.9
Cumulative increase in total receipts over 1981	27.5	66.8	123.7	197.3	261.7	326.4
Defense share of receipts gain	**97.2%**	**89.5%**	**73.5%**	**65.6%**	**64.2%**	**61.2%**

Reversal of the Growing Tax Claim on GNP

During the period 1955–1968, the average performance of the economy was characterized by sustained real economic growth, low inflation, and stable financial markets and interest rates. Federal taxes as a share of GNP averaged 18.1%.

Since 1968, this stable performance pattern has broken down as shown in the table below. The increase in the Federal receipts claim on national income is both a cause and consequence of this breakdown. As tax burdens rose, real growth faltered, inflation soared and tax burdens were automatically notched up further—reaching an historic peacetime high of 21.0% in 1981.

THE TAX CLAIM ON GROSS NATIONAL PRODUCT

(Percent)

	Average real GNP growth	Average inflation rate	Average Treasury bond rate	Average tax share of GNP
1955–1968	3.7%	2.4%	4.3%	18.1%
1969–1978	3.1	6.3	7.2	19.0
1979–1981	0.9	9.1	11.6	20.3

Had this destructive cycle not been broken, the tax share of GNP would have accelerated rapidly under the impetus of bracket creep to over 24% of GNP by 1987. The Federal tax claim on GNP would have been one-third higher than during the strong economic performance years of 1955–68—thereby ensuring a steady deterioration in the trend of savings, investment, productivity, and real economic growth. As shown below, the Economic Recovery Tax Act of 1981 will dramatically reverse this upward creep in the tax burden. The Federal tax claim on GNP will return to pre-1968 levels. The total reduction in tax revenues over the 1982–87 period will exceed $960 billion relative to previous law. This fundamental change in the

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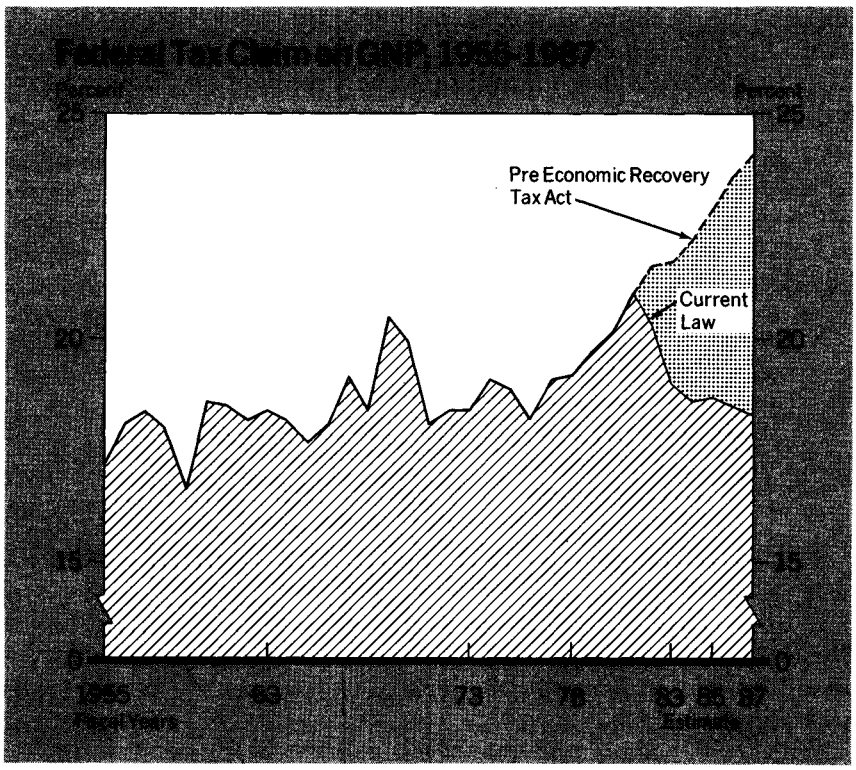

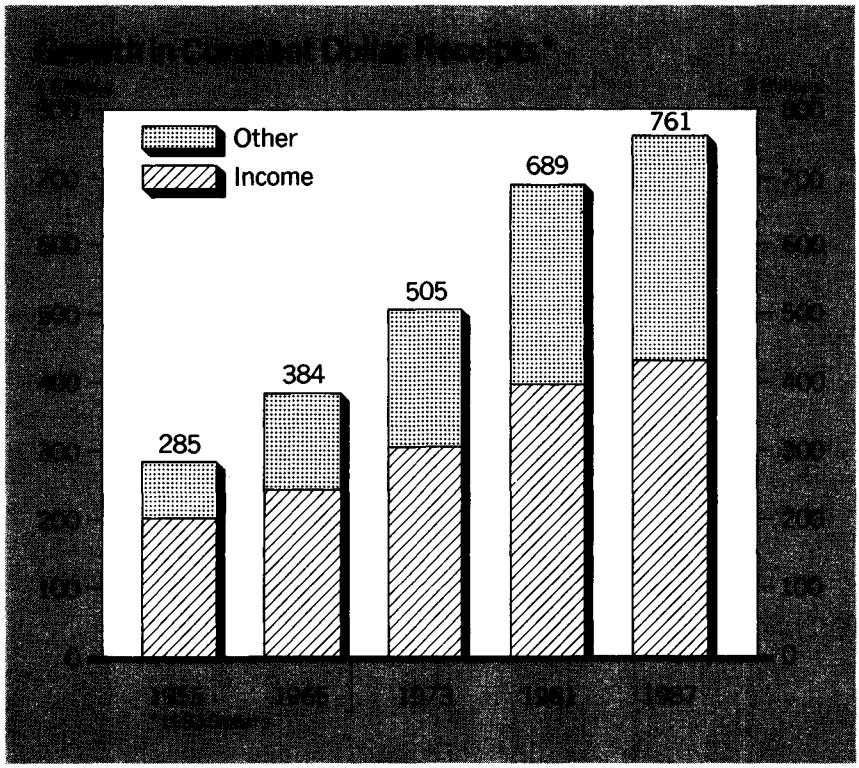

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distribution of national income between the Federal sector and the remainder of the economy capsulizes the basic redirection of national economic policy embodied in the President's economic recovery program.

CURRENT LAW RECEIPTS—BEFORE AND AFTER THE ECONOMIC RECOVERY TAX ACT OF 1981

(Dollar amounts in billions)

	1982	1983	1984	1985	1986	1987
Total receipts:						
Pre-1981 Tax Act	664.7	744.9	842.7	955.0	1,073.0	1,193.3
Current law [1]	626.4	653.3	703.8	778.3	843.3	906.7
Difference	−38.3	−91.6	−139.0	−176.7	−229.7	−286.5
Share of GNP (percent):						
Pre-1981 Tax Act	21.6	21.7	22.2	22.9	23.6	24.1
Current law [1]	20.3	19.0	18.6	18.7	18.5	18.3

[1] Includes the extension of highway trust fund taxes at present rates after September 30, 1984.

Constant dollar receipts.—During the period from 1955 to 1981, real economic growth, legislated tax increases, and the effects of inflation moved taxpayers into higher tax brackets, generating a steadily rising level of real budget receipts. This permitted the real spending commitments of the Federal Government to nearly triple over this period.

With new budget and monetary policies in place, this era of rapidly growing real spending and real receipts will be brought to an end. Due to the personal income tax rate cuts, indexing of the individual income tax brackets beginning in 1985, and the sweeping depreciation reform on business income taxes, the growth in constant dollar income tax receipts will be very small between 1981 and 1987. The largest real growth in receipts in this period will come from the social security payroll tax, due to automatic increases in the taxable earnings base, scheduled rate increases, and rising real incomes. As a consequence, fiscal policy must now focus on *tradeoffs* among existing spending commitments rather than on the *allocation* of new budget receipts to new or expanded programs.

Asymmetrical Pattern of Prospective Budget Growth, 1983-87

During the 1973-81 period, rapid growth was widely distributed across broad sectors of the budget. The average annual growth rate for total outlays was 13%. While most entitlements grew around 14% a year, the average growth rate for medicare and medicaid was 19%. Net interest grew by 18% a year. On average, defense grew by almost 10% a year. In total, discretionary nondefense programs grew by 11% a year.

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THE GROWTH IN BUDGET OUTLAYS, 1973–1981

(Dollars amounts in billions)

	1973	1981	Average rate of growth
Budget component:			
National defense	74.5	159.8	9.7%
Entitlements:			
Social security	48.2	138.0	13.6
Medicare and medicaid	14.1	59.3	19.0
Other	32.2	94.8	14.0
Subtotal, Entitlements	94.6	292.0	14.6
Net interest	17.3	68.7	18.2
Other nondefense:			
Education, training, employment, and social services	12.7	29.1	10.6
Energy	1.2	10.3	30.0
Transportation	9.0	23.1	12.1
Community and regional development	4.6	9.4	9.1
All other	31.7	64.7	9.0
Subtotal, other nondefense	59.2	136.7	10.7
Total budget	**245.6**	**657.2**	**12.7**

The reduction of spending now underway and extended in the 1983 budget proposals embodies nearly an opposite pattern: rapid growth in a few large components of the budget and no growth or negative nominal and real growth in the remainder. These asymmetrical patterns are highlighted in the table below.

The reasons for rapid growth in these three major components are varied. The growth in defense represents a deliberate policy

THE GROWTH IN BUDGET OUTLAYS, 1982–1987

(Dollar amounts in billions)

	1982	1983	1984	1985	1986	1987
Outlays:						
National defense	187.5	221.1	253.0	292.1	331.7	364.2
Social security	154.6	173.5	188.5	202.3	216.5	232.0
Medicare and medicaid	67.4	72.4	79.8	88.8	97.8	107.4
All other entitlements	102.9	95.6	93.7	95.3	96.6	98.5
Net interest	83.0	96.4	98.7	100.8	99.3	93.2
Other nondefense	129.9	98.7	92.3	89.2	85.2	83.5
Total budget outlays	**725.3**	**757.6**	**805.9**	**868.5**	**927.0**	**978.9**
Growth rate (percent):						
Defense, social security, medicare and medicaid	14.7	14.0	11.6	11.9	10.8	8.9
All other	5.2	−8.0	−2.1	0.2	−1.5	−2.1
Total budget	**10.4**	**4.5**	**6.4**	**7.8**	**6.7**	**5.6**
Share of budget (percent):						
Defense, social security, medicare and medicaid	56.5	61.6	64.7	67.1	69.7	71.9
All other	43.5	38.4	35.3	32.9	30.3	28.1

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decision to improve national military capabilities after a period of under-investment. The social security growth pattern reflects demographic patterns, the large real benefit increases built into the base during the 1970's, and the system's characteristic as an intergeneration transfer and social compact that cannot, and should not, be precipitously altered. The explosive growth of medicare and medicaid is symptomatic of pervasive structural shortcomings in the U.S. health care delivery and financing system. The administration will propose a major cost containment and health competition plan in the near future designed to correct these structural defects. But such system-wide reforms will take years to implement and will have only limited near-term budget impact.

Given these factors, the burden of continued budget restraint must fall heavily on the 38% of the budget outside of these three sectors. As the 1983 budget program demonstrates, additional spending reductions in these remaining budget sectors are possible and desirable. But with the passage of time, the problem of overall budget control will be made more difficult by the vast imbalances in present budget growth patterns.

Correcting the Underlying Budget Imbalance

The fact that Federal fiscal policy had become unsustainable and counterproductive by the 1980-81 period is best revealed by the records set during those 2 years:

- the highest rate of peacetime spending growth in history (17% in 1980);
- the highest peacetime outlay share of GNP (23.0% in 1981);
- the highest peacetime receipts share of GNP (21.0% in 1981); and
- the largest back-to-back total deficits in history ($152.7 billion in 1980 and 1981).

While these statistics tell a disconcerting story, they do not tell all of it. If it had not been for the shortchanging of national defense in the late 1970's, the total fiscal imbalance at that time would have been far worse.

The table below provides a restatement of deficits for 1980 and 1981 based on the minimum defense expenditure increases that would have been necessary in that period to prevent the shortfalls in pay and readiness and the lags in strategic and conventional modernization that actually occurred and are now being reversed. The table also includes off-budget deficits, which grew rapidly in the late 1970's and are now being steadily reduced.

The table demonstrates the true extent of fiscal disequilibrium that had set in by 1980 and 1981. Despite steady growth of tax rates and the receipt claim on GNP and only a brief recession, the true total deficit share of GNP averaged 3.4% during 1980-81. The

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BUDGET AGGREGATES

(Dollar amounts in billions)

	Actual—Restated for adequate defense		Estimate					
	1980	1981	1982	1983	1984	1985	1986	1987
Receipts	517.1	599.3	626.8	666.1	723.0	796.6	861.0	925.7
Outlays	591.3	674.9	725.3	757.6	805.9	868.5	927.0	978.9
Budget deficit	−74.2	−75.6	−98.6	−91.5	−82.9	−71.9	−66.0	−53.2
Off-budget deficit	−14.2	−21.0	−19.7	−15.7	−14.3	−11.0	−10.9	−9.3
Total deficit	**−88.4**	**−96.6**	**−118.3**	**−107.2**	**−97.2**	**−82.8**	**−77.0**	**−62.5**
Total deficit share of GNP (percent)	−3.4	−3.4	−3.8	−3.1	−2.6	−2.0	−1.7	−1.3

Federal budget was drastically over-committed in nondefense areas if the Federal tax take was to be restored to levels compatible with strong economic growth and modern historical experience.

The structural factors of underinvestment in defense and the adverse temporary impact of disinflation on reduced income and revenue growth help to explain the abnormally large deficits being projected and the lengthy period of time it will take to restore fiscal equilibrium. This structural deficit will diminish steadily over future budget years if continued fiscal restraint is maintained.

Control of Federal Credit

The rapid growth of Federal credit activity—both direct loans and guaranteed loans—has had serious effects on the Nation's economy and financial markets. During the last decade, the Federal Government became the dominant consumer of the Nation's financial resources. By 1981, direct and guaranteed borrowing, combined with Government-sponsored enterprise borrowing, absorbed an estimated 35% of total credit raised in domestic credit markets.

Large Federal credit demands impede the Nation's ability to improve investment and productivity, exacerbate inflation expectations and place upward pressure on both interest rates and inflation. Federally assisted borrowers are frequently less productive than unsubsidized private borrowers; and this preemption of capital that could be efficiently employed in private hands has substantially inhibited economic growth in recent years. Moreover, Federal intervention through guarantees and provision of direct lending distorts the market's assessment of true risk and return. This too has caused a misdirection of investment and a decline in economic growth.

The accelerated rate of growth in Federal credit occurred largely in the second half of the 1970's and the first years of the 1980's. Between 1975 and 1982, net direct and guaranteed lending grew at a 19% annual rate of growth. During 1982, however, systematic

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efforts to curtail this growth trend have been put in place. Under the President's proposals, as economic growth resumes and the budget deficit steadily shrinks, total Federal credit demand will steadily fall as a share of GNP and credit market activity.

The credit budget.—For 1983, the administration is proposing that the credit budget be limited to 2.7% growth above the 1982 level. The credit budget, which is on a gross basis, is the point of budgetary control for credit programs. Due to increased repayments, the net change in credit extended is estimated to decrease by 6% between 1982 and 1983.

THE CREDIT BUDGET TOTALS

(In billions of dollars)

	1981 actual	1982 estimate	1983 estimate
New direct loan obligations [1]	57.2	56.4	49.0
New guaranteed loan commitments [2]	76.5	87.1	98.4
Total	**133.7**	**143.4**	**147.3**
MEMORANDUM			
Secondary loan guarantee commitments	44.1	48.7	38.4
Guaranteed loans held as direct loans	32.1	30.4	24.7

[1] Excludes purchases of loan assets by the Federal Financing Bank.
[2] Excludes commitments for guarantees of loans previously guaranteed (secondary guarantees) and for guarantees by one Government account of direct loans made by another Government account.

Throughout the past year, the administration conducted an intensive inter-agency, Cabinet-level review of Federal credit activities, seeking ways to restrain Federal credit demands on private credit markets and to reduce interest rate pressures in the open market. This effort focused primarily on the areas of housing credit, agriculture credit, credit entitlements and aid to businesses.

Major proposals to slow down the growth in the credit budget include:

- *Government National Mortgage Association.*—Loan commitments for mortgage-backed securities by GNMA are proposed to decrease from $48.0 billion in 1982 to $38.4 billion in 1983. This represents a 20% reduction from the 1982 level. Private sector mortgage securities programs are now rapidly developing; to encourage the success of these efforts the administration is proposing to restrain the GNMA program.
- *Export-Import Bank.*—Direct lending will be reduced by $0.6 billion between 1982 and 1983, and guaranteed loans will be held at the 1982 level. Because of the decline in demand for direct credit, and the potential for the private sector to undertake increased insurance activity, these amounts will be sufficient to enable the Export-Import Bank to meet the requisite needs of exporters facing subsidized foreign competition.

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MAJOR CHANGES IN THE CREDIT BUDGET TOTALS

(In billions of dollars)

	Direct loan obligations	Guaranteed loan commitments
Credit budget totals, 1982	**56.4**	**87.1**
Changes:		
Export-Import Bank	−0.6	
Farmers Home Administration	−2.6	−0.6
Rural Electrification Administration	−0.4	−0.5
Small Business Administration	−0.4	−0.3
Public housing	−0.5	1.5
International security assistance	1.0	0.8
CCC price supports	−2.0	
Federal Housing Administration	−0.1	6.4
Veterans' housing	*	2.9
Other	−1.8	1.0
Total change	−7.4	11.3
Credit budget totals, 1983	**49.0**	**98.4**
MEMORANDUM		
GNMA mortgage-backed securities (secondary guarantees)	5.8	−9.6

* $50 million or less.

- *Farmers Home Administration.*—The administration believes that private lenders are increasingly able to fill rural credit needs adequately. Accordingly, reductions proposed in FmHA programs total $2.6 billion in direct loans and $0.6 billion in loan guarantees. These changes include major decreases in direct loans for rural housing, and termination of the business and industrial and alcohol fuels loan guarantee programs.
- *Rural Electrification Administration.*—REA guaranteed loans will be reduced by $0.5 billion in 1983, and direct loans will be reduced by $0.4 billion. These reductions are proposed because a large number of REA borrowers can obtain credit from unsubsidized private sources at prevailing market rates.
- *Small Business Administration.*—The Administration is proposing to eliminate SBA direct loans beginning in 1983 and to reduce 1983 guarantees by 10% below the 1982 level. These decreases are proposed because inequitable and inefficient subsidies are provided only to certain small businesses, while equally deserving firms rely on unsubsidized credit resources.
- *Public Housing.*—A decrease in direct loan obligations of $0.5 billion and an increase of $1.5 billion in guaranteed loan commitments between 1982 and 1983 result from financing transactions of prior year commitments for public housing notes.
- *International Security Assistance.*—The administration plans to increase its military assistance to friendly and strategically important nations in both 1982 and 1983. Direct loans will

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increase by $1.0 billion in 1983, and guaranteed loans, financed through the Federal Financing Bank, will increase by $0.8 billion.

- *Commodity Credit Corporation.*—Direct loan obligations for commodity price support programs are estimated to decrease by $2.0 billion between 1982 and 1983 due to provisions in the recently enacted Agriculture and Food Act of 1981.

Major upwards reestimates in the credit budget are due to improved economic conditions for housing. As the housing industry recovers from its depressed 1981 levels, guaranteed lending increases are expected for:

- *Federal Housing Administration.*—Guaranteed loan commitments for FHA are estimated to increase by $5.0 billion in 1982 and $6.4 billion in 1983.
- *Veterans.*—Guaranteed loan commitments in the veterans loan guarantee revolving fund are estimated to increase by $7.8 billion in 1982 and $2.9 billion in 1983.

The Prospective Budget Margin for Discretionary Programs

The economic growth and incentive-oriented tax policy now in place will steadily reduce receipts as a share of GNP to an equilibrium level of about 18.7% in 1987. As shown below, this returns the government tax claim on national income to a level consistent with that obtained during the period of strong economic performance of the 1960's.

RECEIPTS AS A SHARE OF GNP

1963–73	18.7%
1978–81	20.0
1981	21.0
1987, before 1981 tax act	24.1
1987, administration policy	18.7

The restoration of long-run fiscal equilibrium will require a continuing curtailment and restructuring of Federal budget commitments in order to bring outlays back into balance with receipts and to end debt financing of the Federal budget. Unfortunately, Federal spending commitments grew substantially as a share of GNP during the high-tax era of the mid- and late-1970's. Outlays in 1981 reached an historic peak of 23.0% of GNP. Without the major reductions achieved in the Reconciliation Act of 1981 and the 1982 Appropriations Acts, the outlay claim would have remained at that level indefinitely.

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Reducing this structural excess on the outlay side will take time and require difficult choices beyond those new spending restraints proposed in the President's 1983 budget. As is shown in the table on the following page, even with the major deficit reduction initiatives proposed this year, the gap between outlays and receipts as a share of GNP will remain at nearly 1.1% by 1987.

Future efforts to reduce this gap will confront an imposing challenge: namely that the combined claim of the Nation's two largest, highest priority, and least flexible budget commitments—defense and the social insurance system—increased substantially since the 1963–73 period.

As shown below, the cost of medicare, social security, and unemployment insurance will have grown from 3.9% of GNP during 1963–73 to 6.5% in 1987. After the current defense catch-up effort is nearly completed in 1987, the defense share of GNP will be slightly under its 1963–73 average. In addition, the net interest share will be slightly higher due to the sizable and chronic deficits that will have characterized policy over the entire period. Overall, the GNP share of these three basic components of the budget will rise from 13.1% of GNP during the 1963–73 period to 15.8% by 1987.

GNP SHARE OF MAJOR BUDGET COMPONENTS

	1963–73	1981	1987
Receipts	**18.7%**	**21.0%**	**18.7%**
Major outlay commitments:			
National defense	7.9	5.6	7.3
Social insurance	3.9	6.9	6.5
Net interest	1.4	2.4	1.9
Subtotal, major outlay commitments	13.1	14.9	15.8
All other budget outlays	6.7	8.1	4.0
Total budget outlays	**19.8**	**23.0**	**19.7**

Given the relative inflexibility of these budget claims, nondefense discretionary programs and non-social insurance entitlements will have to bear the major burden of future measures to close the budget gap. Under current budget policy, including all spending reductions proposed in the 1983 budget, the GNP share for "all other" budget programs would be 4.0% in 1987. As is shown in the accompanying table, the all other category is steadily shrinking under current policy, but ultimately major restructuring of budget priorities and elimination of some activities in the category will be required if permanent fiscal equilibrium is to be achieved.

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REQUIREMENTS TO CLOSE THE BUDGET GAP

(Dollar amounts in billions)

	1981	1984	1987
Share of GNP:			
Outlays:			
Defense, social insurance and net interest	14.9%	16.3%	15.8%
All other	8.1	5.0	4.0
Total outlays	23.0	21.3	19.7
Total receipts	21.0	19.1	18.7
Deficit gap	−2.0	−2.2	−1.1
"All other" portions of the budget:			
Pre-February 1981 current services	$230.3	$284.3	$325.0
Current 1983 budget policy	n.a.	$189.7	$197.0
Difference (savings)	n.a.	$94.6	$128.0
Further outlay savings needed to close the 1987 budget gap	n.a.	n.a.	$53.2

n.a.: Not applicable.

Transition of American Federalism

Federal grants to States and localities have grown from $3 billion in 1954 to $10 billion in 1964 and to $91 billion in 1980. In the last 10 years alone, grants to State and local governments have grown at an average annual rate of 13%. This growth has caused serious ambiguity in both the uses of the Federal tax dollars and in the functions of each level of government under our Federal system. The administration has proposed significant reforms in the intergovernmental grant system through the substitution of block grants, accompanied by decreased regulation, for a large number of categorical grants. This approach has been only partially accepted by the Congress.

The President's new federalism initiative—announced in the State of the Union Message—is sweeping. It explicitly distinguishes Federal from State and local responsibilities. It also provides for the transfer of revenue resources to the States as federally funded activities again become the responsibility of States and localities.

A major feature of the initiative is to create clear responsibilities for programs now jointly administered or financed by several levels of government. Under the administration's proposal, States and localities would assume full responsibility for public assistance and food stamp programs. In return, the Federal Government would accept full responsibility for the medicaid program that finances medical care for the poor. This swap will result in substantial administrative efficiencies. Moreover, States will be able to design income support programs for the poor in accordance with local needs. The Federal Government will be required to establish meas-

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ures that will reduce the very rapid cost increases for the medicaid program that have taken place since its inception.

The second major feature of the federalism initiative is the transfer of responsibility for over 40 existing federally financed programs that are actually non-Federal in nature to the States and localities. Under the administration's initiative, the States will have 4 years in which to decide whether to carry out these programs themselves, whether to do so in a modified form, or whether to discontinue them.

A third feature of the federalism initiative is that as the program responsibilities are turned over to the States, so will the means of funding them. This will be the case regardless of whether the States choose to substitute their own programs for those that will be phased out.

During the first transition phase of the federalism initiative, a special transition fund will be established. This fund will receive approximately $28 billion per year from existing excise taxes that will be specially dedicated to finance the federalism transition. This fund will be administered by the Federal Government, but the States will have broad latitude on specific allocations of funds. The fund will be used for three purposes during the first phase of the federalism initiative:

- It will finance more than 40 programs slated to be turned back to the States and localities *to the extent States wish these programs to be maintained.*
- It will provide the option for States to receive unrestricted allocations of funds *to the extent they decline* financing for turnback programs.
- It will provide the mechanism for equalizing gains and losses among States that result from the medicaid/public assistance swap.

Each State will have an account in the fund based on its share of the turnback programs during the 1979–81 period. These amounts will be modified as necessary to compensate for gains or losses that result from the medicaid/public assistance swap. During the 1984–87 period, the States may *at their option* use these funds from their transition account to continue Federal programs that are destined to be turned back to States and local governments. If they do so, they must abide by existing Federal conditions and rules.

If a State chooses to have some or all of the designated Federal programs terminated before 1987, the resulting surplus in its transition fund accounts will be made available as a "super revenue sharing" payment to States and localities, and Federal agencies will cease designated program activity in the State concerned. Some super revenue sharing payments will be passed through to localities. Specifically:

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- If States opt out of existing programs designated solely for localities (e.g., urban action development grants and mass transit subsidies), the entire amount of the savings will be passed through to local governments.
- For education grants, which are generally *not* made to localities, no pass-through will be required.
- For other programs, 15% of the savings will be passed through, using the general revenue sharing formula.

This program permits the *States* to decide how soon, and in what way, the phaseout of the turnback programs will take place. It permits each State to decide its own mix of continued categorical grant programs during the transition phase relative to the use of additional unrestricted tax receipts.

The second stage of the federalism initiative is slated to begin in 1988 when the programs designed for turnback will no longer be operated by the Federal Government. Beginning in that year, the Federal taxes dedicated to the fund will be reduced 25% per year. States will be able, at their option, to replace their own excise taxes for those collected by the Federal Government. By 1991, all of the Federal excise taxes designed to finance the federalism transition fund will expire. As a result of this process, the States will have the option of:

- continuing, changing, or terminating more than 40 turnback programs that are currently funded through the grant mechanism and through direct Federal operations; or
- increasing their tax base by substituting local taxes for Federal taxes that will be phased out.

This program will:

- create a genuine joint Federal-State transition process; and
- provide adequate time for States to adjust local program priorities and local revenue sources.

The result of the federalism transition will be a clear separation of Federal from State and local roles. The Federal Government will have responsibility for:

- Our national social insurance system, including social security retirement, disability, and medicare.
- Aid to the elderly through supplemental security insurance, medicaid, housing assistance, and senior service programs.
- Health insurance and medical assistance, including medicare, medicaid programs, and tax incentives for private insurance.
- Other national concerns, such as compensatory education and head start, higher education support, handicapped education, and Interstate highways.

The States and localities will have responsibility for:

- Local transportation facilities and services, such as bridges, streets, State and local highways, and mass transit.

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- Community development and local capital investment, including sewage treatment plants, neighborhood renewal, and urban revitalization.
- General education.
- Social, health, and nutrition services, such as day care, rehabilitation, community health programs, drug and alcohol treatment, nutrition and health services to low-income families, social work, and protective services.
- Cash assistance to non-elderly needy, through State and local substitutes for existing food stamp and AFDC programs.

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Summary Tables

The following tables show estimates through 1987 for receipts by source, budget authority and outlays by function, and budget authority and outlays by agency. The data shown by function show major programs within some functions.

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

	1981 actual	Estimate					
		1982	1983	1984	1985	1986	1987
Individual income taxes	285.9	298.6	304.5	322.9	362.0	401.5	445.7
Corporation income taxes	61.1	46.8	65.3	83.7	88.2	83.9	80.7
Social insurance taxes and contributions	182.7	206.5	222.5	242.5	273.1	304.0	329.1
Excise taxes	40.8	43.0	41.7	41.5	40.8	39.2	37.9
Other	28.7	31.9	32.1	32.5	32.5	32.4	32.3
Total	**599.3**	**626.8**	**666.1**	**723.0**	**796.6**	**861.0**	**925.7**
MEMORANDUM							
Effect of receipts proposals in comparison to current services: [1]							
Individual income taxes		0.1	3.5	2.6	2.7	2.0	2.0
Corporation income taxes		0.1	9.1	16.1	14.9	14.8	15.8
Social insurance taxes and contributions			−1.1	−1.0	−1.0	−1.0	−1.0
Excise taxes		0.1	1.2	1.4	1.6	1.8	2.0
Other		*	0.1	0.1	0.1	0.1	0.1
Total		**0.3**	**12.8**	**19.3**	**18.3**	**17.7**	**19.0**

*$50 million or less.

[1] These estimates do not reflect the extension of the highway trust fund taxes that are scheduled to expire September 30, 1984; extension is assumed in the current services receipts estimates.

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BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

	Estimates					
	1982	1983	1984	1985	1986	1987
National defense	(218.9)	(263.0)	(291.0)	(338.0)	(374.9)	(408.4)
Military personnel	38.5	44.9	46.0	47.7	48.9	49.7
Retired pay	15.0	16.5	17.7	18.9	20.0	21.1
Operation and maintenance	62.3	69.4	73.0	82.0	90.9	98.7
Procurement	65.7	89.5	101.9	125.5	142.8	155.1
Other [1]	37.4	42.7	52.4	64.0	72.3	83.8
International affairs	18.5	18.1	17.4	16.4	15.9	15.6
General science, space, and technology	7.0	7.8	7.7	7.3	6.7	6.7
Energy	4.8	4.3	4.5	4.1	4.5	4.5
Natural resources and environment	10.0	8.4	7.7	7.3	7.0	6.4
Agriculture	9.6	6.9	7.3	4.5	4.5	4.5
Commerce and housing credit	6.3	3.4	4.2	4.6	5.4	5.8
Transportation [2]	21.0	19.1	19.2	19.5	19.8	20.1
Community and regional development	6.6	6.7	6.9	7.0	7.0	7.0
Education, training, employment, and social services	(23.5)	(18.8)	(17.7)	(17.8)	(17.3)	(16.8)
Education	13.0	10.3	9.2	9.2	8.8	8.3
Training, employment and other labor	4.5	3.6	3.6	3.6	3.6	3.6
Social services	6.0	5.0	5.0	5.0	5.0	5.0
Health	(79.2)	(77.8)	(81.4)	(93.6)	(115.7)	(128.3)
Medicare	52.0	55.0	52.6	62.6	82.5	92.4
Medicaid	18.0	13.0	18.7	20.5	22.2	24.4
Other	9.2	9.8	10.1	10.5	11.0	11.6
Income security	(252.3)	(257.6)	(281.9)	(310.2)	(323.6)	(348.0)
Social security	150.1	168.6	190.6	212.0	225.7	245.1
Other general retirement	7.4	2.2	2.2	2.2	2.2	2.2
Federal employee retirement	33.6	35.0	37.0	38.8	40.3	41.6
Unemployment compensation	21.0	22.2	21.6	21.3	21.3	21.1
Housing assistance	6.6	−3.9	−2.2	2.1	−.4	2.8
Food and nutrition assistance	15.8	13.8	14.1	14.6	14.9	15.4
Other income security	17.8	19.7	18.6	19.3	19.6	19.9
Veterans benefits and services	24.8	25.7	26.3	27.0	27.9	28.8
Administration of justice	4.3	4.5	4.6	4.5	4.6	4.6
General government	5.2	5.3	5.4	5.2	5.1	5.1
General purpose fiscal assistance	6.4	6.7	6.9	7.2	7.5	7.7
Interest	99.1	112.5	116.2	119.7	120.5	116.7
Allowances:						
Civilian agency pay raises	.4	.8	1.9	3.4	5.0	6.7
Contingencies and other	−1.0	−2.0	−2.0	−3.7	−4.5	−5.3
Undistributed offsetting receipts:						
Employer share, employee retirement	−7.6	−8.4	−8.7	−9.1	−9.5	−9.8
Interest received by trust funds	−16.1	−16.1	−17.5	−18.9	−21.3	−23.5
Rents and royalties on the Outer Continental Shelf	−7.9	−18.0	−18.0	−18.0	−19.5	−21.0
Federal surplus property disposition	.....	−1.0	−4.0	−4.0	−4.0	−4.0
Total budget authority	**765.5**	**801.9**	**858.0**	**943.5**	**1,014.1**	**1,078.2**
MEMORANDUM						
Budget authority, off-budget Federal entities	32.6	28.8	31.6	20.4	22.1	27.4
Budget authority, including off-budget Federal entities	798.1	830.7	889.6	963.9	1,036.2	1,105.6

[1] Includes allowances for civilian and military pay raises for Department of Defense—Military.
[2] Includes allowances for military pay raises for the Coast Guard.

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BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

	Estimates					
	1982	1983	1984	1985	1986	1987
National defense	(187.5)	(221.1)	(253.0)	(292.1)	(331.7)	(364.2)
Military personnel	38.3	44.5	45.8	47.5	48.8	49.5
Retired pay	15.0	16.5	17.7	18.8	19.9	21.1
Operation and maintenance	60.6	67.3	71.9	79.6	88.5	96.5
Procurement	41.3	55.1	70.0	88.3	106.9	119.4
Other [1]	32.3	37.6	47.5	57.8	67.6	77.7
International affairs	11.1	12.0	12.3	13.0	12.5	11.9
General science, space and technology	6.9	7.6	7.8	7.4	6.9	6.7
Energy	6.4	4.2	3.8	3.8	4.0	4.1
Natural resources and environment	12.6	9.9	8.4	7.7	6.9	6.3
Agriculture	8.6	4.5	5.1	4.6	2.8	2.8
Commerce and housing credit	3.3	1.6	1.3	−.5	−.8	−.7
Transportation [2]	21.2	19.6	18.8	19.4	19.7	19.7
Community and regional development	8.4	7.3	6.7	6.9	6.7	6.7
Education, training employment, and social services	(27.8)	(21.6)	(19.3)	(17.8)	(17.3)	(16.8)
Education	15.4	13.1	10.3	9.3	8.8	8.3
Training, employment and other labor	6.0	3.4	4.0	3.6	3.6	3.6
Social services	6.4	5.1	5.0	5.0	5.0	5.0
Health	(73.4)	(78.1)	(84.9)	(93.5)	(102.4)	(111.9)
Medicare	45.7	51.0	56.3	63.0	69.9	76.9
Medicaid	17.9	17.1	18.7	20.5	22.2	24.4
Other	9.9	10.1	9.9	10.1	10.3	10.6
Income security	(250.9)	(261.7)	(274.8)	(290.1)	(305.7)	(323.1)
Social security	154.6	173.5	188.5	202.3	216.5	232.0
Other general retirement	7.6	2.1	2.1	2.1	2.2	2.1
Federal employee retirement	19.4	21.1	22.5	24.1	25.8	27.6
Unemployment compensation	25.2	22.6	19.8	18.0	16.5	15.5
Housing assistance	8.2	8.9	9.4	9.9	10.4	10.7
Food and nutrition assistance	15.6	13.8	14.0	14.4	14.8	15.2
Other income security	20.2	19.8	18.6	19.3	19.6	19.9
Veterans benefits and services	24.2	24.4	25.6	26.9	27.9	28.7
Administration of justice	4.5	4.6	4.6	4.5	4.5	4.6
General government	5.1	5.0	5.2	4.9	4.8	4.6
General purpose fiscal assistance	6.4	6.7	6.8	7.1	7.3	7.6
Interest	99.1	112.5	116.2	119.7	120.5	116.7
Allowances:						
Civilian agency pay raises	.4	.7	1.8	3.3	5.0	6.7
Contingencies and other	−1.0	−2.0	−2.0	−3.7	−4.5	−5.3
Undistributed offsetting receipts:						
Employer share, employee retirement	−7.6	−8.4	−8.7	−9.1	−9.5	−9.8
Interest received by trust funds	−16.1	−16.1	−17.5	−18.9	−21.3	−23.5
Rents and royalties on the Outer Continental Shelf	−7.9	−18.0	−18.0	−18.0	−19.5	−21.0
Federal surplus property disposition	.....	−1.0	−4.0	−4.0	−4.0	−4.0
Total budget outlays	**725.3**	**757.6**	**805.9**	**868.5**	**927.0**	**978.9**
MEMORANDUM						
Outlays, off-budget Federal entities	19.7	15.7	14.3	11.0	10.9	9.3
Outlays, including off-budget Federal entities	745.0	773.3	820.2	879.4	938.0	988.2

[1] Includes allowances for civilian and military pay raises for Department of Defense—Military.
[2] Includes allowances for military pay raises for the Coast Guard.

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BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

Department or other unit	Estimates					
	1982	1983	1984	1985	1986	1987
Legislative branch	1.4	1.5	1.6	1.6	1.6	1.7
The Judiciary	0.7	0.8	0.9	0.9	0.9	1.0
Executive Office of the President	0.1	0.1	0.1	0.1	0.1	0.1
Funds appropriated to the President	11.0	11.5	10.6	9.5	8.8	8.4
Agriculture	30.3	24.7	26.0	23.7	24.2	24.3
Commerce [1]	10.0	9.7	10.5	11.2	12.0	12.5
Defense—Military [2] [3]	214.1	257.5	284.7	330.9	366.8	399.9
Defense—Civil	2.9	2.3	2.3	2.4	2.5	2.6
Health and Human Services [2]	251.4	268.4	292.3	326.4	362.0	393.9
Housing and Urban Development	13.0	0.7	2.8	7.4	5.4	9.4
Interior [1] [2]	2.9	3.3	3.7	3.2	3.0	2.8
Justice [1] [2]	2.5	2.6	2.6	2.6	2.6	2.6
Labor	26.6	26.4	24.9	24.4	24.7	25.0
State	2.5	2.7	2.9	2.9	3.0	3.1
Transportation [4]	20.3	18.4	18.6	18.7	19.0	19.3
Treasury [2]	110.3	125.0	129.8	133.6	134.1	129.8
Environmental Protection Agency	3.7	3.6	3.3	3.3	3.3	3.1
National Aeronautics and Space Administration	5.9	6.6	6.5	6.1	5.5	5.4
Veterans Administration	24.8	25.6	26.3	27.0	27.9	28.7
Foundation for Education Assistance [2]	11.2	8.8	7.8	7.8	7.3	6.8
Office of Personnel Management	34.0	35.6	37.9	40.0	41.9	43.7
Other agencies [1] [2]	17.9	10.8	10.5	10.3	11.0	11.0
Allowances [5]	−0.6	−1.2	−0.1	−0.3	0.5	1.4
Undistributed offsetting receipts	−31.5	−43.5	−48.2	−50.0	−54.3	−58.2
Total budget authority	**765.5**	**801.9**	**858.0**	**943.5**	**1,014.1**	**1,078.2**

[1] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes allowances for civilian and military pay raises for Department of Defense.

[4] Includes allowance for military pay raises for the Coast Guard.

[5] Includes allowances for civilian agency pay raises and contingencies.

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BUDGET OUTLAYS BY AGENCY

(In billions of dollars)

Department or other unit	Estimates					
	1982	1983	1984	1985	1986	1987
Legislative branch	1.5	1.4	1.5	1.5	1.6	1.6
The Judiciary	0.7	0.8	0.9	0.9	0.9	0.9
Executive Office of the President	0.1	0.1	0.1	0.1	0.1	0.1
Funds appropriated to the President	6.4	6.9	7.6	7.9	7.1	7.0
Agriculture	29.4	23.5	24.0	23.9	22.3	22.5
Commerce [1]	11.6	9.9	10.1	10.6	11.3	11.9
Defense—Military [2] [3]	182.8	215.9	247.0	285.5	324.0	356.0
Defense—Civil	3.0	2.3	2.1	2.2	2.3	2.4
Health and Human Services [2]	252.9	274.2	294.2	317.1	340.3	365.3
Housing and Urban Development	14.6	13.1	13.4	13.6	14.0	14.5
Interior [1] [2]	3.1	3.3	3.1	2.9	2.6	2.5
Justice [1] [2]	2.6	2.7	2.6	2.6	2.6	2.6
Labor	32.1	26.5	23.6	21.0	19.9	19.4
State	2.2	2.4	2.6	2.6	2.8	2.9
Transportation [4]	20.6	19.0	18.1	18.8	18.9	19.0
Treasury [2]	110.0	124.5	129.4	133.1	133.6	129.3
Environmental Protection Agency	5.4	4.6	4.1	4.0	3.5	3.2
National Aeronautics and Space Administration	5.8	6.6	6.5	6.2	5.7	5.5
Veterans Administration	24.1	24.4	25.6	26.9	27.8	28.7
Foundation for Education Assistance [2]	13.4	11.4	8.9	7.9	7.4	6.9
Office of Personnel Management	19.9	21.7	23.2	25.0	26.9	29.0
Other agencies [1] [2]	15.0	7.1	5.9	4.6	5.2	4.5
Allowances [5]	−0.6	−1.3	−0.2	−0.4	0.5	1.4
Undistributed offsetting receipts	−31.5	−43.5	−48.2	−50.0	−54.3	−58.2
Total budget outlays	**725.3**	**757.6**	**805.9**	**868.5**	**927.0**	**978.9**

[1] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes allowances for civilian and military pay raises for Department of Defense.

[4] Includes allowance for military pay raises for the Coast Guard.

[5] Includes allowances for civilian agency pay raises and contingencies.

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PART 4

BUDGET RECEIPTS

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BUDGET RECEIPTS

This section of the budget discusses budget receipts for 1981 to 1985 and the legislative proposals and administrative actions affecting them.[1]

The economic assumptions on which the receipts estimates are based are presented in Part 2, and estimates of receipts for 1986-87 are presented in Part 3. Part 6 contains an analysis of the difference between actual receipts for 1981 and the budget estimates for 1981 made 2 years ago. Part 7 explains the conceptual basis for classifying certain amounts collected by the Federal Government as budget receipts and other amounts as offsetting collections.

SUMMARY

Total budget receipts in 1983 are estimated to be $666.1 billion, an increase of $39.4 billion from the $626.8 billion estimated for 1982. Receipts in 1984 and 1985 are estimated to be $723.0 billion and $796.6 billion, respectively. These estimates include the effects of:

- the income tax reductions and other tax changes provided in the Economic Recovery Tax Act of 1981;
- the increases in the social security tax rate and taxable earnings base scheduled under current law;
- the proposed tax revisions and improvements in tax collection and enforcement; and
- other receipts changes currently being proposed.

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

Source	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Individual income taxes	285.9	298.6	304.5	322.9	362.0
Corporation income taxes	61.1	46.8	65.3	83.7	88.2
Social insurance taxes and contributions	182.7	206.5	222.5	242.5	273.1
Excise taxes	40.8	43.0	41.7	41.5	40.8
Estate and gift taxes	6.8	7.2	5.9	5.4	5.1
Customs duties	8.1	8.9	9.4	9.8	10.2
Miscellaneous receipts	13.8	15.9	16.8	17.2	17.2
Total, budget receipts	**599.3**	**626.8**	**666.1**	**723.0**	**796.6**

[1] Detailed estimates of budget receipts by source are shown in tables 10 and 18 of Part 9.

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Composition of budget receipts.—The Federal tax system relies predominantly on income and payroll taxes. In 1983:

- Income taxes paid by individuals and corporations are estimated at $304.5 billion and $65.3 billion, respectively. These sources combined account for 55.5% of estimated budget receipts.
- Social insurance taxes and contributions—composed largely of payroll taxes levied on wages and salaries, most of which are paid in equal amounts by employers and employees—will yield an estimated $222.5 billion, 33.4% of the total.
- Excise taxes imposed on selected products, services, and activities are expected to provide $41.7 billion, 6.3% of the total.
- Estate and gift taxes, customs duties, and miscellaneous receipts are estimated at $32.1 billion, the remaining 4.8% of budget receipts.

Under the tax policy assumptions presented in this budget, the income tax share of total receipts is projected to decline to 56.5% by 1985, 1.4 percentage points less than for 1981. This decline is the net effect of a 2.3 percentage point decline in the individual income tax share that is partially offset by a 0.9 percentage point rise in the corporation income tax share from 10.2% in 1981 to 11.1% in 1985. Social insurance taxes and contributions are projected to rise as a share of total receipts from 30.5% in 1981 to 34.3% in 1985. The projected share of all other receipts declines by 2.4 percentage points between 1981 and 1985.

ENACTED LEGISLATION

The Economic Recovery Tax Act of 1981, signed by President Reagan on August 13, 1981, is an integral part of the administration's economic recovery program. This Act, which provides incentives for work, saving, and investment, is estimated to reduce receipts by $38.3 billion in 1982, $91.6 billion in 1983, $139.0 billion in 1984, and $176.7 billion in 1985. The major provisions of the Act are described briefly below.

Individual income tax provisions.—A number of provisions to reduce individual income tax liabilities are included in the Act. These provisions, which are estimated to reduce receipts by $26.0 billion in 1982, $69.8 billion in 1983, $104.2 billion in 1984, and $127.1 billion in 1985, include the following:

- *Individual income tax rate reductions.*—Marginal tax rates for individuals were reduced by 5% effective October 1, 1981, and will be reduced an additional 10% effective July 1, 1982, and an additional 8% effective July 1, 1983. Compared with prior law, this translates into a reduction in marginal tax rates for individuals of 1.25% for calendar year 1981, 10%

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for calendar year 1982, 19% for calendar year 1983, and 23% for calendar year 1984 and subsequent years. Withholding rates, which were reduced by 5% on October 1, 1981, will be reduced by an additional 10% on July 1, 1982 and 8% on July 1, 1983.

- *Reduction in the maximum individual income tax rate.*—The maximum marginal tax rate on individual income was reduced from 70% to 50% effective January 1, 1982. Since 60% of long-term capital gains are excluded from tax, this provision reduces the maximum effective tax rate on capital gains from 28% (a 70% rate times the 40% included in taxable income) to 20% (a 50% rate times the 40% included in taxable income). The 20% maximum rate applies to all sales or exchanges occurring after June 9, 1981.
- *Deduction for two-earner married couples.*—Married couples with two earners often pay higher taxes than if they were single. To reduce this penalty, the Act allows couples a tax deduction equal to 5% of the first $30,000 of earnings of the spouse with the lower earnings in calendar year 1982. In 1983 and subsequent years, the deduction increases to 10%.
- *Indexing.*—Beginning with calendar year 1985, the individual income tax brackets, the zero bracket amount, and the personal exemption will be adjusted annually for inflation as measured by the Consumer Price Index for all urban households (CPI-U). The adjustment for a given calendar year will be the increase in the CPI-U between fiscal year 1983 and the preceding fiscal year. The 1985 adjustment therefore will be based on the increase in the CPI-U between fiscal years 1983 and 1984.
- *Charitable contributions deduction for nonitemizers.*—Taxpayers who do not itemize deductions are provided a deduction for charitable contributions made after December 31, 1981 and before January 1, 1987. For 1982 and 1983, the deduction is limited to 25% of the first $100 of contributions. For 1984, the deduction will increase to 25% of the first $300 of contributions. The deduction will increase to 50% of all charitable contributions in 1985 and to 100% of contributions in 1986.
- *Taxation of foreign earned income.*—Under prior law, U.S. taxpayers who had foreign earned income were allowed a variety of deductions and exclusions for expenses incurred abroad. This Act replaces these allowances for expenses with a partial exclusion of foreign earned income from tax. Beginning in 1982, each taxpayer may exclude up to $75,000 of foreign earned income from tax. The exclusion will increase by $5,000 annually through 1986, to a maximum exclusion of

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$95,000. In the case of a married couple, the exclusion is computed separately for each qualifying individual. An exclusion for excess housing costs is also provided.

Capital cost recovery provisions.—Taxpayers may claim depreciation deductions for tangible property used in a trade or business. Under prior law, these deductions were determined by the particular "facts and circumstances" of the anticipated use of the property, or according to a system of guidelines known as the Asset Depreciation Range System (ADR). The Economic Recovery Tax Act of 1981 replaces these methods of depreciation with the Accelerated Cost Recovery System (ACRS), which provides for a faster write-off of capital expenditures under simplified and standardized rules. This system of accelerated depreciation, which generally applies to all new and used property placed in service after December 31, 1980, is estimated to reduce receipts by $10.5 billion in 1982, $16.5 billion in 1983, $25.8 billion in 1984, and $37.1 billion in 1985.

- *Depreciation of personal property.*—Under this Act, the cost of personal property may be written-off in 3, 5, 10, or 15 years. The 3-year class includes automobiles, light trucks, and machinery and equipment used in research and development. Most other machinery and equipment is classified as 5-year property. The 10-year class includes mobile homes and public utility property for which previous guidelines did not exceed 25 years. Public utility property for which previous guidelines exceeded 25 years is classified as 15-year property. All personal property placed in service after December 31, 1980 and before January 1, 1985 may be depreciated using rates that approximate the 150% declining balance method. This percentage increases to 175% for property placed in service in 1985 and to 200% in subsequent years. As an option, taxpayers may elect to recover the cost of each class of personal property on a straight-line basis over the designated recovery period or over one of two longer periods provided in the Act.
- *Depreciation of real property.*—Real property, other than low-income housing, may be written-off in 15 years using the 175% declining balance method of depreciation. Low-income housing may be depreciated over 15 years using the 200% declining balance method. As an option, taxpayers may elect to recover the cost of any real property on a straight-line basis over 15, 35, or 45 years.
- *Leasing.*—This Act liberalizes the rules under which firms may transfer unused investment tax credits and depreciation deductions on new investments to profitable firms through leasing transactions.

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Windfall profit tax provisions.—Windfall profit taxes for certain producers and types of oil are reduced by several provisions in the Act. These provisions are estimated to reduce windfall profit tax receipts by $0.9 billion in 1982, $1.6 billion in 1983, $1.9 billion in 1984, and $2.2 billion in 1985. Since the windfall profit tax is an excise tax, it is deductible when calculating taxable income. As a result, the net reduction in total budget receipts—taking into account the increase in individual and corporation income taxes—is $1.2 billion in 1982, $1.1 billion in 1983, $1.2 billion in 1984, and $1.4 billion in 1985.

Corporation income tax rate reductions.—The Economic Recovery Tax Act of 1981 reduces the tax rate on the first $50,000 of taxable corporate income as shown in the table below. These reductions in corporation income tax rates are estimated to reduce receipts by $0.1 billion in 1982, $0.3 billion in 1983, and $0.5 billion in 1984 and 1985.

Taxable corporate income	Tax Rate		
	Prior law	Current law	
		1982	1983 and beyond
First $25,000	17	16	15
Second $25,000	20	19	18
Third $25,000	30	30	30
Fourth $25,000	40	40	40
Over $100,000	46	46	46

Saving incentive provisions.—In addition to the across-the-board reductions in marginal tax rates, several other provisions to encourage saving by individual taxpayers are provided. These provisions, which are estimated to reduce receipts by $0.2 billion in 1982, $2.1 billion in 1983, $3.7 billion in 1984, and $3.5 billion in 1985, are:

- *Partial exclusion of interest and dividend income from tax.*—Under prior law, a single taxpayer was allowed to exclude up to $200 in annual interest and dividend income from tax in 1981 and 1982. For a married couple filing a joint return, the exclusion was $400. Beginning in 1983, the exclusion would have been limited to $100 in annual dividend income per taxpayer. The Economic Recovery Tax Act of 1981 replaces the $400/$200 interest and dividend exclusion with a $200/$100 dividend exclusion, effective January 1, 1982. The Act also provides that beginning in 1985, 15% of annual interest income may be excluded from tax, up to a maximum exclusion of $450 for a single taxpayer and $900 for a married couple filing a joint return. For taxpayers who itemize deduc-

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tions, only interest income in excess of the taxpayer's interest deductions (excluding interest paid on a home mortgage or in connection with a trade or business) is eligible for the deduction.

- *Tax-exempt savings certificates.*—Under this Act, financial institutions that invest in residential or agricultural loans are allowed to issue tax-exempt savings certificates between October 1, 1981 and December 31, 1982. These certificates, which must pay a rate equal to 70% of the rate on the most recently issued 52-week Treasury bill, must be issued for a period of 1 year. Married couples filing a joint return may exclude up to $2,000 in interest earned on a qualified savings certificate from tax. For a single taxpayer, the maximum allowable exclusion is $1,000.
- *Individual retirement accounts (IRAs).*—Beginning January 1, 1982, eligibility for an IRA is extended to all active participants in a tax-qualified employer-sponsored pension plan. In addition, the maximum annual contribution to an IRA established by a working individual for him/herself is increased to $2,000 or 100% of compensation, whichever is less. The maximum annual contribution to an IRA established by a worker for him/herself and a nonworking spouse is increased to the lesser of $2,250 or 100% of compensation.
- *Self-employed retirement savings (Keogh plans).*—The maximum annual contribution to a Keogh plan by a self-employed individual is increased from $7,500 to $15,000, effective January 1, 1982.

Estate and gift tax provisions.—Several provisions to reduce estate and gift taxes are provided in the Act. These provisions, which are estimated to reduce receipts by $0.2 billion in 1982, $2.3 billion in 1983, $3.6 billion in 1984, and $4.6 billion in 1985, include the following:

- *Marital deduction.*—Effective January 1, 1982, a surviving spouse is permitted to inherit an unlimited amount without paying tax. Under prior law, the marital deduction was limited to the greater of one-half the adjusted gross estate or $250,000.
- *Estate and gift tax credit.*—The maximum credit against estate and gift taxes was $47,000 under prior law. Since $47,000 is the amount of tax owed on an estate or gift of $175,625, estates or gifts of $175,625 or less were exempt from tax. This Act increases the credit annually to $192,800 in 1987 and subsequent years, which will exempt from tax all estates of $600,000 or less.

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- *Rate reduction.*—The maximum tax rate on estates and gifts is reduced by 5 percentage points a year from 70% in 1981 to 50% in 1985 and subsequent years.
- *Gift tax exclusion.*—The annual gift tax exclusion is increased from $3,000 to $10,000 per donee, effective January 1, 1982. In addition, an unlimited exclusion is provided amounts paid for certain medical expenses and school tuition.

Tax straddles.—Under this act the market value of all regulated commodity futures contracts must be determined at year end. Gains and losses on these contracts are to be treated as if 60% of the capital gains and losses are long-term and 40% are short term. Net losses under this rule may be carried back 3 years against corresponding gains. This provision, which applies to property acquired after June 23, 1981, is estimated to increase receipts by $0.6 billion in 1982, $0.9 billion in 1983, $1.0 billion in 1984, and $1.1 billion in 1985.

Corporation estimated tax payments.—Corporations are generally required to pay 80% of their income tax liability in estimated payments during the taxable year. The required level of estimated payments has several exceptions, including one that allows corporations to make estimated payments on the basis of the previous year's tax liability. However, under prior law, corporations with taxable income exceeding $1 million in any of the three preceding taxable years were required to make estimated payments equal to at least 60% of their current year's liability, regardless of the previous year's liability. Under this Act, the required level of estimated payments for such corporations is increased to 65% of the current year's liability in 1982, 75% in 1983, and 80% in 1984 and subsequent years. It is estimated that this provision will increase receipts by $0.5 billion in 1982, $1.4 billion in 1983, $1.3 billion in 1984, and $0.3 billion in 1985.

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EFFECT ON RECEIPTS OF THE ECONOMIC RECOVERY TAX ACT OF 1981 [1]

(In billions of dollars)

	Calendar year liabilities					Fiscal year receipts				
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985
Individual income tax provisions	−3.7	−40.9	−82.3	−110.6	−137.6		−26.0	−69.8	−104.2	−127.1
Capital cost recovery provisions:										
Individual income taxes	−0.9	−2.4	−3.9	−5.3	−7.4	−0.2	−1.6	−3.0	−4.4	−6.0
Corporation income taxes	−4.5	−9.5	−18.1	−25.2	−37.2	−*	−8.9	−13.6	−21.4	−31.0
Subtotal, capital cost recovery provisions	−5.4	−11.8	−22.0	−30.5	−44.6	−0.2	−10.5	−16.5	−25.8	−37.1
Windfall profit tax and other energy provisions:										
Individual income taxes	−0.4	0.5	0.5	0.4	0.5		−0.2	0.5	0.5	0.5
Corporation income taxes		*	0.2	0.3	0.4		*	0.1	0.2	0.3
Excise taxes	−0.1	−1.3	−1.9	−2.0	−2.4		−0.9	−1.6	−1.9	−2.2
Subtotal, windfall profit tax and other energy provisions	−0.5	−0.8	−1.2	−1.2	−1.5		−1.2	−1.1	−1.2	−1.4
Corporation income tax rate reductions		−0.2	−0.4	−0.5	−0.5		−0.1	−0.3	−0.5	−0.5
Saving incentive provisions	−*	−0.8	−4.6	−2.0	−5.6		−0.2	−2.1	−3.7	−3.5
Estate and gift tax provisions		−2.3	−3.6	−4.6	−6.2		−0.2	−2.3	−3.6	−4.6
Tax straddles:										
Individual income taxes	1.3	0.8	0.8	0.8	1.0	*	0.6	0.8	0.9	1.0
Corporation income taxes	0.1	0.1	0.1	0.1	0.1	*	0.1	0.1	0.1	0.1
Subtotal, tax straddles	1.4	0.8	0.9	0.9	1.1	*	0.6	0.9	1.0	1.1
Corporation estimated tax payments							0.5	1.4	1.3	0.3
Other:										
Individual income taxes	−0.2	−1.6	−2.1	−2.1	−2.1	−0.1	−0.7	−1.9	−2.2	−2.4

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EFFECT ON RECEIPTS OF THE ECONOMIC RECOVERY TAX ACT OF 1981 [1]—Continued

(In billions of dollars)

	Calendar year liabilities					Fiscal year receipts				
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985
Corporation income taxes	−0.5	−0.8	−1.0	−1.8	−2.8	.....	−0.9	−0.9	−1.4	−2.2
Social insurance taxes and contributions	.....	0.5	0.5	0.6	0.6	.....	0.4	0.5	0.6	0.6
Excise	.....	.....	0.7	0.8	.....	.....	.....	0.4	0.7	0.3
Subtotal, other	−0.7	−1.8	−1.9	−2.6	−4.3	−0.1	−1.2	−1.9	−2.3	−3.8
Total	**−8.9**	**−57.7**	**−115.0**	**−151.1**	**−199.2**	**−0.2**	**−38.3**	**−91.6**	**−139.0**	**−176.7**
ADDENDUM										
Effect on receipts by source:										
Individual income taxes	−4.0	−44.4	−91.6	−118.7	−151.2	−0.2	−28.2	−75.4	−113.1	−137.6
Corporation income taxes	−4.8	−10.3	−19.2	−27.1	−40.1	— *	−9.3	−13.1	−21.6	−33.1
Social insurance taxes and contributions	.....	0.5	0.5	0.6	0.6	.....	0.4	0.5	0.6	0.6
Excise taxes	−0.1	−1.3	−1.2	−1.2	−2.4	.....	−0.9	−1.2	−1.2	−1.9
Estate and gift taxes	.....	−2.3	−3.6	−4.6	−6.2	.....	−0.2	−2.3	−3.6	−4.6
Total	**−8.9**	**−57.7**	**−115.0**	**−115.1**	**−199.2**	**−0.2**	**−38.3**	**−91.6**	**−139.0**	**−176.7**

* $50 million or less.

[1] These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects are taken into account for forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.

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RECEIPTS PROPOSALS

Tax revisions.—The administration is proposing a variety of tax changes designed to eliminate abuses and remove obsolete incentives. These changes, which are described briefly below, are estimated to increase receipts by $7.2 billion in 1983, and $13.5 billion in 1984 and 1985.

- *Completed contract method of accounting.*—Current regulations allow contractors to defer tax on income from long-term contracts until the year that the contract is completed. This completed contract method of tax accounting permits full deferral of tax even when income is received by the contractor throughout the term of the contract and certain costs are deducted when they are incurred. The administration proposes to disallow the use of the completed contract method of tax accounting effective January 1, 1983. Taxpayers will be required to use either the percentage of completion method or the progress payment method of accounting for long-term contracts. The percentage of completion method permits current deductions for allowable costs but requires that income be reported according to the percentage of the contract completed in the tax year. The progress payment method defers the deduction of costs until payment is received.
- *Business energy tax credits.*—Under current law, businesses are allowed investment tax credits for energy saving equipment and structures, in addition to the regular investment tax credit. Some energy tax credits expire at the end of 1982, but others extend through 1985 and beyond. Current law also provides an excise tax exemption, or an equivalent tax credit, for gasohol. With decontrol of oil and natural gas prices, businesses no longer need additional investment incentives for energy conservation and the development of alternative energy sources. Such subsidies interfere with business decisions by preempting free market resource allocations. Effective January 1, 1983, the administration proposes to repeal all business energy tax subsidies and to repeal special provisions allowing States and localities to issue tax-exempt industrial development bonds to finance certain energy property.
- *Tax-exempt revenue bonds for private activities.*—Current law permits States and localities to issue tax-exempt revenue bonds for industrial development, housing, and other specific purposes. The volume of tax-exempt revenue bonds issued for use by private business has grown rapidly over the past few years, raising the cost of financing traditional public projects such as schools and roads. In addition, tax-exempt financing, combined with the Accelerated Cost Recovery System and the investment tax credit, can result in unintended tax shelter

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benefits. The administration proposes that assets financed with tax-exempt revenue bonds issued after 1982 must be depreciated using the straight-line method over an extended recovery period. Tax-exempt revenue bond financing will be limited to bonds that are publicly approved by local governments and that, after 1985, receive a financial contribution, commitment, or obligation from the local government. Small issue industrial development bonds will not be allowed for large businesses.

- *Modified coinsurance.*—Under current tax accounting rules, insurance companies are permitted to enter into modified coinsurance arrangements that result in a reduction in their tax liability. Such arrangements serve no purpose other than tax avoidance, since little, if any, insurance risk is actually transferred between companies. Use of modified coinsurance enables life insurance companies to convert taxable investment income, which is subject to tax at a 46% rate, into underwriting income, which is subject to tax at a maximum rate of 23%. For many life insurance companies, the underwriting income generated under modified coinsurance is not subject to tax. The administration proposes to eliminate the unintended tax benefits resulting from the use of modified coinsurance. In addition, the tax treatment of other forms of coinsurance will be changed to prevent insurance companies from obtaining similar benefits through other provisions of the law.
- *Construction period interest and taxes.*—Individual taxpayers must amortize interest and taxes incurred during the construction of commercial buildings over 10 years. The amortization period for rental housing is 8 years, but is scheduled to become 10 years by 1984. Corporations are allowed an immediate write-off of these costs. The substantial acceleration of cost recovery provided by the Economic Recovery Tax Act of 1981 makes it unnecessary to grant corporations an immediate deduction for a portion of construction costs. The administration proposes that construction period interest and taxes incurred by corporations to develop nonresidential real property after December 31, 1982 be amortized over 10 years.
- *Corporate minimum tax.*—Corporations currently must pay a minimum tax, in addition to regular income tax, equal to 15% of certain tax preferences. This "add-on" minimum tax may apply to any corporation that has reduced its tax liability through the use of designated tax preferences. The administration proposes to repeal the add-on minimum tax effective January 1, 1983, and to replace it with an alternative minimum tax that would apply only to those corporations that pay

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very low regular rates of tax. Corporations will be required to pay the greater of their regular income tax or an alternative tax equal to 15% of their alternative tax base in excess of $50,000. This alternative tax base consists of regular taxable income plus certain tax preferences. The investment tax credit will not be allowed against the alternative tax.

- *Other tax code changes.*—Technical changes will be proposed to close other tax loopholes.

Improved Tax Collection and Enforcement.—Several improvements in tax collection and enforcement are proposed. These initiatives, which will ensure that the taxes due the Government are paid and that they are collected on a more timely basis, are estimated to increase receipts by $0.2 billion in 1982, $5.5 billion in 1983, $5.5 billion in 1984 and $4.7 billion in 1985.

- *Withholding on interest and dividends.*—Currently no tax is withheld on interest and dividends paid to domestic taxpayers, although taxes are withheld from wages. About 9% to 16% of taxable interest and dividends currently is not reported; the comparable figure for wages and salaries is 2% to 3%. The administration proposes withholding on interest and dividend payments at the rate of 5% effective January 1, 1983. Where feasible, withholding would be extended to U.S. Government securities. Corporations and nontaxable individuals filing exemption certificates would be exempt from withholding. Taxpayers aged 65 or older with a tax liability of $500 ($1,000 on a joint return) or less would also be exempt.
- *Acceleration of corporate income tax payments.*—Corporations generally are required to pay at least 80% of their current year's tax liability in estimated payments. The remaining liability is payable in two equal installments due on the 15th day of the 3rd and 6th months following the close of their taxable year. An exception to these rules permits corporations to base their estimated tax payments on the full amount of their prior year's tax liability. For large corporations, the estimated payments must be at least 65% of their current year's liability (75% in 1983 and 80% thereafter). In order to collect corporate taxes on a more current basis, the administration proposes, for tax years beginning after 1982, to increase the required estimated tax payment from 80% to 90% of the current year's liability and to require that all remaining liability be paid in one payment on the 15th day of the 3rd month following the close of the tax year. In addition, large corporations making estimated tax payments based on their prior year's liability will be required to pay at least 85% of their current year's liability in 1985 and 90% thereafter.

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- *Internal Revenue Service staff increases.*—In order to improve the efficiency of enforcement and collection activities, the administration proposes to increase the IRS enforcement staff by more than 5,000 persons.
- *Other provisions.*—Additional measures will be proposed to facilitate IRS collection and enforcement efforts.

Enterprise zone tax incentives.—Under current law, no special tax incentives are provided for the redevelopment of depressed areas. The administration therefore proposes that beginning January 1, 1984, up to 25 small urban areas per year (not to exceed 75 in total) may be designated as "enterprise zones." Special tax incentives and relief from regulation, designed to increase investment and employment, will be provided businesses and individuals locating in these areas. These incentives, which will be applicable for 20 years, are estimated to reduce receipts in 1984 and 1985 by $0.1 billion and $0.5 billion, respectively.

Airport and airway trust fund taxes.—Statutory authority for the airport and airway trust fund expired on September 30, 1980. Since then, revenue from a 5% passenger ticket tax has been deposited in the general fund. The only other aviation taxes currently being levied—a 4 cents per gallon tax on general aviation gasoline and a tire and tube tax—are deposited in the highway trust fund. The administration proposes to reinstate statutory authority for the airport and airway trust fund effective July 1, 1982. The general aviation gasoline tax is proposed to be increased to 12 cents per gallon on July 1, 1982, to 14 cents per gallon on October 1, 1983, and annually thereafter to 20 cents per gallon on October 1, 1986. The administration also proposes to increase the passenger ticket tax to 8% effective July 1, 1982, and to levy a general aviation jet fuel tax that rises annually from 14 cents per gallon on July 1, 1982 to 22 cents per gallon on October 1, 1986. A 5% freight waybill tax and a $3.00 international departure tax also are being proposed. These taxes are estimated to increase receipts by $0.1 billion in 1982, $1.2 billion in 1983, $1.4 billion in 1984, and $1.5 billion in 1985.

Increases in passport and visa fees.—The administration has proposed an increase in passport fees from $15 to $30 effective April 1, 1982. An increase in immigrant visa fees from $25 to $100, effective March 1, 1982, is also proposed. While the increase in passport fees requires the passage of legislation currently pending before the Congress, the change in visa fees can be accomplished by administrative action. Together, these proposals are estimated to increase receipts by $41 million in 1982 and by $0.1 billion in each year, 1983-1985.

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Change in railroad retirement system.—The railroad retirement system, which is currently administered by the Federal Railroad Retirement Board and embedded in Federal statute, provides coverage generally equivalent to a combination of social security and a multi-employer industry pension plan. Railroad employees and employers make contributions to railroad retirement that are generally equivalent to social security payroll taxes. These contributions are subsequently transferred to the social security trust funds. Rail industry employers also contribute 11.75% of monthly taxable compensation ($2,025 in 1982) to the industry plan; the employee contribution is 2%. Beginning October 1, 1982, the administration proposes to extend full social security coverage to railroad workers; payroll taxes would be deposited directly in the social security trust funds. The administration also proposes to return the rail industry's plan to the private sector. This proposal is estimated to reduce receipts by $1.7 billion in 1983, $1.8 billion in 1984, and $1.9 billion in 1985.

Extension of highway trust fund taxes.—Under current law, the 4 cents per gallon tax on gasoline and diesels fuels will decline to 1.5 cents per gallon on October 1, 1984. Several other taxes that are deposited in the highway trust fund will be reduced or expire at the same time. The administration proposes to extend these taxes at their present rates, which is estimated to increase 1985 receipts by $4.2 billion.

Extension of social security hospital insurance taxes to Federal employees.—Most Federal civilian employees currently are exempt from social security taxes. Under this proposal, Federal employees would be required to pay the employee portion of the social security hospital insurance tax (1.3% in 1983 and 1984, and 1.35% in 1985). This change, proposed to become effective January 1, 1983, is estimated to increase budget receipts by $0.6 billion in 1983, $0.8 billion in 1984, and $0.9 billion in 1985.

Federalism initiative.—The administration's federalism initiative provides for the eventual transfer of revenue sources to States and localities as they assume responsibility for programs that are now administered and funded by the Federal Government. During the first phase of this initiative (1984–1987), some existing excise taxes will be dedicated to a special fund. This fund will be used to continue interim financing of the programs selected to be returned to the States and localities, or will provide payments to the States equal to the cost of these programs. The choice will be made by the States. The establishment of this fund will have no effect on receipts. For a more detailed discussion of this initiative, see Part 3 of this budget.

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EFFECT OF ADMINISTRATIVE ACTION AND PROPOSED LEGISLATION[1]

(In billions of dollars)

	1982	1983	1984	1985
Tax revisions:				
Completed contract accounting		3.3	5.0	3.2
Business energy tax credits		0.1	0.4	0.6
Tax-exempt revenue bonds		−0.2	0.3	1.1
Modified coinsurance		1.1	2.2	2.5
Construction period interest and taxes		0.5	1.1	1.0
Corporate minimum tax		2.3	4.6	5.1
Subtotal tax revisions		7.2	13.5	13.5
Improved tax collection and enforcement:				
Withholding on interest and dividends		2.0	1.3	1.4
Acceleration of corporate tax payments		1.4	1.7	0.9
Internal Revenue Service staff increases	0.2	2.1	2.4	2.4
Subtotal, improved tax collection and enforcement	0.2	5.5	5.5	4.7
Enterprise zones			−0.1	−0.5
Airport and Airway Trust Fund	0.1	1.2	1.4	1.5
Highway Trust Fund				4.2
Railroad retirement		−1.7	−1.8	−1.9
Federal employee hospital insurance taxes		0.6	0.8	0.9
Other	*	0.1	0.1	0.1
Total	**0.3**	**12.8**	**19.3**	**22.5**
ADDENDUM				
Effect of proposals on receipts by source:				
Individual income taxes	0.1	3.5	2.6	2.7
Corporation income taxes	0.1	9.1	16.1	14.9
Social insurance taxes and contributions		−1.1	−1.0	−1.0
Excise taxes	0.1	1.2	1.4	5.8
Other	*	0.1	0.1	0.1
Total	**0.3**	**12.8**	**19.3**	**22.5**

* $50 million or less.

[1] These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects are taken into account for forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.

EFFECT OF ENACTED AND PROPOSED CHANGES ON RECEIPTS

The actual change in receipts that will result from an enacted or proposed tax revision will depend on both the direct effect of the tax change and the indirect or "feedback" effect. The direct effect is the increase or decrease in receipts due only to the tax change. The indirect or feedback effect is the increase or decrease in receipts due to the effect of the tax change on income levels.

The estimates of the effect of enacted and proposed tax changes shown in this budget represent the direct effect of these changes on receipts, based on levels of corporate and individual income that reflect enactment of the tax change. The estimated indirect or feedback effect on receipts due to the tax-induced change in in-

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comes is not included in these estimates because it is already included in gross receipts.

For example, the estimates of the effect of the Economic Recovery Tax Act of 1981 shown in this budget represent only the direct effect of the changes provided in the Act. The increased receipts resulting from the tax-induced increase in incomes are included in gross receipts. The estimates of the direct effect of the Economic Recovery Tax Act of 1981 on receipts therefore overstate the net loss to the Treasury of the income tax reductions and other tax changes provided in the Act.

The estimates in this budget of the effect of the administration's proposals on receipts also represent the direct effect of these changes. The indirect effect of these proposals, which is small, is included in gross receipts.

CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to rise by $27.5 billion in 1982 and $39.4 billion in 1983. The year-to-year changes can be divided between changes due to growth in the tax base and changes due to revisions in the tax structure. Under the tax rates and structure in effect on January 1, 1980, receipts would have risen by $56.5 billion in 1982 and $75.1 billion in 1983. Thus, the combined effect of administrative actions and enacted and proposed tax law changes, which is shown in the accompanying table, reduces the growth in receipts by $29.0 billion in 1982 and $35.7 billion in 1983. The corresponding decrease for 1984 and 1985 is $33.5 billion and $18.1 billion, respectively.

	1982	1983	1984	1985
Growth in receipts (in billions of dollars):				
Under existing law and administrative actions and proposed legislation	27.5	39.4	56.9	73.6
Under tax rates and structure in effect Jan. 1, 1980	56.5	75.1	90.4	91.7
Difference	29.0	35.7	33.5	18.1

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CHANGES IN BUDGET RECEIPTS

(In billions of dollars)

	1981	1982	1983	1984	1985
Receipts under tax rates and structure in effect January 1, 1980 [1]	572.3	628.8	703.9	794.2	885.9
Administrative actions:					
Acceleration of State and local deposits of social security taxes effective July 1, 1980	0.3	0.2	0.2	0.2	0.3
Acceleration of employer deposits of withheld income and FICA taxes effective January 1, 1981	0.5	2.6	0.3	−2.0	0.1
Other	−0.2	0.4	0.1	0.1	0.1
Enacted legislative changes:					
Crude Oil Windfall Profit Tax Act of 1980	14.4	10.9	10.0	11.7	11.0
Omnibus Reconciliation Act of 1980	2.7	1.5	3.6	6.0	8.9
Comprehensive Environmental Response, Compensation, and Liability Act of 1980	0.1	0.3	0.3	0.4	0.4
Economic Recovery Tax Act of 1981	−0.2	−38.3	−91.6	−139.0	−176.7
Social security taxable earnings base increases: [2] [4]					
$25,900 to $29,700 effective Jan. 1, 1981	1.5	4.8	6.0	6.9	8.2
$29,700 to $32,400 effective Jan. 1, 1982		1.0	3.2	3.8	4.6
$32,400 to $35,100 effective Jan. 1, 1983			1.1	3.2	3.8
$35,100 to $38,100 effective Jan. 1, 1984				1.1	3.4
$38,100 to $40,500 effective Jan. 1, 1985					0.9
Social security tax rate increases: [4]					
12.26% to 13.3% effective Jan. 1, 1981	9.3	14.5	15.9	17.1	18.7
13.3% to 13.4% effective Jan. 1, 1982		1.0	1.5	1.6	1.7
13.4% to 14.1% effective Jan. 1, 1985					9.0
Other	−1.5	−1.3	−1.3	−1.7	−6.4
Total, receipts under existing legislation	599.3	626.4	653.3	703.8	774.1
Proposed changes:					
Tax revisions			7.2	13.5	13.5
Improved tax collection and enforcement		0.2	5.5	5.5	4.7
Enterprise zones				−0.1	−0.5
Airport and Airway Trust Fund		0.1	1.2	1.4	1.5
Highway Trust Fund					4.2
Federal employee hospital insurance taxes			0.6	0.8	0.9
Railroad retirement			−1.7	−1.8	−1.9
Other		*	0.1	0.1	0.1
Total, receipts under existing and proposed legislation [3]	**599.3**	**626.8**	**666.1**	**723.0**	**796.6**

*$50 million or less.

[1] These figures assume a social security taxable earnings base of $25,900.

[2] If the taxable earnings base were not changed to reflect increased earnings, the effective social security tax rate on earnings would fall. The amounts included in legislative changes that can be attributed to keeping taxes and average earnings in the same relationship that existed in 1980 are: $1.0 billion in 1981, $4.3 billion in 1982, $8.4 billion in 1983, $13.3 billion in 1984, and $19.2 billion in 1985.

[3] These estimates include both the direct and indirect effects of administrative action and legislative changes.

[4] 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.

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RECEIPTS BY SOURCE

Individual income taxes.—Individual income tax receipts are estimated at $298.6 billion in 1982 and $304.5 billion in 1983. These estimates reflect the individual income tax reductions provided in the Economic Recovery Tax Act of 1981, which reduce individual income tax receipts in 1982 and 1983 by $28.2 billion and $75.4 billion, respectively. The proposed tax revisions and improvements in tax collection and enforcement increase individual income taxes by an estimated $0.1 billion in 1982 and $3.5 billion in 1983.

Individual income taxes in 1984 and 1985 are projected at $322.9 billion and $362.0 billion, respectively. The individual income tax reductions provided in the Economic Recovery Tax Act of 1981 reduce individual income tax receipts by $113.1 billion in 1984 and $137.6 billion in 1985. The tax revisions and other proposed changes offset these reductions in 1984 and 1985 by an estimated $2.6 billion and $2.7 billion, respectively.

Corporation income taxes.—Corporation income tax receipts are estimated at $46.8 billion in 1982 and $65.3 billion in 1983. These estimates reflect the Accelerated Cost Recovery System and other provisions of the Economic Recovery Tax Act of 1981, which are estimated to reduce corporation income tax receipts in 1982 and 1983 by $9.3 billion and $13.1 billion, respectively. The proposed tax revisions and improvements in tax collection and enforcement add $0.1 billion to receipts in 1982 and $9.1 billion in 1983.

Corporation income tax receipts in 1984 and 1985 are estimated at $83.7 billion and $88.2 billion, respectively. These estimates reflect reductions of $21.6 billion in 1984 and $33.1 billion in 1985 due to enactment of the Economic Recovery Tax Act of 1981. The proposed tax revisions and other proposed changes are estimated to increase corporation income tax receipts in 1984 and 1985 by $16.1 billion and $14.9 billion, respectively.

Social insurance taxes and contributions.—This category includes social security and railroad retirement taxes, unemployment insurance taxes and deposits, and other retirement contributions. Supplemental medical insurance premiums (SMI) and voluntary hospital insurance premiums, previously included in this category, have been reclassified as proprietary receipts.

Receipts from this source are expected to be $206.5 billion in 1982 and $222.5 billion in 1983. These estimates reflect the administration's proposal to convert the rail industry's multi-employer pension from a public to a private system, and a proposal requiring Federal employees to pay the employee portion of the social security hospital insurance tax. The recent increase in the combined employer-employee social security tax rate from 13.3% to 13.4% on

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January 1, 1982, and annual increases in the social security taxable earnings base from $29,700 in 1981 to $32,400 in 1982 and to $35,100 in 1983, also are reflected in these estimates.

The estimates for 1984 and 1985 are $242.5 billion and $273.1 billion, respectively. These estimates reflect an increase in the combined employer-employee social security tax rate from 13.4% to 14.1% on January 1, 1985 and annual increases in the taxable earnings base to $40,500 in 1985.

Excise taxes.—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at $43.0 billion in 1982 and $41.7 billion in 1983. These estimates include the windfall profit tax, which is estimated at $24.1 billion in 1982 and $21.2 billion in 1983. The estimates also reflect enactment of the Economic Recovery Tax Act of 1981, which reduces excise taxes by $0.9 billion in 1982 and $1.2 billion in 1983. The Black Lung Benefits Revenue Act of 1981, which doubled the taxes that finance the black lung disability trust fund effective January 1, 1982, increases excise tax receipts by $0.2 billion in 1982 and $0.3 billion in 1983. The proposed increases in airport and airway user taxes are estimated to add an additional $0.1 billion to excise taxes in 1982 and $1.2 billion in 1983.

The estimates for 1984 and 1985 are $41.5 billion and $40.8 billion, respectively. These estimates include $20.0 billion from the windfall profit tax in 1984 and $19.0 billion in 1985. The provisions of the Economic Recovery Tax Act of 1981 result in a net decrease in excise taxes of $1.2 billion in 1984 and $1.9 billion in 1985. The proposed increases in airport and airway user taxes and the extension of highway trust fund taxes at their current rates increase excise taxes by $1.4 billion in 1984 and $5.7 billion in 1985.

Estate and gift taxes.—Estate and gift taxes are estimated at $7.2 billion in 1982, $5.9 billion in 1983, $5.4 billion in 1984 and $5.1 billion in 1985. These estimates reflect reductions due to enactment of the Economic Recovery Tax Act of 1981 that start at $0.2 billion in 1982 and increase annually to $4.6 billion in 1985.

Other receipts.—Customs duties and miscellaneous receipts (the largest of which are deposits of earnings by the Federal Reserve System) are estimated to total $24.8 billion in 1982, $26.2 billion in 1983, $27.0 billion in 1984, and $27.5 billion in 1985.

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 and takes the form of interest, rents, royalties, and the sale of Government property, products, and services. Because this income arises from business-type transactions rather than from taxation, it is treated

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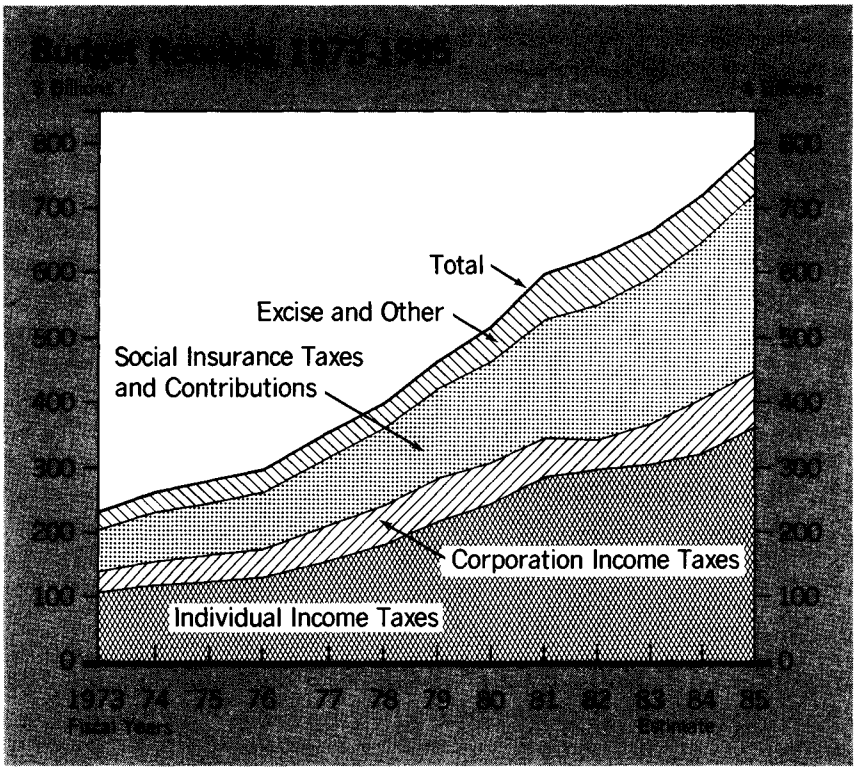

as an offset to related outlays and budget authority rather than as budget receipts. Proprietary receipts from the public are explained further in Part 7 and are shown in table 11 of Part 9.

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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 of the budget discusses budget authority, outlays, and related measures of Federal spending, focusing on the end purposes served by the spending. The presentation is in terms of two closely related analytical structures: the national needs structure and the functional structure.[1]

The functional structure is divided into 17 broad areas (functions) that provide a coherent and comprehensive basis for analyzing the budget. It has two additional categories—allowances and undistributed offsetting receipts—that are not functions but are required in order to cover the entire budget. In the functional structure, budget authority and outlays are classified according to the primary purpose of the activity; to the extent feasible this classification is made without regard to agency or organizational distinctions. The process of classifying each activity in the function that defines its most important purpose—even though many activities serve more than one purpose—permits adding the budget authority and outlays of each function to obtain the budget totals.

The national needs structure uses the same broad categories as the functional structure except that there are no national needs categories for interest, allowances, and undistributed offsetting receipts. In the national needs presentation, programs or activities are counted more than once in those cases where the activities make a significant contribution to more than one national need. For example, budget outlays for medical care for military personnel and dependents are primarily designed to strengthen our nation's defense capability. Hence, they are counted in the national defense function and are not counted in the health function. However, this spending does have a major impact on our Nation's health care for a significant part of the population, so the spending is included in the national needs presentation for health as well as in that for national defense.

The Federalism Initiative.—The President's federalism proposal is central to his efforts to streamline the Federal Government, restore its appropriate role within our overall system of government, and reduce its intrusion into the economy and into the lives

[1] See the sections entitled "Functional classification" and "National needs presentation" in Part 7 of this volume for additional background information.

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of the American people. It involves a realignment of the relative roles of the Federal Government and of the State and local governments. The initiative calls for the establishment of clear understandings of what levels of government are responsible for various governmental functions. Under the administration's proposal the Federal Government would accept full responsibility for medicaid, which is now a shared responsibility. In exchange, the States and localities would take full responsibility for aid to families with dependent children and food stamps, now also a shared responsibility. In addition, the States and localities would be given a wide responsibility for a range of programs currently financed by Federal grants-in-aid, and the sources of income to finance them. They would have the choice of maintaining these programs, or discontinuing them.

The initiative is planned to phase in over a 4-year period beginning in 1984. This will provide adequate time for Federal and local levels of government to plan, consult, and take legislative action. While the broad outline of the program has been specified by the President, there is ample room for negotiation on many specifics. Hence, this budget discusses the broad rationale underlying the initiative and the most likely major programs to be included in it. As a result:

—the data shown in Part 5 and other sections of the budget for 1984 and subsequent years reflect current law and Presidential policy prior to implementation of the Federalism initiative; and

—major programs which have been identified as likely to be included in the federalism initiative are identified in Part 5.

A more detailed explanation of this initiative can be found in Part 3 of this *Budget*.

Structure of the Part 5 sections.—For each major function (except the interest function), there is a common structure to the presentation. Each section starts with a statement of national needs and the Federal role in meeting these needs. Each section has a table that shows budget authority and another that shows outlays for that function for 5 years (1981 through 1985). These tables display each subfunction and provide programmatic detail below the subfunction level. In many cases, additional tables are presented showing related programs in other functions that support these national needs. Off-budget authority and outlays for each function are shown as addendum entries.

Credit budget.—Federal credit activity may take the form of direct loans or loan guarantees, and both direct loans and loan guarantees may be issued by either on-budget agencies or off-budget entities. Hence, in order to have a comprehensive system it

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is necessary to include all of these transactions in a single credit budget. There is a fundamental difference in budget accounting between direct loans and loan guarantees. Direct loans are loans made by the Federal Government to borrowers. As such, they are Federal outlays that must be financed by Federal taxes or borrowing. Loan guarantees are Federal guarantees of lending and as such do not directly result in Federal outlays. In recent years most Federal direct loans have been made by or sold to the Federal Financing Bank (FFB), an off-budget Federal entity described in greater detail in Part 6 of this document. The tables in Part 5 display the program activity of the credit budget by function; the sum of these tables adds up to the credit budget totals presented in Part 3 of this document.

There are three major changes in the credit budget presentation in Part 5 from that reflected in prior budgets:

—In prior budgets the loan guarantee totals were the totals of the Federal contingent liabilities. For example, if the Federal guarantee was for 90% of the total loan, the amount shown in the credit budget was 90% of the loan rather than the total value of the loan that had a guarantee attached. However, the true economic impact of the loan is the full loan—not just the contingent liability. Therefore, the present tables reflect the full value of any loan guaranteed by the Government.

—In prior budgets the focus of the credit budget presentation was on the net credit activity (loans less repayments and changes in guaranteed loans outstanding). However, the credit budget tables now focus on new activity—new direct loan obligations and new guaranteed loan commitments—since it is only at that point that the level of new extensions of Federal credit can be controlled.

—The tables have been redesigned in order to show both the gross and net obligations and commitments (i.e., after removing double-counting). In last year's budget the tables did not deduct the double-counting. The reasons for this double-counting and the deductions to eliminate it are explained below.

Double counting in the credit budget.—There are three types of double-counting of credit activities. Each of these are adjusted for in the Part 5 tables to arrive at net totals.

—Loan asset sales and repurchases.—It is commonplace for loans to be made by one agency and then sold to another agency (or another account within the originating agency). This most commonly occurs in the form of loan sales to the FFB and the repurchase of loans from the FFB. Whenever these internal loan sales occur, the purchase of the loan by the acquiring account constitutes a new loan by that account even though it is not a new loan by the Government. Therefore, each time

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such internal loan sales occur, new loan activity is recorded that does not constitute new loans to the public.

—Guaranteed loans held as direct loans.—In addition to double-counting of new loan activity, there is also double counting of loan guarantees relative to direct loans. Normally, loan guarantees are alternatives to direct Federal loans. Borrowers may obtain a private housing loan, for example, with Federal housing loan insurance that reduces the risk to the lenders and thus facilitates the private loans. However, when the FFB makes a loan (either a direct loan or a loan purchased from another agency) it requires that some other agency guarantee that the loan will be repaid to the FFB. Hence, all FFB loans are included in the direct loan totals and the same transactions are included in the loan guarantee totals of the guaranteeing agencies.

—Secondary guarantees.—On occasion more than one guarantee will be attached to a single loan. This double-guarantee of a loan is called a secondary guarantee and it is deducted from the guaranteed loan totals.

Allowances.—The allowances reflected in the current budget fall into three categories—allowances for pay raises, for contingencies, and for greater economies and efficiencies. The transactions in these categories are discussed in greater detail in the allowances section of Part 5.

Budget authority and outlays for allowances are always recorded differently in the estimate years than in the past years. For the estimate years allowances are generally undistributed by agency, function, and account; they constitute an adjustment entry to move the budget closer to realistic totals, but the actual distribution of the transactions by account is unidentified. When the transactions actually take place they are recorded in the appropriate agencies, functions, and accounts, so that the budget never records allowances for past periods.

Changes in the functional structure.—Only one significant change has been made in the functional classification for the 1983 budget. This change was to rename the subfunction formerly entitled "military assistance" to "international security assistance" and to shift two accounts from the foreign economic and financial assistance subfunction into the international security assistance subfunction.

In addition, the title of the subfunction "other advancement and regulation of commerce" no longer includes the words "and regulation" but this had no affect on the coverage of the subfunction.

Agency reorganizations connected with the proposed elimination of the Departments of Education and Energy had only minimal affect on the functional classification of programs or accounts. A

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major reclassification has affected one functional total significantly, however. In previous budgets, voluntary social insurance premiums collected by the hospital and supplementary medical insurance trust funds were classified as budget receipts. Because these are not compulsory payments to the Government and are in the nature of medical insurance premiums, they have been reclassified to be offsetting collections. This change reduces recorded budget receipts and outlays by equal amounts ($3.3 billion in 1981). The collections are now classified as offsets to the health care services subfunction of the health function. This change was made retroactively to 1967, the first year of such collections.

Relationship to other budget tables.—The budget includes a number of tables that supplement the tables shown in Part 5, including (1) outlays over a longer period of past years; (2) estimates and projections further into the future; (3) budget authority and outlays by agency; and (4) more detailed data than those reflected in the Part 5 tables.

- Budget outlays by function and subfunction for the years 1973 through 1983 are shown in table 19 in Part 9 of this document. (Earlier data can be obtained upon request from the Office of Management and Budget.)
- Estimates and projections of budget authority and outlays by agency, major function, and major program for the years 1983 to 1987 are published in Part 3 of this document.
- Summary budget authority and outlay data by agency for the years 1981 to 1983 are contained in table 3 in Part 9. Detailed data are published in Part 8 (The Federal Program by Agency and Account).
- Part 8 contains a detailed set of budget authority and outlay figures for all budget and off-budget transactions. Each item in that listing has a 3-digit code indicating the function and subfunction in which it is classified.

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 that the President deems necessary to achieve the goals specified in the Act. These goals are discussed in the President's Economic Report. Programs and policies to help achieve these goals, as well as a broad range of other goals mentioned in the Act, are discussed throughout this section.

As demonstrated by the national needs sections following, the goals listed in the Act were among those weighed in the process of developing the President's budget recommendations.

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Tax expenditures.—Tax expenditures are features of the individual and corporation income tax laws that provide special benefits or incentives in comparison with what would be permitted under the general provisions of the Internal Revenue Code. They arise from special exclusions, exemptions, or deductions from gross income, or from special credits, preferential tax rates, or deferrals of tax liability. Tax expenditures can be viewed as alternatives to other means by which the Federal Government can carry out policy objectives, such as direct outlays, loan guarantees, regulations, and other tax law provisions. Tax expenditures are discussed in the following sections on the Federal program by function, so that they may be compared with the outlays and loan guarantees that serve similar purposes.

The method used to measure tax expenditures has been significantly revised in this budget. In previous years tax expenditures were measured as the decrease in tax receipts caused by a tax expenditure provision. This year the concept of tax expenditures has been changed in order to show the amount of spending that would be required to provide an equal after-tax benefit to the taxpayer. This is designed to make the tax expenditure data more comparable with direct budget outlays.

In most cases it would take greater budget outlays to achieve a given level of after-tax benefits than would be required by special tax reductions, because taxpayers would have to pay taxes on the higher income derived from budget outlays. For example, one tax expenditure provision is the exclusion from taxable income of the value of housing and meals provided military personnel. If the Government were to repeal this tax exclusion but instead pay higher salaries, the increase in salaries would be taxed. Therefore, if the Government were to use direct expenditures rather than tax expenditures and were to provide the same total after-tax compensation, the increase in direct outlays for higher salaries would have to be greater than the revenue loss under the special tax provision. The Federal deficit would be the same in either case, however, because the higher outlays would be required only to the extent that tax receipts were higher.

Another tax expenditure provision is the exclusion of social security payments from taxable income. If the Government were to repeal this exclusion while maintaining the value of the program, the increase in direct outlays for benefit payments would similarly have to be greater than the present revenue loss under the special tax provision.

For some tax expenditure provisions the revenue loss is equivalent to the direct outlay without any adjustment. This is the case for itemized deductions, such as the deduction for medical expenses. Under present law a patient can pay his medical expenses,

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deduct the amount (if eligible), and obtain a decrease in his tax. Alternatively, the Government could directly pay the portion of medical expenses equal to the revenue loss under the present law. In either case the patient would have the same net medical bill to pay, and the doctor and other suppliers of medical service would have the same taxable income. The revenue loss is therefore itself equal to the equivalent outlay.

Tax expenditure estimates cannot simply be added together to obtain totals for functional areas or a grand total. In many cases, simply adding tax expenditures together produces inaccurate totals because certain tax expenditures affect the value of other tax expenditures. These interaction effects are discussed in detail in Special Analysis G, "Tax Expenditures," which is published separately from this document. In a departure from prior practice, Part 5 of this document and Special Analysis G provide total tax expenditures for each functional area after adjustment for interaction effects. For some functional areas there are no interaction effects; thus the total is simply the arithmetic sum of the individual tax expenditures. However, in many instances this is not the case, and the total for a functional area may be either greater or less than the arithmetic sum of the individual tax expenditures.

Tax expenditures are discussed further in Part 6 of this document. In addition, Special Analysis G analyzes the concept and measurement of tax expenditures, explains each tax expenditure provision, and contains tables showing the data under both the old and the revised methods of 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 also 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, which include only special provisions of income taxes. 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 and privately owned, Government-sponsored enterprises are discussed in Part 6 of the *Budget.*

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NATIONAL DEFENSE

National Needs Statement:

- Protect America's people, its institutions, and its lands from foreign aggression.

The Federal Role in Meeting the Need:

- Deter any attack upon, and prevent the coercion of, the United States, its allies, and friends.
- Protect U.S. economic interests and U.S. citizens abroad.
- Maintain access to critical resources.
- Maintain, in conjunction with our allies, the military capabilities required to counter the expansion of Soviet military presence, particularly where such expansion threatens the interests of the United States.

The basic national security objective of the United States defense program is to prevent war—particularly nuclear war. The purpose of United States national security programs is to deter other nations from threatening our vital interests as well as those of our allies and friends. This deterrence must be based on the maintenance of strategic nuclear capabilities, which make nuclear war with us an unacceptable option; maritime superiority; a strong force posture in NATO and Northeast Asia; and the ability to deploy and sustain our forces worldwide.

The accompanying table shows budget authority and outlays by appropriation categories for the three major national defense components: military functions of the Department of Defense, atomic energy defense activities, and the defense-related activities of other agencies.

The budget proposes $263.0 billion in budget authority for the national defense function in 1983. Outlays are estimated at $221.1 billion in 1983, increasing to $253.0 billion in 1984 and $292.1 billion in 1985.

Department of Defense.—The $43.4 billion increase in budget authority for the Department of Defense in 1983 is the largest discretionary increase proposed in the budget. It demonstrates the administration's commitment to provide adequate military strength to maintain the Nation's security.

U.S. defense policies ensure our preparedness to respond to and, if necessary, successfully fight either conventional or nuclear war. As the Soviet Union continues to improve its military capabilities, United States forces must be strengthened so that they are ready and able to meet the Soviet challenge and assure the protection of

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NATIONAL DEFENSE

(Functional code 050; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Department of Defense—Military:					
Military personnel	36,930	38,489	44,896	45,996	47,710
Retired military personnel:					
Existing law	13,840	15,036	16,600	17,922	19,113
Proposed legislation			−89	−190	−257
Operation and maintenance	55,548	62,271	69,392	73,023	81,983
Procurement	48,025	65,701	89,547	101,871	125,497
Research, development, test and evaluation	16,609	20,058	24,257	27,455	31,687
Military construction	3,398	5,026	5,436	6,984	9,162
Family housing	2,004	2,239	2,777	2,928	3,120
Revolving funds and other:					
Existing law	2,031	−206	365	−288	297
Proposed legislation		46	63	300	
Allowance for civilian and military pay raises		5,399	4,089	8,504	12,450
Other legislation			137	147	162
Subtotal, Department of Defense—Military	178,386	214,060	257,469	284,652	330,924
Atomic energy defense activities:					
Existing law	3,651	4,673	5,506	6,383	6,982
Subtotal, atomic energy defense activities	3,651	4,673	5,506	6,383	6,982
Defense-related activities:					
Existing law	373	137	460	438	505
Proposed legislation			−402	−434	−401
Subtotal, defense, related activities	373	137	58	3	104
Deductions for offsetting receipts	−4	−4			
Total, budget authority	**182,405**	**218,865**	**263,033**	**291,039**	**338,011**
OUTLAYS					
Department of Defense—Military:					
Military personnel	36,409	38,284	44,534	45,820	47,522
Retired military personnel:					
Existing law	13,729	15,000	16,560	17,880	19,068
Proposed legislation			−89	−190	−257
Operation and maintenance	51,920	60,585	67,279	71,890	79,636
Procurement	35,191	41,325	55,144	70,022	88,262
Research, development, test and evaluation	15,278	18,299	22,200	25,608	29,343
Military construction	2,463	2,744	3,975	4,817	6,238
Family housing	1,721	2,138	2,436	2,783	3,035
Revolving funds and other:					
Existing law	−614	−702	−625	−537	107
Proposed legislation		46	63	300	
Allowance for civilian and military pay raises		5,081	4,285	8,461	12,383
Other legislation			137	147	162
Subtotal, Department of Defense—Military	156,096	182,800	215,900	247,000	285,500
Atomic energy defense activities:					
Existing law	3,398	4,498	5,155	5,968	6,473
Subtotal, Atomic energy defense activities	3,398	4,498	5,155	5,968	6,473
Defense-related activities:					
Existing law	276	204	415	436	503
Proposed legislation			−402	−434	−401
Subtotal, defense related activities	276	204	13	1	102
Deductions for offsetting receipts	−4	−4			
Total, outlays	**159,765**	**187,497**	**221,068**	**252,969**	**292,075**

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our national interests. This requires that our current defense program support:

- modernization of all components of U.S. strategic forces to ensure their ability to survive an attack and retaliate;
- improvements in the Nation's ability to respond militarily to crises anywhere in the world;
- maintaining the maritime superiority required for the deployment of U.S. forces to vital regions overseas, for the support of our allies, and for assuring continued access to vital resources;
- revitalizing alliances and coalitions to support maritime superiority, protect U.S. interests worldwide, and achieve NATO objectives; and
- improving the readiness and combat endurance of conventional forces, and modernizing these forces with new equipment.

The administration has initiated defense programs to achieve these objectives and reverse the decline in our relative military strength. Substantial increases in defense resources will be required over a period of years. The distribution of budget authority for the Department of Defense by mission category is shown in the following table.

MISSION CATEGORIES: DEFENSE, MILITARY

(Functional code 051; in billions of dollars)

Major missions and programs	Budget authority				
	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Strategic forces [1]	12.7	16.2	23.1	30.3	33.2
General purpose forces	68.8	88.2	106.2	114.0	139.0
Intelligence and communications	11.2	14.0	18.0	20.2	24.6
Airlift and sealift	2.9	4.0	4.4	6.6	6.8
Guard and reserve	9.9	11.6	14.3	15.6	17.7
Research and development [2]	14.2	16.9	20.1	22.7	26.3
Central supply and maintenance	19.1	18.9	22.0	22.2	24.8
Training, medical, and other general personnel activities	35.3	39.7	44.2	47.6	52.5
Administration and associated activities	3.4	3.6	4.3	4.7	5.2
Support of other nations	.9	1.0	.9	.8	.9
Total, budget authority	**178.4**	**214.1**	**257.5**	**284.7**	**330.9**
Prior-year funds and other financial adjustments	−2.3	.1	.5	.8	.8
Total obligational authority	**176.1**	**214.2**	**258.0**	**285.5**	**331.7**

[1] Excludes strategic systems development included in the research and development category.
[2] Excludes research and development in other program areas on systems approved for production.

Strategic forces.—The 1983 budget provides for continuing modernization of all strategic force elements, including the B-1 bomber and a restructured MX missile program.

The strategic modernization program consists of five mutually reinforcing elements:

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- Improved communications and control systems better able to survive and fight a nuclear war should deterrence fail.
- Modernization of our bomber forces with the production of the B-1B aircraft in the mid-1980's, and an advanced technology Stealth bomber in the 1990's.
- Development and deployment of a new submarine-launched ballistic missile (Trident II) with improved range, accuracy, and payload. In addition, the sea-based strategic forces are being augmented in the near term by the deployment of sea-launched cruise missiles.
- A step-by-step program to improve land-based ballistic missile accuracy, size, and survivability through the deployment of the MX missile in existing fixed silos and research on future more survivable basing alternatives.
- Improvements to strategic defenses including modernization of bomber attack warning systems, acquisition of new F-15 air defense interceptor aircraft, and accelerated development of ballistic missile defense.

General purpose forces.—The largest components of defense are conventional military forces, which deter or counter non-nuclear military aggression.

General purpose forces must be able to respond to the most demanding of potential conflicts—a war between NATO and the Warsaw Pact—while retaining the flexibility to meet other threats to U.S. interests.

The 1983 budget proposes budget authority of $106.2 billion for general purpose forces, a 20% increase over 1982. This provides for strengthening our forces—including rapid deployment forces—by increasing combat readiness and by fielding new and more capable equipment. The following active forces are supported: 16 Army divisions, 3 Marine divisions, 3 Marine air-wings, 26 wings of Air Force tactical aircraft, and 325 general purpose naval warships, including 13 aircraft carriers and 13 carrier air-wings.

Army general purpose forces.—Initiatives to modernize these forces and improve their combat readiness involve procurement of new equipment, including tanks, helicopters, and improved air defense systems. Emphasis is also placed on more realistic unit training, including increased participation of designated rapid deployment force units in servicewide exercises. Additional ammunition and other combat supplies will be acquired so that our forces can better sustain military operations.

Continued modernization of equipment is crucial if the Army is to meet the new challenges of conventional warfare. The continued procurement of the M-1 main battle tank and other modern fighting vehicles will greatly improve our armored combat capability.

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Production of the Blackhawk helicopter will increase troop mobility, and procurement of the advanced attack helicopter (AAH) will enable our forces to engage heavily armored vehicles at longer ranges and in greater numbers than is possible with existing helicopters. Also included in the budget is the Patriot air defense system to provide more effective protection of vital targets, such as depots, bridges, and airbases. Acquisition of a new division air defense gun, DIVAD, will also continue in 1983. In addition, the Army is continuing steps to improve its retaliatory and defensive chemical warfare capabilities.

In addition to continuing equipment modernization, the budget provides funds to increase readiness by improving the quality and degree of unit training. During 1983 more battalions are scheduled to participate in training programs at the new National Training Center at Fort Irwin, Calif. These improvements in training will enhance the Army's ability to deploy effective combat power anywhere in the world at any time.

General purpose naval forces.—These forces provide a deterrent to military aggression both in peacetime and during crises; additionally, in peacetime they are a highly visible symbol of our defense commitments. Should deterrence fail, our naval forces must be able to control vital sea lanes and be able to seek out and destroy enemy forces. Our naval forces must also be capable of supporting ground battles by attacking land targets and by conducting amphibious Marine Corps assaults.

The U.S. Navy operating fleet will increase from 555 ships in 1982 to 569 in 1983. Achieving a clear margin of naval superiority, however, requires that we continue to modernize our naval weapons systems and increase our force levels further. The $96 billion, 5-year shipbuilding plan calls for building 133 ships between 1983 and 1987, including 6 Trident ballistic missile submarines. The budget proposes procurement of the following new general purpose force ships in 1983:

- 2 nuclear powered aircraft carriers, which provide the major striking power of our sea-based conventional forces;
- 3 large warships (cruisers) equipped with the AEGIS system, to help protect the fleet from aircraft and missile attack;
- 2 small warships (frigates) to protect the fleet and military convoys;
- 1 dock landing ship, to support Marine Corps amphibious landings;
- 2 nuclear powered attack submarines;
- 4 mine countermeasures ships to improve the fleet's ability to operate in the presence of enemy mine threats;
- 1 fleet oiler to support our deployed forces; and
- 1 salvage ship for recovering damaged ships or aircraft.

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SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

(Year end—i.e., as of September 30)

	1981 actual	1982 estimate	1983 estimate
Military personnel (in thousands):			
End strength:			
Army	781	784	784
Navy	540	553	569
Marine Corps	191	192	195
Air Force	570	581	600
Total, Department of Defense	2,082	2,110	2,148
Average strength:			
Army	775	783	782
Navy	536	544	558
Marine Corps	188	190	194
Air Force	564	577	592
Total, Department of Defense	2,064	2,094	2,125
Strategic forces:			
Intercontinental ballistic missiles:			
Minuteman	1,000	1,000	1,000
Titan II	53	52	44
Polaris-Poseidon-Trident	520	544	568
Strategic bomber squadrons	25	25	22
General purpose forces:			
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	13
Marine Corps wings	3	3	3
Naval Forces:			
Attack and multipurpose carriers	12	13	13
Nuclear attack submarines	[1] 81	[1] 90	[1] 93
Other warships	196	207	219
Amphibious assault ships	59	59	60
Airlift and sealift forces:			
C-5A airlift squadrons	4	4	4
Other airlift squadrons	13	13	13
Sealift fleet	[2] 60	63	63

[1] Includes ex-Polaris ships operating as attack submarines.
[2] Excludes 6 SL-7 logistics ships undergoing conversion.

Naval aviation forces will include 16 tactical air wings (13 Navy and 3 Marine Corps), 24 land-based patrol squadrons, and various support aircraft. To maintain and modernize these forces the budget provides funding for continued production of F-14 and F/A-18 aircraft for the tactical airwings, additional production of the SH-60B helicopter and the P-3C long-range aircraft for anti-submarine warfare, and production of the C-2 aircraft as a replacement carrier-support aircraft.

Airlift and sealift forces.—These forces must be able to deliver military personnel and combat equipment rapidly to crisis areas

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anywhere in the world. These transportation forces must then be able to deliver the materiel needed to sustain the forces in combat.

Readiness will be increased by improvements to existing transport aircraft, and procurement of additional spare parts. The budget provides for replacing the wings on existing C-5A aircraft, extending their service life beyond the year 2000. The budget also proposes acquisition of an updated version of the wide-body, long-range, C-5 cargo aircraft, and more KC-10A tanker/cargo aircraft, increasing our deployment capabilities.

Our rapid deployment sealift capability will be increased by the conversion of SL-7 logistics ships and the chartering of additional ships to preposition equipment and supplies near possible trouble spots. Six more supply ships, loaded with equipment and supplies, were deployed to Diego Garcia in 1981, bringing the total in that area to 13 ships.

Air Force tactical aircraft.—These forces must be able to gain air superiority, provide close air support to ground combat troops, disrupt enemy forces behind the line of battle, and limit enemy air attacks on allied forces and installations. To increase the combat effectiveness of the tactical air forces, the 1983 budget proposes procurement of the following Air Force tactical aircraft and equipment:

- F-15 fighter aircraft for maintaining air superiority;
- F-16 multi-mission aircraft for both maintaining air superiority and attacking ground targets;
- A-10 aircraft for close air support of ground troops, including anti-tank operations;
- modification of some F-111 aircraft with electronic equipment for jamming enemy air defense radars;
- TR-1 high altitude reconnaissance aircraft for accurately locating enemy targets from stand-off locations;
- AWACS aircraft for providing early warning of hostile aircraft; and
- improved guided missiles and bombs for air combat and ground attack missions.

The budget supports continued moderization of the Air Force tactical fighter force, providing for 26 active and 12 reserve wings by 1983. Modernization of U.S.-based air defense force with F-15 aircraft is also planned. Improvements to Air Force readiness continue to be made through increased purchases of spare parts and elimination of aircraft maintenance backlogs. Flying hours will increase as a result of additional aircraft entering the inventory and initiatives to increase pilot readiness. Frequent exercises will keep our forces prepared for combat on short notice.

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Guard and reserve forces.—Guard and reserve forces need to be trained and equipped to mobilize and deploy rapidly in an emergency. Greater emphasis is being placed on the readiness of these forces.

The current reserves are far more capable as a military force than any peacetime reserves have been in the past. The budget provides for continued improvement in unit strength, equipment, and training. The number of personnel is scheduled to increase significantly during 1983, primarily in the Army Guard and Reserve. Modernization of reserve equipment continues with the provision of new aircraft, frigates, and trucks. The first new F-16 fighters for the reserve components will enter Air National Guard service during 1983. More intensive and effective unit training and increased participation of guard and reserve personnel in service-wide training exercises also will help improve readiness.

Research and development.—The purpose of defense research and development is to devise new and more capable weapon systems to meet changing military requirements and to ensure that our current lead in most areas of military technology is sustained. To accomplish this task, defense research and development supports a wide variety of activities ranging from basic research to construction of full-scale prototypes of weapon systems.

The administration proposes that budget authority for defense research and development increase by about 20% in 1983. Major efforts include:

- *Technology.*—Substantial increases in funding are proposed for basic and applied research, as well as for exploratory development of promising new technologies. Areas of emphasis include systems for detecting the enemy at night or in poor weather and lightweight materials for use in weapon systems.
- *Strategic systems.*—The budget provides for accelerated development efforts in support of the overall strategic modernization program. Ballistic missile defense, deep underground basing, and continuous patrol aircraft are being explored as options for future MX missile basing. In addition, development is continuing on a new technology bomber and the new Trident II submarine-launched ballistic missile.
- *Tactical systems.*—The budget emphasizes development of new long-range, ground attack versions of current F-15 and F-16 fighter aircraft for the Air Force, as well as an improved medium-range air-to-air missile. The Navy budget request supports development of a lightweight anti-submarine torpedo, improvements to the heavyweight MK48 torpedo, vertical launch systems for ship-launched missiles, and a major surface warship. The Army is continuing development of new

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missiles and armored vehicles, and improving helicopters and artillery systems.

- *Other defense research and development.*—The budget provides for continued improvements in defense intelligence systems, worldwide communications systems, and test and evaluation capabilities. Defense support for the NASA Space Shuttle program will continue.

Active duty military personnel.—The past year has been one of the best years for military recruiting and retention since the inception of the All Volunteer Force in 1973. All the military services achieved or exceeded their strength objectives. All made significant improvements in retaining experienced personnel and in enlisting high-quality recruits. These major improvements are due primarily to substantial increases in military pay and benefits enacted in 1980 and 1981. While the 1981 experience demonstrates clearly that the concept of the All Volunteer Force is working, the military services will face other manpower challenges in 1983 and beyond. A further decline in the number of available military-age youths is forecast, and vigorous efforts will have to be made to meet the demands of planned increases in force levels. The 1983 budget supports levels of compensation that will help assure that future manning requirements are achieved.

Defense acquisition improvement.—The Department of Defense is improving the efficiency of its acquisition process to reduce both cost and the length of the acquisition cycle. New initiatives in this area include:

- savings through greater program stability, multiyear contracting, and maintaining economic production rates;
- streamlining the acquisition process through decentralization and reduced documentation requirements; and
- improving weapon systems development by supporting evolutionary design, reliability criteria, and design-to-cost approaches.

The F-16 fighter aircraft program was adopted as a multiyear program in 1982, and promises significant savings. The Navy's C-2 aircraft, medium-range standard missile, fleet oiler, and the Army's Blackhawk helicopter are all candidates to become multiyear acquisition programs.

Military retired pay.—Legislation will be proposed to change the military retirement system in order to remove certain inequitable features and make military retirement consistent with other Federal retirement programs. The most important of these is a limitation on the annual cost-of-living adjustment for retirees whose retired pay is greater than that of similar personnel retiring under

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current pay scales. Retirees whose retired pay is between 100% and 120% of current retired pay scales would receive three-fourths of the full cost-of-living adjustment. When retired pay is 120% or more of current retired pay, there would be no cost-of-living increase.

In addition, the administration will propose legislation to change the way the budget provides for military retired pay. The budget now reflects only the benefits paid to military personnel who have already retired. Under the proposal, the defense budget would reflect the cost of retirement benefits being earned by military personnel on active or reserve duty at the time they are being earned. This change would improve personnel management by more accurately reflecting true personnel costs. Because the proposal involves complex changes in many parts of the budget, these changes will not be reflected in the budget schedules until the legislation is enacted.

Tax expenditures.—The exclusion from taxable income of housing and meals for military personnel, provided either in-cash or in-kind, results in an outlay equivalent estimate of $2.5 billion in 1983. In addition, disability pensions received by current military retirees are largely excluded from taxable income, resulting in an outlay equivalent estimate of $165 million for 1983. Tax expenditures for national defense total $2.6 billion in 1983.

Atomic energy defense activities.—Under the President's reorganization plan for energy, the Department of Commerce will be responsible for the defense activities formerly within the Department of Energy. These include research, development, 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 accompanying table shows the funding levels for these programs. In total, budget authority of $5.5 billion is requested for 1983, compared to $4.7 billion for 1982. Outlays are estimated to increase from $5.2 billion in 1983 to $6.0 billion in 1984 and $6.5 billion in 1985.

The nuclear weapons program involves the design, research, development, testing, and production of nuclear warheads for the nuclear weapons stockpile, including quality control and periodic inspection of the finished devices. Funding levels proposed for 1982 and 1983 provide for increased missile warhead production for current and new weapon systems. The budget provides for increased production of special nuclear materials for use in nuclear warheads.

The defense nuclear waste management program provides interim storage for all defense nuclear wastes. The program also sup-

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ATOMIC ENERGY DEFENSE ACTIVITIES

(Functional code 053; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Weapons research, development, test, and production	2,304	2,930	3,408	3,692	4,158
Weapons materials production and waste management	957	1,265	1,595	2,168	2,280
Naval reactor development	303	359	376	392	408
Other research programs	87	119	127	131	136
Total, budget authority	**3,651**	**4,673**	**5,506**	**6,383**	**6,982**
OUTLAYS					
Weapons research, development, test, and production	2,186	2,779	3,217	3,428	3,823
Weapons materials production and waste management	984	1,271	1,421	2,020	2,115
Naval reactor development	283	336	392	390	400
Other research programs	—[1] 55	112	125	130	135
Total, outlays	**3,398**	**4,498**	**5,155**	**5,968**	**6,473**

[1] Includes negative undistributed cost outlay adjustments.

ports research to develop permanent storage and isolation of these wastes.

The naval reactor development program includes the research and development, design, procurement, and testing of prototype reactors for current and future naval vessels.

Other atomic energy defense research and development programs involve improved security at defense nuclear facilities, and arms control and verification technology development.

Defense-related activities.—Activities of civilian departments and agencies that support national defense include emergency management, maintenance of strategic stockpiles, and the Selective Service System. In 1983, offsetting receipts are expected to nearly match other outlays because stockpile sales are about the same as purchases.

Estimated outlays for the defense-related functions of the Federal Emergency Management Agency of $341 million in 1983 provide for increases in the Nation's civil defense, continuity of government, and mobilization programs. Outlays for the years following 1983 do not include the full effect of an enhanced civil defense program.

To meet our needs for critical raw materials that might be unavailable during wartime, the General Services Administration stockpiles strategic and critical materials. Sales and purchases are proposed in 1983 to adjust the inventory of the stockpile to current requirements. Outlays for purchases are estimated at $120 million in 1983.

The Selective Service System is responsible for maintaining standby capability to meet defense personnel requirements during

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an emergency national mobilization. The budget includes outlays of $24 million in 1983 to improve the Selective Service System's mobilization capability, including a continuing national registration program.

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INTERNATIONAL AFFAIRS

National Needs Statement:

- Protect and advance the interests of the United States and its people in international affairs.

The Federal Role in Meeting the Need:

- Strengthen U.S. national security by extending assistance to friendly governments in order to counter threats of internal instability or external aggression.
- Help friendly Third World countries develop economically through cooperative actions in trade, investment, energy, and agriculture, consistent with the spirit of the Cancun Summit.
- Provide humanitarian assistance abroad.
- Maintain effective diplomatic and consular operations abroad supported by a well staffed, trained, and equipped Department of State.
- Communicate effectively with foreign peoples to explain and defend fully American views and policies and to blunt Soviet propaganda.
- Promote a smoothly functioning international economic and financial system through responsible participation in international financial institutions.
- Stimulate mutually beneficial trade relations with other countries.

The foreign policy of the United States is directed toward achieving an environment of peace, international security and economic prosperity, in which individual political and economic freedoms may flourish. This budget is designed to be a practical allocation of resources toward achieving U.S. foreign policy aims. For 1983, the budget requests $18.1 billion in budget authority and $12.0 billion in estimated outlays, compared with 1982 estimates of $18.5 billion in budget authority and $11.1 billion in outlays.

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

(Functional code 150; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Foreign aid:					
International security assistance:					
Foreign military sales credit	500	750	1,739	1,739	1,739
Economic support fund	2,100	2,564	2,886	2,886	2,886
Military assistance	110	177	108	88	88
International military education and training	28	38	54	54	54
Peacekeeping operations	34	151	43	46	46
Offsetting receipts and other	−231	−194	−171	−129	−115
Proposed legislation			5	5	6
Subtotal, international security assistance	2,543	3,486	4,663	4,689	4,703
Foreign economic and financial assistance:					
Multilateral development assistance:					
Multilateral development banks	1,004	1,262	1,537	1,543	1,193
International fund for agricultural development			65	115	
International organizations	262	215	173	173	173
Agency for International Development	1,684	1,771	1,816	1,828	1,839
Public Law 480 food aid	1,229	1,000	1,028	1,004	988
Peace Corps	106	105	98	98	98
Refugee assistance	474	503	419	418	380
Offsetting receipts and other	−259	−327	−371	−389	−403
Subtotal, foreign economic and financial assistance	4,499	4,529	4,764	4,790	4,267
Total, foreign aid	**7,042**	**8,015**	**9,427**	**9,479**	**8,970**
Conduct of foreign affairs:					
Administration of foreign affairs	996	1,113	1,255	1,320	1,375
International organizations and conferences	433	467	508	622	639
Other	41	45	46	42	41
Subtotal, conduct of foreign affairs	1,471	1,624	1,809	1,984	2,055
Foreign information and exchange activities	551	588	746	672	710
International financial programs:					
Export-Import Bank	6,908	3,986	2,701	2,667	2,731
Foreign military sales trust fund (net)	3,566	4,446	3,622	2,759	2,124
International monetary programs	5,361				
International commodity agreements	88				
Offsetting receipts and other	−79	−80	−82	−84	−85
Subtotal, international financial programs	15,844	8,352	6,241	5,342	4,770
Deductions for offsetting receipts	−95	−97	−97	−98	−96
Total, budget authority	**24,812**	**18,482**	**18,126**	**17,379**	**16,410**

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Foreign aid:					
International security assistance:					
Foreign military sales credit	507	755	913	1,363	1,653
Economic support fund	2,053	2,307	2,683	2,919	2,922
Military assistance	228	317	203	137	124
International military education and training	22	40	50	51	53
Peacekeeping operations	29	164	54	54	54
Offsetting receipts and other	292	−97	−71	−34	−25
Proposed legislation			4	5	6
Subtotal, international security assistance	3,131	3,485	3,835	4,496	4,787
Foreign economic and financial assistance:					
Multilateral development assistance:					
Multilateral development banks	955	1,109	1,253	1,366	1,316
International fund for agricultural development	10	30	40	60	65
International organizations	326	220	184	173	173
Agency for International Development	1,544	1,605	1,720	1,768	1,818
Public Law 480 food aid	1,254	1,141	1,028	1,004	988
Peace Corps	99	105	98	98	98
Refugee assistance	384	465	455	436	395
Offsetting receipts and other	−357	−398	−451	−476	−494
Subtotal, foreign economic and financial assistance	4,215	4,277	4,327	4,429	4,359
Total, foreign aid	**7,346**	**7,762**	**8,162**	**8,925**	**9,146**
Conduct of foreign affairs:					
Administration of foreign affairs	868	1,023	1,168	1,264	1,335
International organizations and conferences	441	474	582	621	638
Other	39	46	44	37	40
Subtotal, conduct of foreign affairs	1,347	1,543	1,794	1,922	2,014
Foreign information and exchange activities	525	599	655	699	746
International financial programs:					
Export-Import Bank	2,066	1,855	1,918	1,188	1,385
Special defense acquisition fund		−288	−218	−128	127
Foreign military sales trust fund (net)	456	122	247	292	151
International monetary programs	365				
International commodity agreements		29			
Offsetting receipts and other	−880	−452	−493	−477	−483
Subtotal, international financial programs	2,007	1,265	1,455	875	1,180
Deductions for offsetting receipts	−95	−97	−97	−98	−96
Total, outlays	**11,130**	**11,074**	**11,968**	**12,323**	**12,990**

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS—Continued

(Functional code 150; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Overseas Private Investment Corporation:					
Outlays	−5	−6	−6	−6	−5
Foreign military sales credit:					
Budget authority	2,505	3,320	4,400	4,900	3,648
Outlays	1,945	2,670	3,715	4,250	2,963

International security assistance.—Security assistance programs are vital instruments of United States national security and foreign policy, serving to strengthen allied and friendly countries where the United States has special security concerns. Through these programs, the United States assists other countries in acquiring, training for, and using modern military equipment necessary for their defense, and promotes economic and political stability through balance of payments support and project assistance. They enable the United States to promote peace in the Middle East, to strengthen NATO's southern flank and to support countries in Africa, Asia and the Caribbean threatened by direct or indirect Soviet expansionism. Security assistance is also provided in connection with U.S. access to military bases and facilities overseas.

Security assistance programs are under the policy direction of the Secretary of State and are administered by the Secretary of Defense and the Administrator of the Agency for International Development. Because of serious threats to U.S. interests in several parts of the world, the budget provides for a substantial increase in security assistance and an improvement in the financial terms on which it is provided. Proposed budget authority would rise to $4.7 billion in 1983, $1.2 billion above 1982. Budget outlays are estimated to rise from $3.5 billion in 1982 to $3.8 billion in 1983.

Foreign military sales credit.—This program consists of direct credits and loan repayment guarantees to enable foreign governments in 1983 to purchase U.S. defense articles, services, and training. New commitments in 1983 are estimated to be $5.7 billion, $1.8 billion above the 1982 level. Direct loans, which are on-budget, would total $1.7 billion, of which $500 million would be for a loan to Israel. Repayment of this transaction would be forgiven, making it a grant. The remaining $1.2 billion would be provided on below-market terms so as to reduce the burden of repayment of these loans on recipients' economies while helping them meet their defense needs. In addition, $3.9 billion would be off-budget loans at

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interest rates equal to U.S. Treasury borrowing costs provided through the Federal Financing Bank and guaranteed by the Department of Defense. Budget outlays from the foreign military sales credit program, estimated at $913 million in 1983, result only from disbursements on direct loans and from payments of claims for late repayment on prior-year guarantees.

Economic support fund.—Through the economic support fund, the United States furnishes general budget and balance of payments support and finances individual development projects. Economic assistance is provided on a loan and grant basis. The proposed 1983 program includes budget authority of $895 million for direct loans and $1,991 million for grants. Because unanticipated needs invariably arise requiring the rapid provision of U.S. aid, the 1983 budget proposes $75 million in budget authority that are not allocated to specific activities.

Military assistance.—Grant military assistance is requested to finance administrative costs of security assistance programs, reimbursements to the armed services for military equipment delivered to foreign governments during prior-year emergencies, and a $50 million special requirements fund to enable more rapid response to unforeseen situations requiring U.S. military assistance. No specific country programs are proposed for funding in 1983. These activities will require $108 million in budget authority and, with spending from prior year appropriations, will result in estimated outlays of $203 million in 1983.

International military education and training.—This program provides professional training and education in U.S. and overseas facilities to foreign military and related civilian personnel. It also acquaints these personnel with U.S. social, economic, and political institutions. Proposed grants totaling $54 million in budget authority are requested in 1983. This represents a $16 million increase over 1982.

Peacekeeping operations.—The United States is a leading participant in peacekeeping operations, with contributions to the Multinational Force and Observers in the Sinai (part of the Camp David agreement), the United Nations Force in Cyprus, and in 1982 the new peacekeeping force sponsored by the Organization for African Unity in Chad. Total budget authority proposed for peacekeeping programs in 1983 is $43.5 million.

Other.—Legislation will be proposed for $5 million in budget authority for 1983 for a new anti-terrorism training and assistance

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program. Its purpose is to help foreign law enforcement authorities to combat international terrorism more effectively.

Foreign economic and financial assistance.—Foreign economic and financial assistance supports the foreign policy interests of the United States by promoting economic development in Third World countries and providing humanitarian aid to needy people abroad. The United States provides aid both bilaterally and through multilateral institutions. The 1983 proposal of $4.8 billion in budget authority and $4.3 billion in estimated outlays represents a modest increase over the levels recently appropriated for 1982. The increase is necessary to meet past commitments and to respond to the critical needs of developing countries in Asia, Africa, and Latin America.

Multilateral development assistance.—Multilateral development banks provide project financing and technical assistance, on both near-market and concessional terms. The World Bank group of institutions and the three regional banks for Latin America, Asia, and Africa lent nearly $17 billion during their last completed fiscal years. Funding is contributed by developed and some advanced developing countries through regular replenishments of capital, which call for annual installment payments by donors, generally over 3- to 5-year periods. Because of the long repayment periods for bank loans, these contributions are required to permit ongoing operations. Contributions to the banks are of two types:

- Paid-in capital. This is a direct contribution that requires budget authority and results in budget outlays. Most paid-in capital finances concessional lending.
- Callable capital. Members guarantee repayment of the funds that banks borrow on world capital markets to finance their non-concessional lending. This capital is provided under a limitation in appropriations acts and has never led to budgetary outlays.

For 1983, proposed budget authority for the banks totals $1.5 billion, and outlays are estimated to be $1.3 billion. The growth in the requested level of funds for 1983 over the 1981 and 1982 levels is almost entirely a function of past commitments to increase participation in capital replenishments.

A recent study by the administration concluded that the banks have an important role to play in promoting sound economic policies in recipient countries and recommended that the United States continue to participate in the banks while supporting changes in their operations. The study recommended heavier emphasis on non-concessional lending (at near-market rates) and an end to paid-in capital for non-concessional lending. As a result, U.S.

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contributions to future replenishments for some institutions should decrease from 1983 levels.

Specialized lending for agriculture will continue through the *International Fund for Agricultural Development,* an institution that focuses on the small farmer and has major support from the OPEC countries. A replenishment, estimated to total $1.1 billion from all donors, is in negotiation. If remaining issues are successfully resolved, the United States is expected to contribute $180 million in budget authority over 2 years, with a first installment of $65 million in 1983.

The United States voluntarily contributes to the United Nations and other *international organizations and programs* that carry out developmental, humanitarian, and scientific activities. Participation in these multilateral programs complements bilateral assistance in accomplishing overall U.S. foreign policy objectives. Nevertheless, U.S. contributions will decrease in 1983 from the levels of recent years reflecting the administration's view that some multilateral programs are less effective than bilateral aid in achieving the most critical U.S. goals. Of the $173 million of budget authority proposed for 1983, $107 million will support the United Nations Development Program, which is the primary multilateral source of technical assistance for developing countries. Contributions of $26 million are planned for the United Nations Children's Fund, which provides basic development services for mothers and children.

Agency for International Development (AID).—Bilateral development assistance programs are carried out by AID. The proposed budget authority for AID for 1983 of $1.8 billion, $45 million greater than the 1982 appropriation, will promote economic growth in developing countries through grants and concessional loans in such sectors as agriculture, population, health, education, and energy. AID also assists development-related research carried out by U.S. universities and supports programs carried out by private and voluntary organizations abroad. The administration's initiatives in the AID program include support of sound economic policies of recipient countries, increased use of American and recipient country private sector resources in development, and promotion of science and technology capabilities within developing countries. AID outlays in 1983 are estimated to be $1.7 billion.

Closely related to AID's activities are two other programs that support the private sector emphasis of bilateral aid:

- The *Overseas Private Investment Corporation* (OPIC) provides political risk insurance and financial assistance to support the participation of private American business in the development of the Third World. OPIC is a self-sustaining agency that does not require appropriated funds. In 1983, receipts

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(largely interest and insurance premiums) are expected to exceed outlays by $82 million.

- The *trade and development program* promotes sales of U.S. goods and services that contribute to the economic programs of certain developing countries, principally those that do not receive AID funding. Budget authority of $10.5 million is proposed for 1983.

Public Law 480 food aid.—This program contributes to achieving U.S. objectives in the areas of security assistance, economic development, export market development, and humanitarian relief. The budget requests $1,028 million in budget authority in 1983, an increase of $28 million from 1982. Assistance will be concentrated on the poorest developing countries and on countries of major importance to the United States. A significant portion of direct food donations will be devoted to meeting refugee and emergency relief needs.

Peace Corps.—The Peace Corps will continue to help meet the skilled manpower needs of developing countries and promote mutual understanding between the people of the United States and people in more than 50 countries in the developing world. Budget authority of $98 million is requested for 1983, which is a small reduction from 1982. More than 4,600 volunteer service years will be provided in 1983.

Refugee assistance.—While there has been no extraordinary refugee emergency this past year, refugee problems continue to be sizable in many parts of the world. Refugee needs can be expected to continue in Africa, the Middle East, Southwest Asia, Indochina, and Eastern Europe. Care for these refugees abroad and the resettlement of some of them in the United States will continue in 1983. Because lower flows of new refugees are anticipated in 1983, this budget proposes $419 million of budget authority, a reduction from 1982, to help international organizations and American voluntary agencies to provide assistance. Recognizing that resettlement in the United States is only a small part of the solution to the worldwide refugee problem, the budget provides funds to encourage voluntary repatriation and other resettlement alternatives abroad. Additional funding for refugee assistance is discussed in the income security section of Part 5.

Conduct of foreign affairs.—Funds for this category of programs primarily finance the operating costs of the State Department in carrying out the administration of foreign affairs and provide contributions assessed by certain international organizations of which the United States is a member. Both proposed budget authority and estimated outlays in 1983 would be $1.8 billion.

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Administration of foreign affairs.—The administration's commitment to the vigorous pursuit of American interests abroad is clearly reflected in the budget request for State Department operations. A personnel increase is requested to enhance the Department's overseas political and economic reporting and analysis. In addition, training designed to improve the professional reporting, analytical, consular, and administrative skills of the Foreign Service will be expanded. Additional staff are also provided to cope with growing passport and consular workloads. Because the personal safety of government personnel abroad and the protection of overseas physical facilities and national security information are vital, protective security personnel will be increased and security measures will be further strengthened. Funds are provided for the construction of only the highest priority office buildings and staff housing projects abroad, mainly large projects in Moscow, Tokyo, and Riyadh, Saudi Arabia. These improvements in foreign affairs administration, along with inflationary costs abroad, increase proposed budget authority from $1.1 billion in 1982 to $1.3 billion in 1983.

International organizations and conferences.—The United States is a member of the United Nations and over 50 other international organizations responsible for many multinational activities of a political, peacekeeping, economic, and social nature. Members of these organizations have collective responsibility for their operating costs, which are financed through assessments based primarily on ability to pay. The United States usually pays the largest share, most commonly 25%.

In 1981 the United States began to shift the payment of its contributions to most major organizations to the last quarter of each organization's budget year. While this action has reduced outlays in 1981 and 1982, it will increase 1983 outlays, which will fund most major organizations' calendar year 1982 budgets. Budget authority of $508 million is requested in 1983 for these payments, for assessed contributions to peacekeeping activities, and for the costs of U.S. participation in international conferences. Outlays are estimated to be $582 million in 1983.

The United States continues to place a high priority on effective management of international organizations. It is particularly important that organizations regularly evaluate their programs, reduce and phase out low-priority and obsolete activities, operate with lean staffs, and minimize support and overhead costs. The United States intends to support only those organizations' budgets that reflect significant restraint. This administration is convinced that, after the substantial program growth of recent years, the effectiveness of most organizations will be enhanced by a period devoted to evaluation, assimilation, and rationalization. Working closely with other major donors, the United States will seek imple-

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mentation of a budget policy of no program growth and significant absorption of nondiscretionary cost increases.

Other.—Budget authority of $20 million and estimated outlays of $18 million are requested for the *Arms Control and Disarmament Agency* in order to support new negotiations to limit intermediate-range nuclear forces (INF) and strategic arms reduction talks (START), as well as other arms control negotiations and activities.

Foreign information and exchange activities.—Programs under this heading are intended to provide the rest of the world with a better understanding of the United States and its policies, and to broadcast accurate information to communist countries about world attitudes toward their governments and about events within their borders. These programs are important components of the foreign policy of the United States. Better communication with the communist and noncommunist peoples of the world calls for an increase in budget authority for these activities from $588 million in 1982 to $746 million in 1983. Estimated outlays in 1983 will be $655 million.

To counter a growing global campaign by the Soviet Union to undercut United States foreign policy objectives with false and distorted information, the *International Communication Agency* (ICA) will expand its major effort, Project Truth, to reveal Soviet tactics and to communicate clearly United States policy and objectives.

This budget proposes $640 million of budget authority in 1983 to conduct and improve all ICA activities, including Voice of America (VOA) radio broadcasting, academic and leader exchange, seminars, operation of libraries and cultural centers and dissemination of media material in 125 countries. Included are $115 million to complete new VOA shortwave broadcasting facilities in Sri Lanka and Botswana, to renovate Washington studios, and to finance five medium wave AM transmitters to broadcast throughout the Caribbean and Central America.

Budget authority for the *Board for International Broadcasting* is increased to $96 million, which will permit Radio Free Europe/Radio Liberty, Inc., to improve programs in 8 of the 21 languages in which it broadcasts to the Soviet Union and Eastern Europe and to replace old transmission equipment.

To continue a program begun in 1982, $8 million in budget authority is requested for a grant to a private corporation to broadcast to the Cuban people information about Cuban developments at home and abroad.

International financial programs.—To support the stable expansion of the international economy, the United States is active in

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programs to improve the functioning of the international financial system, facilitate U.S. participation in world trade, and stabilize commodity markets. In 1983, budget authority is estimated to be $6.2 billion and estimated outlays will be $1.5 billion.

Export-Import Bank.—The Bank provides direct loans, loan guarantees, and insurance to facilitate the export of U.S. goods and services. In recent years, the Bank's programs and subsidies to domestic businesses and foreign borrowers grew rapidly due to the previous administration's policy of using the Bank as a vehicle to match foreign governments' export subsidy programs on an untargeted basis. The budget for 1983 continues the current policy of limiting the size of the Bank's program while enabling it selectively to meet foreign competition.

Proposed authorizations for the Bank's direct loan program are $3.8 billion, 13 percent below the level set in 1982 appropriations legislation. When used selectively, this will be sufficient to meet the most critical requirements for export financing. Proposed commitments for guarantee and insurance programs are $8.0 billion.

EXPORT-IMPORT BANK AUTHORIZATIONS

(In millions of dollars)

	1981 actual	1982 estimate	1983 estimate
Direct loan obligations	5,431	4,400	3,830
Loan guarantee commitments	7,416	8,000	8,000
Total	**12,847**	**12,400**	**11,830**
Total outlays (net)	**2,066**	**1,855**	**1,918**

The budget will support export financing on a substantial scale, one that is consistent with the Bank's legitimate role in overcoming limitations in private credit markets and in providing support and leadership in the effort to negotiate an improved international export credit agreement. The administration has already achieved significant progress in negotiating international export credit agreements, which have reduced the high subsidies previously provided by governments in their export financing. The United States will press for substantial further progress.

Special defense acquisition fund.—To reduce disruptive and costly diversions of military equipment from U.S. military uses to meet security assistance needs, a special revolving fund has been established. This fund permits the procurement of military equipment in advance of the identification of specific country needs. The equipment can then be transferred to other governments when it is needed.

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Foreign military sales trust fund.—U.S. law requires that sales of most military equipment and services to foreign governments be made only by the Federal Government. Foreign governments make payments to the fund for cash purchases of U.S. military equipment and services. Outlays occur when payments are made to suppliers. The total estimated outlays of $247 million for 1983 are the net result of all transactions.

International monetary programs.—The International Monetary Fund plays a key role in promoting an orderly, market oriented, and responsible system of international financial transactions. Periodically, the United States participates in increases of the resources that the Fund requires to achieve its goals. Budget authority for the U.S. share of an increase was last appropriated in 1981. Outlays, which reflect several types of Fund transactions in dollars, are unpredictable. Over time they should net to zero, the amount estimated for 1983.

International commodity agreements.—The United States participates in international commodity agreements whose purpose is to reduce price fluctuations in certain raw materials and thereby encourage production. In 1982, managers of the International Natural Rubber Agreement began acquiring rubber for a buffer stock, funded in part by a 1981 U.S. appropriation of $88 million. No budget authority or outlays are estimated for 1983.

Other.—Other programs include transactions of the exchange stabilization fund and repayments of loans to the United Kingdom. The exchange stabilization fund's interest income on holdings of U.S. securities is estimated to result in negative outlays of −$372 million in 1982 and −$411 million in 1983.

Tax expenditures.—A tax expenditure results from the deferral of taxes on one-half of the profits derived from the incremental export sales of domestic international sales corporations (DISCs). The DISC provision was established to provide an incentive for domestic firms to increase their exports and to offset partially the perceived export advantages of other countries tax systems. The outlay equivalent estimate for the DISC provision is $2.8 billion in 1983.

Americans living and working abroad may exclude up to $75,000 in 1982 and $80,000 in 1983 of foreign earned income as well as allowances for reasonable housing costs in excess of 16% of the salary of a civil service grade 14, step one employee. The outlay equivalent estimate for these benefits is $2.2 million in 1983. This provision is intended to correct for the perceived inequity resulting from high living costs abroad and also to encourage firms to main-

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tain U.S. nationals abroad. Estimated tax expenditures for international affairs total $4.9 billion in 1983.

Credit programs.—A number of programs in this function are direct loan and loan guarantee programs. For these programs, the national needs tables showing budget authority and outlays understate the volume of new activity, because most credit activity does not result in additions to the budget. The total volume of new direct loan obligations and new guaranteed loan commitments, as recorded in the credit budget, is shown in the following table. Total direct loan obligations are proposed to be $12.2 billion in 1983. Appropriation bill limitations are requested for $6.9 billion of this amount. Total guaranteed loan commitments are proposed to fall to $7.8 billion in 1983, all of which is subject to limitation in appropriation bills.

As the table shows, guarantees of the foreign military sales credit program, discussed earlier in this section, are financed as off-budget direct loans by the Federal Financing Bank.

CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Foreign military sales credit [1]	500	750	1,739	2,546	3,084	3,929
Economic support fund	274	216	895			
Bilateral development credit	401	403	403	229	250	250
Public Law 480 food aid	821	754	767			
Export-Import Bank	5,431	4,400	3,830	7,416	8,000	8,000
Other international assistance	165	171	181			
Off-budget Federal entity:						
Federal Financing Bank: [2]						
Foreign military sales credit	2,505	3,320	4,400			
Subtotal, gross	10,097	10,014	12,215	10,192	11,334	12,179
Less:						
Guaranteed loans held as direct loans by the FFB:						
Foreign military sales credit				−2,505	−3,320	−4,400
Total, international affairs	**10,097**	**10,014**	**12,215**	**7,687**	**8,014**	**7,779**

[1] Includes guarantees of direct loans made by the FFB as shown below.

[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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GENERAL SCIENCE, SPACE, AND TECHNOLOGY

National Needs Statement:

- Assure the long-term scientific and technological strength of the Nation.

The Federal Role in Meeting the Need:

- Support long-term basic scientific research that is in the broad national interest.
- Develop a greater understanding of the Earth, the solar system, and the universe through space research and technology development.
- Develop a space transportation system, based upon the Space Shuttle, to meet the future needs of national security, civil and commercial users.

This function includes the National Science Foundation (NSF), and the space programs of the National Aeronautics and Space Administration (NASA). (NASA aeronautics programs are included in the transportation function.) This function also includes basic physics and life science programs that the administration plans to transfer from the Department of Energy to the Department of Commerce, as part of the administration's proposal to dismantle the Department of Energy. It does not include research for specific missions, such as defense and medical research, that are included in other functions. Proposed budget authority for this function is $7.8 billion in 1983, an increase of $0.8 billion or 12% over 1982.

Advances in science and technology are essential to the security of our Nation; to the health, welfare, and safety of our citizens; and to the long-term growth and vitality of our economy.

Most Federal Government support for science and technology, including basic research, is provided through research and development programs that serve specific missions in areas such as defense, health, and environmental regulation. The Federal Government also supports, through the National Science Foundation, basic research that is in the broad national interest because the economic incentives of the market place are insufficient to assure adequate private sector investment in such research. For similar reasons, the Federal Government also supports space programs, including the development of the Space Shuttle. Of all Federal support for basic research, about one-third is included in this function.

General science and basic research.—The National Science Foundation and the basic physics and life science programs of the De-

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NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

(Functional code 250; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
General science and basic research:					
National Science Foundation programs	1,036	1,003	1,078	1,078	1,078
Department of Commerce general science programs	504	529	601	629	652
Smithsonian scientific exchange activities	*	*	*	*	*
Subtotal, general science and basic research	1,541	1,533	1,679	1,707	1,730
Space research and technology:					
Space flight	3,187	3,578	3,983	3,783	3,368
Space science, applications, and technology	1,359	1,381	1,526	1,482	1,488
Supporting space activities	450	508	618	748	688
Subtotal, space research and technology	4,996	5,467	6,127	6,013	5,544
Deductions for offsetting receipts	−5	−5	−5	−5	−5
Total, budget authority	**6,533**	**6,995**	**7,800**	**7,714**	**7,270**
OUTLAYS					
General science and basic research:					
National Science Foundation programs	981	1,101	982	1,130	1,048
Department of Commerce general science programs	501	559	589	627	652
Smithsonian scientific exchange activities	*	*	*	*	*
Subtotal, general science and basic research	1,483	1,660	1,572	1,757	1,700
Space research and technology:					
Space flight	3,053	3,462	3,992	3,803	3,476
Space science, applications, and technology	1,384	1,344	1,462	1,495	1,501
Supporting space activities	444	481	613	729	707
Subtotal, space research and technology	4,881	5,287	6,067	6,027	5,684
Deductions for offsetting receipts	−5	−5	−5	−5	−5
Total, outlays	**6,359**	**6,942**	**7,633**	**7,779**	**7,379**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Supporting space activities:					
Budget authority	111	206	171	20	.....
Outlays	111	206	112	−196	−219

partment of Commerce constitute the general science mission of this function. Budget authority of $1.7 billion is proposed for these programs in 1983, an increase of 10% over 1982.

National Science Foundation programs.—The principal mission of the National Science Foundation (NSF) is to support basic research in all science and engineering disciplines. The Foundation's programs are particularly important because they complement and balance the support of basic research by mission agencies such as the Department of Defense and the National Institutes of Health.

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The 1983 budget proposes $1.1 billion in budget authority for the NSF, 7% more than in 1982. The budget provides for growth above estimated cost increases due to inflation in the natural sciences and engineering.

The budget also includes continued support of the U.S. Antarctic program administered by the NSF. The Antarctic Treaty designates the Antarctic as a zone of peaceful international coexistence to be used for study and research. The NSF program includes projects aimed at a better understanding of the Antarctic region.

Savings are proposed in the NSF's science education program. The administration believes that support of education is more appropriately the responsibility of State and local governments. The NSF research fellowship program will be continued because it complements the Foundation's support of research.

Department of Commerce general science programs.—These programs conduct and support basic research in high energy physics, nuclear physics, life sciences, and nuclear medicine. The budget authority request increases to $0.6 billion in 1983 with the major emphasis on the high energy physics program.

The goal of the high energy and nuclear physics programs is to achieve a comprehensive understanding of the fundamental constituents of matter and energy and the basic forces that govern their interaction. The increase provided for high energy physics will permit more effective utilization of existing research facilities. It will also provide for continuation of research and development on improved components and novel concepts that will lead to new research facilities that are essential to the future vitality of the field.

Space research and technology.—This part of the function consists of the space-related activities of the National Aeronautics and Space Administration.

The administration is committed to the timely completion of the development of the Space Shuttle and the beginning of regular operations. In addition to the Space Shuttle, a vigorous program of space activities in space science, applications and technology development is proposed.

Space flight.—The space flight programs of NASA are intended to sustain and improve our ability to supply space transportation services to government, industry, university, and foreign users. Space flight includes the development, production, and operation of the Space Shuttle; procurement and operation of the European-developed Spacelab for use in the Shuttle for research in near-Earth orbit; and development and procurement of the space vehicles needed to carry satellites into high-Earth orbit and to launch

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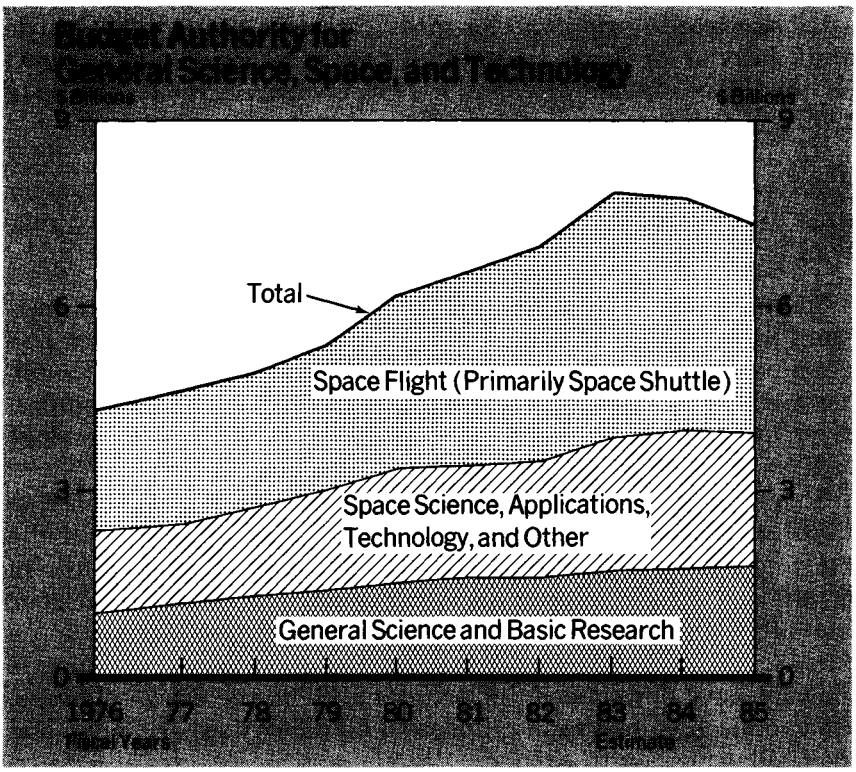

planetary exploration spacecraft. Budget authority of $4.0 billion is proposed for these programs in 1983, $0.4 billion more than in 1982.

The Space Shuttle is the world's first reusable manned space transportation system, and will routinely launch, retrieve, repair and service satellites in space. The Shuttle will be valuable to a variety of domestic and foreign users, who anticipate its availability for their needs in the early 1980s. It will also be important in meeting national security requirements.

The Shuttle is expected to be ready for operations beginning in 1983. The second successful launch of the Space Shuttle Columbia clearly demonstrated that a manned reusable space vehicle is practical.

While the Shuttle is expected to replace most expendable launch vehicles when it is operating at full capacity, the budget includes funding for efforts to assure the availability of expendable vehicles until the complete Shuttle fleet is able to replace them.

Funding is proposed to complete development and production of the Space Shuttle and to prepare for the regular operations necessary to meet civilian and national security commitments. Funds are also included to demonstrate the ability to repair a damaged

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satellite while in orbit, and for modifications to enable the Shuttle to lift heavier payloads. Budget authority of $3.0 billion is proposed for the Space Shuttle program in 1983, compared to $2.5 billion in 1982.

Procurement of a second Spacelab is underway, with the initial flight of the first Spacelab planned in the fall of 1983. An upper stage booster to launch high-Earth orbit and interplanetary missions from the Shuttle is being developed.

Space science, applications and technology.—Programs in this category include space science activities to study the solar system and the universe; the development, launch and demonstration of satellite systems for agricultural, geological, weather, and communications uses; and long-range basic space research and technology programs.

Budget authority of $0.8 billion is proposed for *space science* in 1983, an increase of 18% over 1982. The program includes the study of the solar system and the universe, (using satellites in Earth orbit and spacecraft sent to the planets and their moons), and life sciences research related to the space environment. As part of such scientific investigations, the administration supports the continued development of projects such as the space telescope, the gamma ray observatory, Spacelab astronomy experiments, and the Galileo mission to Jupiter.

The space telescope program is intended to place a telescope in orbit around the Earth in 1985, allowing the observation of objects in space unobstructed by the Earth's atmosphere and clouds. The space telescope promises significant advances in astronomy, with far better resolution than Earth-based telescopes.

The gamma ray observatory, which will allow the investigation of distant objects and phenomena in deep space through study of the gamma ray region of the electromagnetic spectrum, is to be launched in late 1988. Spacelab is designed to be reusable and will be flown repeatedly on the Space Shuttle to conduct advanced investigations of the sun and the universe from Earth orbit. In addition to these major flight programs, funding is proposed for experiments to be flown on satellites, balloons, aircraft, and sounding rockets.

Exploration of the solar system will continue with projects under development and spacecraft already in flight such as the Galileo project being developed to explore Jupiter and its moons and Voyager on its way to Uranus.

Ground-based research will continue to analyze data from these missions and to assess potential future missions that are cost-effective. The Venus orbiting imaging radar (VOIR) mission is being cancelled to permit adequate funding of higher priority space science missions.

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Budget authority of $0.5 billion is proposed for *space applications* in 1983, maintaining about the same program level as in 1982. The budget requests continued funding for research activities to improve understanding of the Earth's resources, climate, weather, and pollution; to develop agriculture forecasting techniques based on satellite data; to advance knowledge in materials science through low gravity experiments; and to extend the range of satellite communications technology.

Development of the fourth and fifth in the series of Landsat satellites that collect data from space about the Earth's land resources is continuing. Landsat-D, the fourth in the series, is scheduled for launch in 1982. These advanced satellites will improve substantially the quality of Earth resources data gathered from space for a variety of applications. In 1983, the administration proposes that the National Oceanic and Atmospheric Administration (NOAA) assume responsibility for operating an Earth-resources satellite data system based on the Landsat-D series of satellites.

The climate-observing program is designed to provide global measurements of the level of solar and cosmic radiation absorbed by the Earth. Observations from satellites help improve our understanding of the factors that determine the Earth's climate.

Budget authority of $0.2 billion is proposed for basic *space research and technology* programs, an increase of 9% over 1982. The increase will provide for a strong program in the basic space disciplines including propulsion, electronics, and materials, and assure a sound scientific foundation for the future of the space program.

Supporting space activities.—Budget authority of $0.6 billion is proposed for spacecraft tracking and data gathering and processing support for the entire NASA space program, an increase of 22% over 1982. This increase is primarily for the initial lease payments for the new tracking and data relay satellite system (TDRSS). The first TDRSS satellite is proposed for launch from the Shuttle in early 1983.

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 1983 outlay equivalent estimate for this provision is −$1.3 billion. A new 25% tax credit for increased research and development expenditures is expected to encourage more investment by industry in research and development. The outlay equivalent estimate is $1.1 billion in 1983; tax expenditures for general science, space, and technology are estimated to total −$0.2 billion in 1983.

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Credit programs.—Long-term lease commitments to finance the construction and acquisition of tracking and data relay satellites for NASA were made in 1976. New commitments in 1983 for this system are expected to be $171 million. These commitments result in loan guarantees and off-budget outlays by the Federal Financing Bank. Lease payments by NASA are expected to commence in 1983, when the system begins operations.

CREDIT PROGRAMS—GENERAL SCIENCE, SPACE AND TECHNOLOGY

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
NASA satellite leases [1]				111	206	171
Off-budget Federal entity:						
Federal Financing Bank: [2]						
NASA satellite leases	111	206	171			
Subtotal, gross	111	206	171			
Less:						
Guaranteed loans held as direct loans by the FFB:						
NASA satellite leases				−111	−206	−171
Total, general science, space and technology	**111**	**206**	**171**			

[1] Includes guarantees of direct loans made by the FFB as shown below.

[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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ENERGY

National Needs Statement:

- Produce and use energy efficiently.

The Federal Role in Meeting the Need:

- Establish sound, stable public policies that encourage economically efficient energy production and use.
- Adopt environmental and nuclear safety regulations that are rational, realistic, and effective.
- Focus Government spending for energy on those few areas where the private sector lacks sufficient incentive to invest, primarily long-term research and emergency petroleum stockpiles.

Most decisions on producing and using energy in the economy are made in response to market forces, not by the Federal Government. Instead of improving the Nation's energy outlook, Federal Government programs during the 1970's actually reduced our ability to respond to the supply disruptions and rapid increases in prices that occurred during that decade. Federal energy policies, especially price controls on domestically-produced crude oil, dulled market incentives and slowed the response of our economy to changes in world oil markets.

The Federal Government has one overriding responsibility with respect to energy: to establish public policies, based on sound economic principles, that reward and encourage efficient energy production and use. The President took a major step in fulfilling this responsibility when he removed controls from oil markets in January 1981.

The results have been impressive. In response to market forces:

- net oil imports, other than oil purchased for the strategic petroleum reserve, declined from 7.9 million barrels per day in 1979 to about 5.1 million barrels per day in 1981;
- total oil consumption has been reduced 14% from the amount used 2 years ago;
- less fuel is being used to run a larger economy: this year, 2% less energy was used to provide 2% more goods and services than last year;
- oil exploration and drilling activity are setting all-time records, increasing about 40% this year alone; and
- world oil prices have begun to decline.

The Federal Government has limited responsibilities in energy beyond its overriding responsibility to let the market economy

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function. The proposals in this budget focus Government spending on meeting those responsibilities. They include adopting environmental and nuclear safety regulations that are rational, realistic and effective; providing a strategic petroleum reserve to help deal with possible severe disruptions in world oil markets; and supporting limited research and development that the private sector is unlikely to undertake because of its long-term, high risk characteristics.

In view of the limited responsibilities and role of the Federal Government in energy, it is wasteful and inappropriate to maintain a Cabinet-level Department of Energy. The President will submit legislation to the Congress that will transfer essential programs of the Department of Energy primarily to the Departments of Commerce and Interior. The budget proposals in this function are identified below by the department and agency that are proposed to be responsible for them in 1983.

The budget proposes $4.3 billion in budget authority in 1983 for programs included in this function. Outlays are estimated to be $4.2 billion, a 34% reduction from estimated 1982 levels. Off-budget outlays, including oil purchased for the strategic petroleum reserve, are expected to be $8.6 billion in 1983. There are also approximately $8.8 billion in energy tax expenditures and $11.2 billion in direct loan obligations classified in this function.

Energy supply.—The Federal Government's energy supply programs include research and development on new energy technologies, direct energy production, and incentives for nonconventional fuels.

Federal spending for energy *research and development* programs is proposed to be administered by the new Energy Research and Technology Administration in the Department of Commerce. These programs are designed to complement, rather than substitute for, private sector spending. In keeping with this policy, estimated outlays for energy supply research and development decrease from $3.6 billion in 1982 to $2.1 billion in 1983.

Outlays for fossil, solar, geothermal, and other non-nuclear research and development programs are estimated to decrease from $1.7 billion in 1982 to $0.7 billion in 1983 on the assumption that the Federal Government will concentrate its efforts on basic and other long-term research and technology development. The budget also includes funds for continued operation of unique experimental and test facilities.

This emphasis on long-term research and development includes continued support for nuclear energy programs, particularly magnetic fusion and technology development for nuclear breeder reactors. Neither of these technologies is at the stage where significant industry investment can be expected. Outlays for magnetic fusion

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NATIONAL NEED: ENERGY

(Functional code 270; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Energy supply:					
Research and development:					
Existing law	3,808	2,755	2,010	2,099	2,101
Proposed legislation			185		
Subtotal, research and development	3,808	2,755	2,195	2,099	2,101
Direct production (net):					
Uranium enrichment	442	1		24	16
Petroleum reserves	−655	−908	−848	−806	−781
Power marketing	−96	1,841	2,071	1,886	1,892
Incentives for nonconventional fuel production	−1,274				
Subtotal, energy supply	2,224	3,689	3,418	3,203	3,228
Energy conservation	728	163	27	19	4
Emergency energy preparedness	2,791	191	242	633	235
Energy information, policy, and regulation:					
Existing law	1,089	871	772	809	764
Proposed legislation			−60	−60	−60
Subtotal, energy information, policy, and regulation	1,089	871	712	749	704
Deductions for offsetting receipts	−62	−69	−69	−69	−69
Total, budget authority	**6,769**	**4,846**	**4,330**	**4,536**	**4,102**

in 1983 are estimated to be $0.4 billion, roughly equal to 1982 levels. Outlays for breeder reactors are estimated to be $0.6 billion in 1983, compared to $0.7 billion in 1982. The breeder program will continue its focus on the construction of the Clinch River breeder reactor, now scheduled to begin operations before 1990.

There is a clear Federal responsibility for assuring permanent disposal of nuclear waste. Estimated outlays of $50 million are included for generic research on nuclear waste. The budget assumes the enactment of legislation establishing a user fee on utilities for nuclear waste disposal. The fee is expected to yield $0.3 billion in 1983 to support development and operation of geological repositories for the disposal of nuclear waste.

To provide general support for all energy technology development, outlays of $0.3 billion in 1983 are estimated for basic energy sciences. This program supports basic research in scientific disciplines that have broad applicability to the development of new energy technologies. Drawing on the resources available at major laboratories and universities, research will continue in fields such as chemical sciences, atomic physics, and basic engineering studies. Such research provides the critical base of knowledge applicable to future technology development by both Government and industry.

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NATIONAL NEED: ENERGY—Continued

(Functional code 270; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Energy supply:					
Research and development:					
Existing law	3,893	3,615	2,255	2,147	2,226
Proposed legislation			−115	−272	−329
Subtotal, research and development	3,893	3,615	2,140	1,875	1,897
Direct production (net):					
Uranium enrichment	341	−271	−141	−64	84
Petroleum reserves	−624	−736	−803	−805	−819
Power marketing	1,658	1,824	1,730	1,570	1,527
Incentives for non-conventional fuel production	93	123	39	38	41
Subtotal, energy supply	5,362	4,554	2,965	2,614	2,730
Energy conservation	757	736	326	167	11
Emergency energy preparedness	3,280	227	302	375	410
Energy information, policy, and regulation:					
Existing law	940	964	750	779	734
Proposed legislation			−60	−60	−60
Subtotal, energy information, policy, and regulation	940	964	690	719	674
Deductions for offsetting receipts	−62	−69	−69	−69	−69
Total, outlays	**10,227**	**6,413**	**4,215**	**3,807**	**3,756**
ADDENDUM					
Off-budget Federal entities:					
Rural electrification and telephone revolving fund:					
Budget authority	34	*			
Outlays	34				
Synthetic Fuels Corporation:					
Budget authority	6	25	36	38	41
Strategic Petroleum Reserve:					
Budget authority		3,684	2,074	1,935	2,440
Outlays		2,834	2,774	2,297	2,196
Federal Financing Bank:					
Rural electrification and telephone revolving fund:					
Budget authority	4,690	4,934	4,661	4,020	3,827
Outlays	4,601	4,932	4,654	4,003	3,796
Tennessee Valley Authority (power program):					
Budget authority	3,624	4,285	5,289	6,317	1,302
Outlays	237	198	278	236	252
Alternative fuels production:					
Budget authority		470	915	987	795
Outlays		470	915	987	795
Other energy:					
Budget authority	18	28			
Outlays	18	28		−7	−10

The Federal Goverment's *direct production* programs include enriching and selling uranium for use in military programs and civilian nuclear power plants. Outlays result from operating three

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existing enrichment plants; building and equipping a fourth, more efficient plant; and from investment in the development of an improved uranium enrichment process. Revenues of $2.0 billion from the sale of enriched uranium are expected to more than offset the outlays for this program in 1983. Responsibility for uranium enrichment is proposed for transfer to the Energy Research and Technology Administration in the Department of Commerce.

Receipts from the sale of oil and gas produced at the naval *petroleum reserves* in California and Wyoming are expected to exceed $1.6 billion, more than offsetting $0.3 billion in production cost outlays. Responsibility for this program is proposed to be in the Interior Department beginning in 1983.

The Federal *power marketing* programs, which include the Tennessee Valley Authority and the five regional administrations that sell and transmit power from Federal hydroelectric dams, are generally unchanged from prior years, with two exceptions.

Outlays for the Tennessee Valley Authority power program are estimated to fall from $1.9 billion in 1982 to $1.6 billion in 1983, reflecting changed construction schedules for major facilities. Among the five regional agencies, the Bonneville Power Administration will continue its legislatively-mandated efforts to assure that the electric power needs of the Pacific Northwest are satisfied. This will require $0.5 billion in budget authority and $0.3 billion in estimated outlays in 1983. Outlays for power marketing programs are more than offset by receipts from sales of power. Responsibility for the power marketing administrations is proposed for transfer to the Interior Department in 1983.

Incentives for non-conventional fuel production are primarily price, purchase, and loan guarantees that the Synthetic Fuels Corporation may employ to demonstrate the feasibility of producing synthetic fuels commercially.

Credit programs.—Federal credit activities in this function are summarized in the accompanying table. The Federal Financing Bank (FFB) finances a significant amount of credit activity in the energy function as off-budget direct loans. Two alternative fuel production projects will continue to be funded through the FFB, and the FFB will offer continued support to the Rural Electrification Administration and the nuclear fuel leasing program of the Tennessee Valley Authority. As part of the administration's Federal credit control program, limitations will be proposed for gross obligations for new Rural Electrification Administration direct loan obligations and new guaranteed loans commitments for 1983.

Energy conservation.—The administration has promoted the efficient use of energy and other resources by ending the system of controls on oil markets. This established a realistic oil pricing

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policy for the first time in nearly a decade. Investments in modernized plants, equipment, and homes are invariably accompanied today by investments to use energy more efficiently.

The response of the economy to decontrolled oil prices has demonstrated that market forces are effective in stimulating the efficient use of energy. In 1979, overall U.S. oil consumption was 18.5 million barrels of oil per day. In 1981, oil consumption had fallen to 16.0 million barrels per day in response to market forces. The amount of energy needed per dollar of gross national product, a key measure of energy efficiency, has fallen each year since energy prices first increased in 1973. Gasoline consumption has decreased from 7.4 to 6.6 million barrels per day in the past 3 years. Homeowners and others in the residential sector have similarly reduced their use of home heating oil by some 500,000 barrels per day in response to market forces. Energy users have invested billions of dollars each year to save energy because those investments make sound economic sense.

CREDIT PROGRAMS—ENERGY

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Tennessee Valley Authority [1]	102	83	80	3,624	4,285	5,289
Alternative fuels production [1]				3,253		
Biomass energy development					700	
Geothermal and other	4	40	62	45	2	
Off-budget Federal entities: [1]						
Rural electrification and telephone revolving fund [2]	1,100	1,100	700	5,131	4,245	3,760
Federal Financing Bank: [3]						
Tennessee Valley Authority	3,624	4,285	5,289			
Rural electric and telephone revolving fund	4,690	4,934	4,661			
Alternate fuels production		470	915			
Other energy programs	18	28				
Subtotal, gross	9,538	10,941	11,707	12,053	9,233	9,049
Less:						
Loan assets sold to the FFB and associated guarantees:						
Rural electrification and telephone revolving fund	−683	−623	−525	−683	−623	−525
Guaranteed loans held as direct loans by the FFB:						
Tennessee Valley Authority				−3,624	−4,285	−5,289
Rural electrification and telephone revolving fund				−4,007	−4,311	−4,136
Alternate fuels production and other				−18	−498	−915
Total, energy	**8,855**	**10,317**	**11,182**	**3,721**	**−484**	**−1,816**

[1] Includes guarantees of direct loans made by the FFB as shown below.
[2] Includes loans sold to the FFB as loan assets, and guarantees of those loan assets. The FFB purchases are shown below.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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Realistic energy prices have eliminated the need for much Government spending on conservation. The budget authority request for energy conservation is reduced from $0.2 billion enacted in 1982 to $27 million in 1983. Outlays are expected to be $0.3 billion in 1983, $0.2 billion of which is for the final year of funding for grants for low income home weatherization and energy saving investments in schools and hospitals. The remaining spending under these grants is proposed to be administered by the Department of Commerce. The remaining $0.1 billion in outlays is for limited, long-term research on energy use that the private sector is unlikely to undertake. All energy conservation research is proposed to be administered by in the new Energy Research and Technology Administration in the Department of Commerce.

Emergency energy preparedness.—Emergency energy preparedness programs are intended to help the economy adjust to severe disruptions in the supply of oil. A stockpile of oil (called the strategic petroleum reserve) that can be used in the event of such a disruption is the major program for this purpose.

The Omnibus Budget Reconciliation Act of 1981 moved outlays for oil purchases for the reserve off-budget beginning in 1982. Off-budget outlays for the reserve are estimated to be $2.8 billion in 1982 and 1983. The reserve is expected to be filled to the limit of its capacity of 267 million barrels of oil at the end of 1982 and 343 million barrels at the end of 1983.

Outlays for construction of the reserve, which are included in the budget totals, are estimated to be $0.2 billion in 1982 and $0.3 billion in 1983.

Energy information, policy, and regulation.—Federal outlays for energy information, policy analysis, and regulation are estimated to decline from $1.0 billion in 1982 to $0.7 billion in 1983. Responsibilities for energy information and policy are to be administered by the Department of Commerce.

The administration is proposing that the Federal Energy Regulatory Commission, which is responsible for regulating natural gas and oil pipelines, hydroelectric power and electric power transmission, be re-established as an independent agency. Estimated outlays of $90 million for the Commission will be partially offset by receipts of $60 million that are proposed to be raised by levying user fees on industry. The Department of Justice is to take responsibility for the orderly phase-out of the petroleum regulatory enforcement program. The Alaska gas pipeline inspector will continue to oversee planning and construction of the portion of the Alaska natural gas pipeline that runs through the United States.

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The budget includes estimated outlays of $0.5 billion in 1983 for the Nuclear Regulatory Commission to support the Commission's work in improving regulation of nuclear power.

The administrative and other overhead costs of the Department of Energy are classified in this category. Dismantling the Department, together with other program reductions noted above, is expected to reduce 1983 outlays by approximately $1.0 billion below 1982 levels. Associated reductions in Federal employment are expected to be about 3,800 positions.

Tax expenditures.—To encourage energy exploration and production, the tax code permits certain capital costs to be deducted as current expenses rather than amortized over the useful life of the property. In addition, extractive industries are generally permitted to use percentage depletion rather than cost depletion. The outlay equivalent estimates of expensing exploration and development costs, and the use of percentage depletion are $5.6 billion and $2.9 billion, respectively in 1983.

A variety of residential tax incentives stimulate energy conservation and encourage conversion to energy sources other than oil or natural gas. The outlay equivalent estimates for these residential energy provisions are $0.5 billion and $0.4 billion respectively in 1983.

Business investments in specified energy property are also eligible for special tax credits, in addition to the normally available investment tax credit. The outlay equivalent estimates for these alternative, conservation and new technology credits are $0.8 billion in 1983.

However, in the light of the substantial benefits provided by the Economic Recovery Tax Act of 1981 and the administation's commitment to free market forces, certain of these provisions are no longer considered warranted. Accordingly, the administration is proposing to eliminate them.

Tax expenditures for energy exploration, production and conservation total $8.8 billion in 1983.

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NATURAL RESOURCES AND ENVIRONMENT

National Needs Statement:

- Ensure responsible management and conservation of natural resources held in common—air, water, and public lands.

The Federal Role in Meeting the Need:

- Work with State governments to ensure a clean environment, with special emphasis on controlling emissions of hazardous wastes, pesticides, and toxic substances.
- Manage public lands, water, timber, and minerals to balance national needs for their preservation, conservation, and economic development.
- Encourage increased knowledge and understanding of the atmosphere, and of the Earth's structure, environment, and natural resources.

Major policy changes instituted by the administration over the past year include:

- Simplification and provision of increased State and local flexibility in administering pollution control programs.
- Turning over regulation of surface coal mining and mined land reclamation to State governments as the appropriate level of government to administer this important program.
- Initiation of a 5-year program to rehabilitate and improve the maintenance of the national parks for the enjoyment of the American public.
- Streamlining regulations to make appropriate public land available for mineral exploration and development, encouraging additional production of energy and other strategic minerals.
- Terminating River Basin Commissions. In most cases they have been replaced by locally supported organizations.

Pollution control and abatement.—Efforts to control and reduce pollution of air, water, and land are carried out both through direct Federal programs and through Federal financial assistance to State and local governments. Estimated outlays should decrease by 14% to $4.6 billion in 1983, mostly due to the decline in sewage treatment plant construction.

Regulatory, enforcement and research programs.—The Environmental Protection Agency (EPA) will continue to meet its statutory mandates while emphasizing three new objectives: reducing the

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regulatory burden on States, local governments, and regulated industries; concentrating enforcement actions against the most environmentally significant sources; and improving the agency's management efficiency by eliminating duplicative programs, functions, and responsibilities. Efforts will continue to integrate EPA's regulation of toxic pollutants emissions into air, water, and land in a more cost-effective manner.

Research will concentrate on improving the scientific and technical basis of the EPA's regulatory decisions. It will emphasize support of regulatory programs that either meet statutory requirements and deadlines or focus on the most pressing environmental problems. For example, the administration expects to accelerate the multi-agency research effort on the sources, transport, and effects of acid rain by increasing budget authority for 1983 by 20% to $22.2 million.

Hazardous substance response fund.—Estimated outlays for this program in 1983 are $187 million, an increase of 60% over the 1982 level. The increase reflects EPA's progress in implementing the new "Superfund" program. The hazardous substance response trust fund provides money primarily for cleaning up abandoned hazardous waste sites and for responding to hazardous chemical spills. The fund also finances EPA's vigorous enforcement program to secure cleanup by responsible private parties and to recover costs from responsible parties when fund monies are used to finance cleanup. Taxes on the oil and chemical industries provide most of the financing for these activities.

Sewage treatment plant construction grants.—In recognition of program reforms enacted in December 1981, the administration requests 1982 and 1983 budget authority of $2.4 billion for grants to States and localities to construct sewage treatment facilities. The decrease in estimated outlays from 1982 to 1983, from $4.1 billion to $3.4 billion, accounts for 91% of the change in outlays for all pollution control programs. The recently enacted reforms are essential to the long-run integrity of the program because they will concentrate limited funds on the pollution problems of existing populations.

This program may be included in the Federalism initiative described in Part 3 of this *Budget.* The program's continuation in 1984 and beyond will depend on decisions made by States and localities as part of this initiative.

Water resources.—This budget provides funds to the Army's Corps of Engineers, Interior's Bureau of Reclamation, and Agriculture's Soil Conservation Service to continue construction already in progress to develop water resources. The administration proposes

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NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES AND IMPROVING THE ENVIRONMENT

(Functional code 300; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Pollution control and abatement:					
Regulatory, enforcement and research programs	1,281	1,045	934	934	934
Hazardous substance response fund	68	189	229	300	355
Oil pollution fund	28	5	3	3	3
Sewage treatment plant construction grants	1,605	2,400	2,400	2,000	2,000
Subtotal, pollution control and abatement	2,981	3,639	3,566	3,237	3,292
Water resources:					
Construction, operations, and maintenance, etc.	4,163	3,916	3,824	4,067	4,125
Proposed legislation (navigation user fees)			−448	−458	−475
Subtotal, water resources	4,163	3,916	3,376	3,609	3,650
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	2,054	1,759	1,783	1,802	1,782
Management of public lands	496	510	455	456	463
Mining reclamation and enforcement	178	161	160	176	187
Conservation of agricultural lands	579	570	428	418	418
Other, including offsetting receipts	−558	−969	−1,433	−1,529	−1,551
Subtotal, conservation and land management	2,749	2,031	1,393	1,324	1,298
Recreational resources:					
Federal land acquisition [1]	319	176	69	69	69
Urban park and historic preservation funds	27	33			
Operation of recreational resources:					
Existing law	942	1,018	1,092	1,104	1,123
Proposed legislation (user fees)			−5	−10	−10
Subtotal, recreational resources	1,287	1,228	1,156	1,163	1,182
Other natural resources:					
Existing law	1,500	1,548	1,457	1,477	1,503
Proposed legislation			13	29	31
Subtotal, other natural resources	1,500	1,548	1,470	1,505	1,535
Deductions for offsetting receipts:					
Existing law	−1,553	−2,330	−2,409	−2,948	−3,483
Proposed legislation			−111	−144	−161
Subtotal, deduction for offsetting receipts	−1,553	−2,330	−2,520	−3,092	−3,644
Total, budget authority	**11,128**	**10,030**	**8,440**	**7,746**	**7,313**

[1] Includes budget authority in 1981 from State outdoor recreation grants funded by the land and water conservation fund.

funding at a pace that assures the timely completion of high-priority facilities, such as municipal water supply and hydroelectic power.

After consultation with local project sponsors, the administration will request appropriations of up to $48 million to initiate construction by the Corps of Engineers and the Bureau of Reclamation of

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

(Functional code 300; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Pollution control and abatement:					
Regulatory, enforcement and research programs	1,264	1,207	1,070	967	944
Hazardous substance response fund	1	117	187	255	316
Oil pollution fund	23	11	6	3	3
Sewage treatment plant construction grants	3,881	4,050	3,350	2,840	2,680
Subtotal, pollution control and abatement	5,169	5,384	4,613	4,065	3,943
Water resources:					
Construction, operations, and maintenance, etc	4,215	4,106	3,855	3,884	3,922
Proposed legislation (navigation user fees)			−448	−458	−475
Subtotal, water resources	4,215	4,106	3,407	3,426	3,447
Conservation and land management:					
Management of national forests, cooperative forestry and forestry research	1,920	1,968	1,834	1,768	1,747
Management of public lands	492	489	429	430	437
Mining reclamation and enforcement	131	137	146	139	167
Conservation of agricultural lands	597	572	540	450	446
Other, including offsetting receipts	−565	−917	−1,427	−1,522	−1,546
Subtotal, conservation and land management	2,576	2,249	1,521	1,265	1,252
Recreational resources:					
Federal land acquisition [1]	495	482	271	184	126
Urban park and historic preservation funds	71	109	61	8	3
Operation of recreational resources:					
Existing law	1,066	1,057	1,056	1,044	1,075
Proposed legislation (user fees)			−5	−10	−10
Subtotal, recreational resources	1,632	1,648	1,383	1,226	1,194
Other natural resources:					
Existing law	1,485	1,569	1,494	1,441	1,508
Proposed legislation			13	29	31
Subtotal, other natural resources	1,485	1,569	1,507	1,469	1,539
Deductions for offsetting receipts:					
Existing law	−1,553	−2,330	−2,409	−2,948	−3,483
Proposed legislation			−111	−144	−161
Subtotal, deductions for offsetting receipts	−1,533	−2,330	−2,520	−3,092	−3,644
Total, outlays	**13,525**	**12,626**	**9,911**	**8,359**	**7,732**

[1] Includes outlays for State outdoor recreation grants financed by the land and water conservation fund.

new water resource projects that meet the administration's criteria for non-Federal financing and cost-sharing and that are economically and environmentally sound.

The administration has reduced from prior years' levels the budget for maintenance of shallow draft harbors, waterways, and commercial ports. The administration believes users should pay for

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most of these services and has proposed user charge legislation that would require non-Federal interests to pay the costs of Federal commercial navigation projects, such as deep draft ports and inland waterways. In the absence of user fees, adequate funds are available for maintenance activities only on waterways and ports with heavy commercial use.

The administration will increase its request for appropriations for navigation project maintenance when sufficient offsetting revenues become available from user charge legislation now being considered by the Congress.

Conservation and land management.—Changes in these programs reflect the administration's efforts to improve the management and productivity of the national forests and public lands, to streamline major leasing programs, and to place maximum responsibility with the States for coal surface mining regulatory and reclamation programs.

Management of national forests, cooperative forestry, and forestry research.—Proposed budget authority in 1983 for direct management of national forests is $70 million more than in 1982, after adjusting for variations in funds for fighting forest fires.

The administration proposes a major new effort to improve the productivity of national forest management by carefully controlling costs, adjusting management procedures, and paying close attention to benefit-cost relationships. Proposals are directed at producing timber, recreation, and other outputs at the lowest costs. Careful attention will be given to both market values, such as timber, and non-market values, such as water quality, and their associated costs. Receipts—from timber sales, planned at 12.3 billion board feet (BBF), and other activities—are estimated to be $2.1 billion in 1983. This quantity of timber sales compares to estimated 1982 sales of 11.0 BBF. Sales to be made in 1983, together with the 33.6 BBF uncut volume under contract at the end of 1982, should be adequate to respond to anticipated, substantial increases in housing construction by 1983. The proposed budget provides flexibility to further increase sales in subsequent years if necessary by allowing for advance work on sale preparation and road construction.

The 1983 budget proposes reductions in budget authority of $12 million for forestry research and $16 million for cooperative forestry from 1982 levels. Research projects from which businesses benefit directly will be sharply curtailed. The private sector can and should finance such commercial research. Grants to States for various management and protection activities on non-Federal lands will be reduced.

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Management of public lands.—The Bureau of Land Management administers approximately 325 million surface acres of public lands, about 370 million acres of federally owned subsurface mineral rights, and another 1.1 billion acres of the Outer Continental Shelf used for mineral exploration and development. These public lands are managed for a variety of purposes, including recreation, energy and mineral development, timber production, wilderness preservation, grazing, and watershed and wildlife protection.

Estimated outlays increase in 1983 for the Outer Continental Shelf oil and gas leasing program, due to acceleration of both the number of sales planned (9) and the number of acres offered. Major leasing programs to develop tar sands and oil shale are underway. Streamlined leasing procedures allow reduced funding for the coal leasing program without affecting the two major sales scheduled in 1983. Participation of permittees in projects to maintain and improve rangelands is increasing, thereby reducing costs to the Federal Government.

Revenues generated from activities on public lands, which also return payments to State and local governments, are deposited in the general fund of the Treasury to lower the national debt, or are earmarked for specific program uses. Actual receipts are predicted to increase in 1983 above 1982 due to higher revenues from oil and gas rents and royalties (see Part 4 of the Budget).

Mining reclamation and enforcement.—The 1983 budget request returns maximum responsibility to the States for regulation of surface coal mining and reclamation of mined lands. Estimated outlays of $146 million in 1983 include $80 million from the abandoned mine fund. An expected carryover of reclamation grant budget authority from 1982 would supplement requested 1983 budget authority of $78.5 million. The abandoned mine fund provides grants to encourage the 26 coal-producing States to assume primary responsibility for reclamation of lands mined for coal and abandoned prior to 1977. States are also eligible for grants to finance partially programs that regulate coal mining on private and State lands. In addition, States will be reimbursed if they agree to regulate mines located on Federal lands.

Conservation of agricultural lands.—Proposed budget authority for these programs in 1983 is $428 million, compared with $570 million in 1982. Technical and financial assistance for soil and water conservation will concentrate on high priority soil and water resource problems. This will achieve the major conservation benefits achieved under current funding levels. To improve the productivity of conservation activities, the administration proposes $10 million in budget authority for a pilot program of matching grants to induce States to increase technical assistance for soil and water

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conservation in high priority problem areas. This will enable State governments to play a significantly greater role in managing and allocating funds for conservation programs.

Other conservation and land management.—The National Oceanic and Atmospheric Administration (NOAA) provides grants to States to develop and carry out their coastal zone management (CZM) programs and to mitigate the socio-economic and environmental impacts of coastal energy development activities. NOAA also protects unique estuarine and marine areas through its sanctuaries program. A total of 27 States (87% of the U.S. coastline) already have received 8 years of Federal assistance for coastal zone management and have coastal zone management plans approved by NOAA.

States and their localities should assume responsibility for management of coastal zones. The Federal Government has provided more than adequate funding for the States to develop and implement their CZM programs. Furthermore, offshore oil and gas developments are less than originally anticipated and States and localities have the capability to handle them. The administration requests no budget authority for CZM State grants or coastal energy impact assistance grants in 1983. The sanctuaries program is proposed to continue at a reduced level of budget authority of $6 million in 1983. Total outlays in 1983 for these programs are estimated to be $16 million.

Recreational resources.—The Federal Government operates and preserves national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries, and wildlife refuges. The administration's policy is to improve and maintain nationally significant recreation resources rather than expand the Federal estate. The administration also is leaving to State and local governments decisions concerning acquisition and development of their own parks and other recreational resources. The administration is committed to making national resources widely available to the public for their enjoyment. Estimated outlays in 1983 are $1.4 billion, which is $0.3 billion below 1982.

The administration will propose legislation to increase entrance and user fees for recreational use of Federal lands and facilities. Increased receipts for 1983 are estimated to be about $60 million. (Some of these receipts offset recreational resources outlays, while the rest offset the entire natural resources and environment function.)

Federal land acquisition.—Four Federal agencies—the Forest Service, Park Service, Fish and Wildlife Service, and Bureau of Land Management—will request a total of $69 million in 1983

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budget authority for new recreation lands. Funds will continue to come from receipts deposited into the land and water conservation fund, and will pay only for outstanding court awards for land where the prior administration already had begun the purchase process, for exchanges, and for acquisition of selected and specifically authorized areas.

Operation of recreational resources.—An important administration initiative in the operation of recreational resources is a 5-year effort to correct for insufficient maintenance in the past and to assure the quality and accessibility of the national parks to all Americans in the future. As part of this effort, the 1983 budget proposes $190 million in budget authority for Park Service construction and repair, including $105 million for the Administration's park restoration and improvement program. Total budget authority to operate and improve the 333 parks, covering 74 million acres, of the National Park System is proposed at $677 million, a 9% increase over 1982.

The Fish and Wildlife Service requests $416 million in budget authority to manage 89 million acres of wildlife refuges, operate 58 fish hatcheries, administer programs to protect endangered species, and provide grants to States for managing hunting and fishing programs. The 1983 budget includes measures to improve overall program efficiency, such as closing facilities not of national significance and streamlining the administrative structure.

Other natural resources.—These activities focus on understanding, conservation, and careful husbandry of the Earth's resources, structure, and environment through research and development and information dissemination programs. They comprise elements of the Geological Survey, the Bureau of Mines, and the National Oceanic and Atmospheric Administration.

For the Geological Survey, total outlays in 1983 are an estimated $520 million. An increase in budget authority of $7 million is proposed for development of an automated system to account for royalties from oil and gas production on Federal and Indian lands. Other increases are proposed for resource evaluations on the Outer Continental Shelf, inspection of oil and gas operations, hydrologic studies of acid rain and toxic waste problems, and provision of natural gas to Point Barrow, Alaska. These increases are offset by decreases from three other initiatives: savings from streamlined procedures in mineral leasing and regulatory programs; reductions in lower priority programs; and lower administrative costs.

The administration estimates outlays of $136 million in 1983 for the Bureau of Mines, compared with $153 million in 1982. The reduction reflects a reorientation of government research away from technology development and demonstration for direct applica-

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tion to the mining industry. That research should be financed by the private sector, which benefits directly from it. The administration also expects that 1981 tax law changes will encourage industry to carry on more mining research.

Funding for NOAA programs (other than coastal zone management) reflects a decrease in budget authority from $830 million to $759 million (about an 8.6% decrease) in 1983. Estimated outlays for 1983 are $785 million. This funding would continue the basic NOAA programs: national weather service; civil environmental satellite remote sensing; fisheries research, management, and development; ocean and atmospheric research and development; research fleet operations; aeronautical and nautical mapping and charting and geodetic surveying; and, a national environmental data storage and retrieval system.

Increases for NOAA include system changes for the satellite communication network and operational responsibility for LANDSAT satellite system, a satellite weather information system for the weather forecast offices and acid rain research.

Reductions in NOAA programs include: elimination of one polar orbiting satellite, closure of 45 weather stations, phaseout of fisheries industry development activities, and decreases in or elimination of various oceanic and atmospheric research and service programs. The Columbia River hatcheries and the Pribilof Island operations will be phased over to the benefitting States and industries.

The administration proposes to recover—by 1985—the full cost of producing aeronautical and nautical charts from users. Likewise, users of the LANDSAT data will be charged to recover the system's operating costs. The NOAA aviation weather program will be financed from the airport and airway trust fund administered by the Federal Aviation Administration (FAA) since it is a subsidy to the aviation industry.

Offsetting receipts.—Total offsetting receipts from natural resources and environment activities are expected to rise from $3.4 billion in 1982 to $4.5 billion in 1983 (part of which is discussed previously in this section). Approximately 15% of this $1.5 billion increment is due to sharp increases in both volume and price of timber harvests in the national forests. Receipts that offset the functional totals come mostly from rents and royalties from land and minerals and sales of timber, from fees for miscellaneous services, and from selling other products and publications. The administration anticipates that the additional offsetting receipts will come from three other sources for which legislation has been proposed:

- inland waterway user charges;
- deep draft harbor and channel user charges;
- increases in recreation user fees.

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CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Water resources	25	27	39	.....	.....	.....
Total, natural resources and environment	**25**	**37**	**39**	.....	.....	.....

Credit programs.—Direct loans are made to State and local organizations for construction and rehabilitation of non-Federal irrigation, and municipal and industrial water systems. Direct loan obligations in 1983 are proposed to be $39 billion.

Tax expenditures.—As an incentive to encourage production, certain capital costs associated with exploration and development of nonfuel-minerals may be expensed rather than depreciated over the life of the asset. Most nonfuel-mineral extractors use percentage depletion, rather than cost depletion. Percentage depletion is more generous than cost depletion in that deductions are not limited to the cost of the investment. The outlay equivalent estimates for those two provisions are $90 million and $640 million, respectively in 1983.

Interest on State and local government debt issued to finance the pollution control facilities of private firms is excluded from income subject to tax; the resulting outlay equivalent estimate for 1983 is $1.0 billion.

Expenditures made before January 1982 to preserve and restore certain historic structures were eligible for special accelerated depreciation. The outlay equivalent estimate for this provision is $75 million.

The gains on the cutting of timber and royalties from iron ore deposits are taxed at rates applicable to long-term capital gains rather than ordinary income. In addition, up to $10,000 of direct costs incurred in a taxable year to forest or reforest a site for the commercial production of timber may be amortized over a 7-year period. The outlay equivalent estimate for these two provisions is $1.1 billion and $30 million respectively.

Tax expenditures for natural resources and environment total $2.9 billion in 1983.

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AGRICULTURE

National Needs Statement:

- Ensure agricultural capacity to meet domestic and export demands for food and fiber.

The Federal Role in Meeting the Need:

- Ensure a healthy, free-market oriented U.S. farm economy with minimal Government interference.
- Mitigate the effects of commodity price fluctuations on American farmers through price support, crop insurance, and various agricultural credit programs.
- Encourage the conduct of research to increase the quality and production of agricultural commodities.
- Provide agricultural commodity marketing services on a user fee basis.

This administration has made several major changes in the agriculture function over the past year by:

- instituting user charges for cotton classing, tobacco grading, and warehouse inspection and licensing, and broadening the coverage of user charges for grain inspection;
- expanding Federal crop insurance to many additional agricultural counties;
- reforming the emergency disaster loan program to prevent abuse while continuing to help family-size farm operators recover from damage caused by natural disasters; and
- setting interest rates for price support and related loans at the cost of U.S. Treasury borrowing.

In addition, the Agriculture and Food Act of 1981 (Public Law 97–98, enacted in December 1981) makes a number of changes in the way farm programs will operate, including the following:

- Dairy price support was made more flexible so that increased production can be discouraged during times of constant or declining demand and so that excessive Government outlays can be avoided.
- Acreage allotment controls were eliminated from the peanut and rice programs.
- Other commodity price support levels were increased to allow for increased farm costs, and added flexibility was provided in production controls, loan rates and disaster payments.
- Grain reserve programs were improved by providing added flexibility to respond to changing supply and demand.

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NATIONAL NEED: IMPROVED AGRICULTURE

(Functional code 350; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Farm income stabilization:					
Commodity price support and related programs	4,207	7,085	3,828	4,336	1,858
Crop insurance	58	425	717	574	508
Agricultural credit	573	464	682	819	564
Other programs and unallocated overhead	211	62	62	62	62
Subtotal, farm income stabilization	5,049	8,037	5,289	5,790	2,992
Agricultural research and services:					
Research programs	630	657	703	703	703
Extension programs	304	314	312	310	307
Marketing programs:					
Existing law	80	119	117	115	115
Proposed legislation			−2		
Animal and plant health programs:					
Existing law	291	283	233	196	151
Proposed legislation			−*		
Economic intelligence	156	160	175	175	175
Other programs and unallocated overhead	176	119	126	126	126
Offsetting receipts	−78	−77	−84	−84	−84
Subtotal, agricultural research and services	1,559	1,576	1,580	1,541	1,494
Deductions for offsetting receipts	38	−4	−4	−4	−4
Total, budget authority	**6,646**	**9,609**	**6,865**	**7,328**	**4,482**

*$500 thousand or less.

Total outlays for the agriculture function are estimated to drop from $8.6 billion in 1982 to $4.5 billion in 1983. The decrease is predominantly in commodity price support and related programs.

Farm income stabilization.—These programs are the major Federal involvement in the agricultural sector, representing 65% of estimated 1983 outlays in the agriculture function. Price support outlays are highly variable and subject to the uncertainties of weather and of markets at home and abroad. The estimated outlays shown for 1983 of $2.9 billion are not limits on assistance, and they will vary upward or downward depending upon market conditions.

Commodity price support and related programs.—Price support and related programs were created to stabilize, support, and protect farm income and prices and to help the orderly distribution and maintenance of a balanced and adequate supply of agricultural commodities and their products. The Commodity Credit Corporation (CCC) provides price support to producers of agricultural commodities through loans, purchases, payments and other means.

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NATIONAL NEED: IMPROVED AGRICULTURE—Continued

(Functional code 350; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Farm income stabilization:					
Commodity price support and related programs	4,036	6,343	1,850	2,215	1,765
Crop insurance	1	212	318	431	436
Agricultural credit	−228	405	698	857	844
Other programs and unallocated overhead	184	81	60	60	60
Subtotal, farm income stabilization	3,993	7,041	2,926	3,564	3,105
Agricultural research and services:					
Research programs	624	667	694	696	698
Extension programs	301	310	308	306	304
Marketing programs:					
Existing law	87	125	117	115	115
Proposed legislation			−2		
Animal and plant health programs:					
Existing law	282	289	238	196	151
Proposed legislation			−*		
Economic intelligence	147	160	175	175	175
Other programs and unallocated overhead	177	121	126	126	126
Offsetting receipts	−78	−77	−84	−84	−84
Subtotal, agricultural research and services	1,540	1,596	1,572	1,530	1,485
Deductions for offsetting receipts	38	−4	−4	−4	−4
Total, outlays	**5,572**	**8,633**	**4,494**	**5,090**	**4,586**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Agricultural credit:					
Budget authority	6,815	5,391	3,071	4,952	3,802
Outlays	5,790	1,066	−394	−443	−355

*$500 thousand or less.

Outlays for price support programs are projected to decrease from $6.3 billion in 1982 to $1.8 billion in 1983. This decrease is partly a result of changes that add flexibility to price support programs, embodied in the Agriculture and Food Act of 1981, and partly a reflection of anticipated improvements in agricultural markets. Outlays estimated for 1982 are abnormally high because of farm price conditions; 1983 outlays are projected to be closer to the norm.

The United States is the world's largest exporter of farm products. Many countries depend on us for food, and we look to them as markets for our farm products. The value of agricultural exports in 1981 was $44 billion while imports totaled $17 billion, resulting in a positive trade balance of $27 billion. Exports are expected to grow to approximately $46 billion in 1982 and to about $48 billion in 1983. This would create positive trade balances of $28 billion and $30 billion, respectively.

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Export credit is provided by CCC through a loan guarantee program for commercial and non-commercial export sales that would not occur without the Federal credit guarantee. Federal export credit will expand from $755 million in 1977 to loan guarantee commitments of $2.5 billion per year in 1982 and 1983. This is the highest level of Federally-backed credit ever extended for agricultural exports.

Crop insurance.—The Federal Crop Insurance Corporation offers insurance to producers against crop losses from natural hazards. Under the Federal Crop Insurance Act of 1980, the new all-risk crop insurance program will serve 3,000 counties in 1983. Starting in 1983, the expanded insurance program replaces CCC disaster payments while the Farmers Home Administration emergency loan program will be significantly curtailed. Outlays depend primarily on the weather, the number of participants, and crop prices. Outlays are estimated to increase by $0.1 billion in 1983 due to program expansion. (Small business disaster loans, also available under limited circumstances to farmers, are discussed under community and regional development.)

Agricultural credit.—New agricultural loan commitments under the agricultural credit insurance fund totaled $8.0 billion in 1981, with approximately 79% of this amount going for disaster and economic emergency loans. Outlays arising from direct loans in this account are financed off-budget through the Federal Financing Bank. Thus, these outlays are excluded from the budget deficit, but they are included in the off-budget deficit.

Total new direct loan obligations by the agricultural credit insurance fund (ACIF) are estimated to decline from $8.0 billion in 1981 to $3.7 billion in 1982 and in 1983, largely because of expiration of the economic emergency loan program in 1983 and tighter disaster loan eligibility requirements. The budget does not provide for 1983 extension of the economic emergency loan program, since expanded crop insurance, farm ownership loans, and expanded operating loans will meet the needs of family farmers who formerly participated in the economic emergency loan program.

Agricultural research and services.—Research helps to increase agricultural productivity, and it expands knowledge of human nutrition and food safety. The research program will be reoriented in 1983 to focus on long-term, high risk, and potentially high payoff research with widely dispersed benefits. Research also will focus on areas of Federal responsibility, such as specific regulations. Short-term applied research and development, from which the agricultural industry can expect to benefit, will be phased out of the Federal

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AGRICULTURAL CREDIT INSURANCE FUND—LOAN OBLIGATIONS

(In millions of dollars)

Loan program	1981 actual	1982 estimate	1983 estimate
Farm ownership	795	700	700
Farm operating	823	1,325	1,460
Emergency:			
Natural disasters	5,112	1,600	1,540
Economic	1,245		
Soil and water	49	47	25
Other	24	56	12
Total	**8,048**	**3,728**	**3,737**

programs. The groups that benefit directly will be expected to finance such research in the future.

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 can cause severe losses in crop yields or livestock. The most significant change in this area is the proposal to phase in a voluntary control program for brucellosis and to terminate the costly control and eradication programs now financed by Federal and State Departments of Agriculture. The Federal Government has spent over $900 million over 47 years in efforts to eradicate this disease, which now can be controlled through vaccination financed by livestock owners. By 1985, savings of $85 million per year will accrue to the general taxpayer.

Tax expenditures.—Agriculture is promoted by several tax expenditures. The tax code permits farmers to treat certain capital outlays as current expenses and allows capital gains treatment for certain types of ordinary income. The 1983 outlay equivalent estimates for these two provisions are $570 million and $555 million, respectively. The tax expenditures for agriculture total $1.2 billion in 1983.

Credit programs.—A number of programs in this function are credit programs. In some instances, the amount of credit extended under these programs is only partially reflected in the budget totals. Some of the activity occurs in guaranteed loans, and another portion is financed as off-budget direct loans.

Related programs.—Several programs, classified in other sections of Part 5 of this Budget, complement the programs in agriculture. The two most significant of these programs are:

- Public Law 480, international food aid provided through CCC, classified in the international affairs section; and
- soil and water conservation, classified in the natural resources and environment section.

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CREDIT PROGRAMS—AGRICULTURE

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Price support and related commodity loans (CCC)	5,872	8,600	6,560	2,015	2,500	2,500
Agricultural and emergency credit (FmHA): [1]						
New loans	8,048	3,728	3,737	49	201	131
Repurchases and guarantees of loan assets	1,181	4,468	3,481	6,910	5,391	3,071
Off-budget Federal entity:						
Federal Financing Bank: [2]						
Agricultural credit insurance fund	6,815	5,391	3,071	.....	.....	.....
Subtotal, gross	21,916	22,187	16,889	8,973	8,092	5,702
Less:						
Loan assets sold to the FFB:						
Agricultural and emergency credit (FmHA)	−6,815	−5,391	−3,071	−6,815	−5391	−3,071
Total, agriculture	**15,101**	**16,796**	**13,818**	**2,158**	**2,701**	**2,631**

[1] Includes loans sold to the FFB as loan assets, and guarantees of those loan assets. The FFB purchases are shown below.
[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

OUTLAYS FOR FEDERAL PROGRAMS THAT SUPPORT THE AGRICULTURE MISSIONS

(In millions of dollars)

Program title	Primary function in budget	1981 actual	1982 estimate	1983 estimate
Disaster loans, drought assistance, and emergency conservation	453	−6	13	.....
Conservation of agricultural lands	302	597	572	540
Rural development programs	452	839	1,066	1,217
Public Law 480 food aid	150	1,254	1,141	1,028
Food safety and inspection service	554	377	310	321

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COMMERCE AND HOUSING CREDIT

National Needs Statement:

- Seek to maximize the private financing of mortgage credit.
- Assure fair and equitable opportunities for business development and growth.

The Federal Role in Meeting the Need:

- Reduce Federal involvement in the Nation's credit markets to help relieve pressure on interest rates. Reduce the size of current Federal credit programs as one contribution to this end.
- Encourage the restructuring of the mortgage lending industry.
- Target scarce Federal commerce and housing credit resources to those who are not adequately served by private credit markets, including residents of distressed urban and rural areas.

Commerce and housing credit programs provide support to the business and housing sectors in the areas of mortgage credit and thrift insurance, the postal service, and other areas of commerce, including small business assistance. These credit programs are only marginally affected by Federal programs as a whole. Rather, credit levels are largely the result of economic conditions and aggregate Federal sector activity. The 1983 Budget provides $3.4 billion in budget authority and $1.6 billion in estimated budget outlays to meet these national needs. Mortgage credit and thrift insurance programs and activities comprise the largest portion of this assistance, with $1.6 billion in budget authority in 1983.

A prolonged period of record high interest rates has resulted in the deepest decline in the housing industry since World War II. Total housing starts in calendar year 1981 were about 1.2 million units, down slightly from 1.3 million in 1980. As overall economic conditions improve and interest rates decline in the second half of 1982, the housing sector should return to higher levels of activity. Housing starts are projected to be about 1.5 million units annually by the end of calendar year 1982.

The administration's emphases on deregulation and institutional improvements in financial markets have prevented housing activity from being even lower. Liberalized retirement (IRA and Keogh) accounts, which became effective January 1, 1982, will increase the flow of savings to mortgage lenders and enable them to compete

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more effectively for available funds. New mortgage instruments have contributed significantly to mortgage lenders' ability to lend new money at competitive rates. Strong underlying demand for housing by the post-World War II baby boom generation has also provided support for the housing sector.

The quality of the nation's housing stock improved substantially after the Second World War and has continued to improve in the last decade. In 1940, almost half of all housing units were dilapidated or lacked plumbing. By 1970, less than 10% fell into that category. During the decade of the 1970's, the percent of units with one or more physical defects fell from 10% of the housing stock in 1973 to 7.5% in 1977. This improvement has resulted largely from the strong performance of the private housing market and the growth in family incomes. Overall housing quality is expected to continue to improve as both the private housing market and the national economy regain strength. As a result, direct Federal assistance (which is discussed in the income security function) will be directed toward helping low-income households obtain decent housing. Federal housing credit will be directed toward those groups that the private sector inadequately serves.

Investment opportunities that yield high interest rates have not been uniformly available to all Americans, especially those with limited assets and those less able to shift to more profitable investments. The administration has demonstrated its commitment to greater equity in the provision of financial services through support of the Depository Institutions Deregulation and Monetary Control Act of 1980. The law provides for an orderly phasing out of regulatory restrictions on the earnings of deposits at banks and savings institutions. This will enable savers to receive competitive rates of return on their investments in these institutions.

The administration seeks to reduce Federal and Federally-assisted demands for credit and, by so doing, reduce interest rates and increase the supply of funds available for private investors. Major proposed reductions in Federal loan guarantees in 1982 include $20 billion in the commitment level of the Government National Mortgage Association's (GNMA) mortgage-backed securities program and $1 billion in the authorized guarantee commitment levels for the Small Business Administration (SBA).

The 1983 Budget requests further reductions in commerce and housing credit programs. These credit reductions should relieve pressure on interest rates without adversely affecting the industries involved. Where Federal involvement is necessary and justified, the principal concern is to target scarce Federal resources efficiently and effectively to those groups with the greatest need. This budget ensures the efficient and effective use of limited Federal credit resources by:

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- targeting rural housing programs to low-income families occupying substandard housing;
- targeting the guaranteed credit assistance of the Small Business Administration more effectively to those firms for which a valid case can be made that the market overestimates the risk of credit or underestimates its return in terms of achieving social objectives (e.g., counteracting discrimination);
- deregulating the interest rate on FHA-insured mortgages and, thereby, allowing it to be determined by the market;
- ensuring a strong private economy by acting only as a lender of last resort in certain areas, thus reducing inflationary and interest rate pressures and increasing the amount of credit available for productive investment in the private sector; and
- redirecting FHA mortgage insurance programs to those groups not served by the private mortgage market.

Mortgage credit and thrift insurance.—The most pressing need of both the housing industry and individual homebuyers is lower interest rates. Overall Federal credit reductions will exert downward pressure on interest rates and allow the private housing sector opportunity for growth. The focus of government mortgage credit programs will be on areas the private sector cannot serve, particularly distressed rural areas and central-cities.

Savings and loan associations now have the authority to offer new types of adjustable rate mortgages (ARM's). These will allow primary mortgage lenders to receive approximately the market rate of return for the entire duration of long-term loans. Previously, lenders were locked into fixed rates. This situation led to earnings problems in a volatile interest rate climate, especially in 1980 and 1981. Furthermore, proposals by the Federal Home Loan Bank Board to restructure thrift institutions are intended to ensure that these providers of mortgage credit can function profitably over the long term. These measures, which are currently before the Congress, include the expansion of non-mortgage lending to consumers, broadened real estate investment activity, and the authority to offer demand deposits to any customer.

Mortgage purchase activities.—The *Government National Mortgage Association (GNMA)* has provided support for the mortgage market through two major activities:

- guarantees of mortgage-backed securities; and
- purchases of below market rate tandem mortgages.

In 1981, with a commitment limitation of $64 billion, the mortgage-backed securities program issued commitments of $42 billion and guaranteed $17 billion in securities backed by pools of mortgages that were either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. In 1982, a

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT

(Functional code 370; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	1,358	1,252	2	247	274
Mortgage credit (FHA)	412	252	134	189	283
Housing for the elderly or handicapped	797	745	277	402	456
Department of Agriculture—rural housing programs	596	1,583	1,112	1,539	1,700
National Credit Union Administration	15	230	121	130	150
Subtotal, mortgage credit and thrift insurance	3,178	4,061	1,646	2,507	2,863
Postal Service	1,343	619	500	500	500
Other advancement of commerce:					
Small business assistance	875	570	379	382	346
National Consumer Cooperative Bank	105	52			
Technology utilization:					
Existing law	242	263	233	235	241
Proposed legislation			−41	−50	−55
Economic and demographic statistics	270	185	199	160	173
Chrysler Corporation loan guarantees (administrative expenses)	1	1	1	1	
Other	529	532	511	510	510
Subtotal, other advancement of commerce	2,022	1,603	1,282	1,238	1,216
Deductions for offsetting receipts	−7	−8	−8	−8	−8
Total, budget authority	**6,537**	**6,275**	**3,419**	**4,237**	**4,571**

limitation of $48 billion is requested on commitments for GNMA-guaranteed securities and $28.5 billion are expected to be guaranteed. A 20% reduction from the 1982 commitment limitation, $38.4 billion, is proposed for 1983 and $32 billion of securities are expected to be guaranteed.

Tandem mortgage purchase activities will conclude with the award of about $2 billion of commitments in 1982. No further mortgage purchase authority is proposed for 1983. This is largely because of the proposed termination of most new subsidized housing construction programs discussed in the income security function. Also, subsidized mortgage financing for otherwise unsubsidized middle income rental housing will be discontinued. Not only is the private market better able to determine where and when such housing should be constructed, but scarce federal housing subsidies must also be directed to the truly needy. Despite the termination of the section 8 tandem and targeted tandem subsidized mortgage programs in 1983, GNMA will continue to carry out a large volume of mortgage purchase ($2 billion) and sales ($2.5 billion) activity in 1983. Outlays for this program are estimated to

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT—Continued

(Functional code 370; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	1,148	1,032	1,135	1,414	510
Mortgage credit (FHA)	182	−245	−1,179	−1,155	−1,142
Housing for the elderly or handicapped	817	711	286	−51	165
Department of Agriculture—rural housing programs	−129	1,095	1,619	1,725	1,777
Federal Deposit Insurance Corporation	−1,726	−1,800	−2,000	−2,050	−2,850
Federal Savings and Loan Insurance Corporation	370	38	−150	−400	−720
National Credit Union Administration	−10	93	104	117	117
Subtotal, mortgage credit and thrift insurance	651	925	−184	−399	−2,143
Postal Service	1,343	619	500	500	500
Other advancement of commerce:					
Small business assistance	812	602	368	358	281
National Consumer Cooperative Bank	131	86			
Technology utilization:					
Existing law	242	259	233	234	238
Proposed legislation			−45	−51	−55
Economic and demographic statistics	286	194	192	159	171
Chrysler Corporation loan guarantees (administrative expenses)	1	1	1	1	
Other	487	585	535	505	501
Subtotal, other advancement of commerce	1,959	1,728	1,284	1,206	1,136
Deductions for offsetting receipts	−7	−8	−8	−8	−8
Total, outlays	**3,946**	**3,265**	**1,591**	**1,298**	**−516**
ADDENDUM					
Off-budget Federal entities:					
Postal Service:					
Budget authority		348	1,786	851	848
Outlays	89	554	713	851	848
Federal Financing Bank:					
Rural housing insurance fund:					
Budget authority	6,045	5,619	3,537	4,060	2,188
Outlays	4,045	3,249	852	130	78
Small business assistance:					
Budget authority	165	275	240	240	240
Outlays	119	224	179	174	169

be $1.3 billion in 1983. Total outlays for GNMA mortgage purchase activities are estimated to be $1.1 billion in 1983.

Credit reductions in the GNMA mortgage-backed securities program will not have a major impact on the amount of housing available to consumers. To the contrary, an important effect of the GNMA reductions will be to further encourage and accelerate the development of what is already a predominately private sector housing market. Two government-sponsored enterprises, the Feder-

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al National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), have developed conventional mortgage-backed securities programs in the secondary mortgage market that will be operating in 1982. Furthermore, the most pressing need of the housing industry is lower interest rates. Federal credit reductions should relieve pressure on interest rates and lead to a sustainable and non-inflationary recovery of the mortgage finance and construction industries.

Mortgage credit.—The *Federal Housing Administration (FHA)* provides mortgage and loan insurance for families who may be unable to obtain a mortgage without Federal insurance.

Many families, particularly first-time homebuyers, can only afford a low downpayment when purchasing a home. Mortgage lenders, however, are reluctant to make low downpayment loans unless the mortgages are insured. Although private mortgage insurers currently insure more mortgages and charge lower premiums than FHA, some homebuyers—particularly those able to make only very low downpayments—may be unable to obtain private mortgage insurance. Thus, they require FHA mortgage insurance if they are to be able to purchase a home.

In addition, FHA insurance is often used in conjunction with GNMA guarantees of securities backed by FHA-insured mortgages. These securities provide mortgage bankers and other lenders with the means to make funds available for mortgages without having to use much, if any, of their own capital.

Partially in response to the tremendous growth of private mortgage insurance, the President has appointed a Commission on Housing to consider a range of housing issues. The Commission recommended, in its October Interim Report, that FHA insurance be continued for segments of the housing market not adequately served by the private sector. The administration is requesting $35 billion of new loan guarantee commitment authority for 1983. The request reflects projections of future housing activity and, more importantly, the recognition that private mortgage insurers will be able to adequately serve a larger share of the housing market.

Beginning this year, FHA will use a simplified foreclosure method enacted as part of the Omnibus Budget Reconciliation Act of 1981. This new law will expedite the foreclosure of multifamily mortgages held by the Secretary of the Department of Housing and Urban Development (HUD). Legislation is being proposed this year to modify bankruptcy laws to ensure the effectiveness of this expedited forecloseure procedure. Previously, long periods were required to complete foreclosure under certain State laws. This led to numerous problems, including: deterioration in the condition of the properties involved, substantial Federal management and holding

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expenditures, vandalism, fire, depreciation and damage, and decline of the neighborhoods in which the properties were located. The use of a uniform and more expeditious foreclosure procedure will not only help ameliorate these conditions, but will also remove foreclosure proceedings from the courts, which are already overcrowded.

The administration is proposing a different method for collecting insurance premiums on insured single-family mortgages beginning in 1983. Instead of paying monthly premiums for the life of the mortgages, homebuyers with FHA-insured mortgages will either pay a lump sum at the time of settlement or have the insurance added to the mortgage total. In the latter case, this change will have little effect on the homebuyer's monthly payment. Administrative costs and the burden of monthly premium collections will be eliminated in either case.

In addition, legislation to remove current statutory ceilings on interest rates for FHA-insured mortgages is being proposed. FHA also limits the number of points, or advanced interest, that FHA-insured homebuyers may be charged. Points are interest charges that are paid at the time a property is purchased and are used by lenders to increase effective interest rates on FHA-insured mortgages. Each point equals one percent of the mortgage amount. Although the additional points cannot be passed on to the buyer directly, they are passed on indirectly through increased home prices. The proposed deregulation measure will allow mortgage markets to operate more effectively and will benefit buyers by reducing artificially increased home prices.

Finally, legislation to remove current restrictions on the sale of FHA defaulted properties is being proposed. Low income tenants can be better served through the administration's proposed modified Section 8 certificate program, while allowing the private market to determine the most economical use of particular properties. This change will facilitate faster sale of FHA properties.

All of these factors are expected to result in an increase in net receipts to the FHA fund from $245 million in 1982 to $1,179 million in 1983.

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 and the handicapped. The budget provides for $453 million of new loan commitments in 1983 and continues to support housing for the handicapped in the form of a $40 million set-aside for nonelderly handicapped households. The administration plans to sell $4.6 billion of these direct loans starting with $1.1 billion in 1983. There is no reason for the Federal Government to continue to hold these loans once the projects have been constructed. Legislation will be

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proposed to facilitate such sales. Outlays for this program are estimated to be $711 million in 1982 and $286 million in 1983. The decline in 1983 outlays reflects the estimated receipts from the loan sales.

Department of Agriculture rural housing programs.—The Farmers Home Administration (FmHA) of the Department of Agriculture administers direct loan programs for homeownership, repair, rental, and farm labor housing. These programs are available in any rural community of 10 thousand or less, and in communities of 10 to 20 thousand outside of a standard metropolitan statistical area (SMSA). Loans are made at interest rates that may be as low as 1%. In addition, a rural rental assistance program assists the tenants of FmHA-financed rental housing. Related grant programs to repair inadequate single family housing, and grants for farm labor projects are classified in the income security function.

The 1983 budget proposes $1.1 billion in new direct loans, a reduction of $2.6 billion from the 1982 level. Budget authority of $185 million for rural rental assistance payments is requested to cover the entire life of contracts negotiated in 1983.

The reduction in FmHA direct lending is part of a general effort to limit the growth of Federal outlays and to reduce dependence on the Federal Government as a major source of credit. The reduced Federal involvement in credit markets should help to relieve pressure on interest rates in the housing sector. While a reduced program level is proposed, FmHA will improve its efforts to ensure that truly needy households are the primary beneficiaries of the rural housing programs. The agency will enforce a credit-elsewhere test to determine eligibility for homeownership loans.

Outlays for FmHA housing programs in this function are estimated to increase from $1.1 billion in 1982 to $1.6 billion in 1983 due primarily to reduced loan repayments.

Banking and thrift insurance.—A number of programs enhance the safety and soundness of the banking system and affect its responsiveness to the needs of both savers and borrowers.

The *Federal Deposit Insurance Corporation (FDIC)* insures the deposits of all federally and many State chartered commercial and savings banks. Receipts of the FDIC are estimated to exceed expenses by $1.8 billion in 1982 and $2.0 billion in 1983.

The *Federal Savings and Loan Insurance Corporation (FSLIC)* insures deposits in savings and loan associations. In 1982, the costs of the FSLIC are estimated to exceed its receipts by only $38 million, which is significantly less than the $370 million cost to the fund in 1981. As economic conditions improve in 1983, receipts are estimated to exceed costs by $150 million.

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The *National Credit Union Administration (NCUA)* regulates credit unions and insures depositors' accounts. The Insurance Fund of NCUA insures the shares of credit union depositors. In 1983 receipts of the fund are estimated to exceed costs by $1 million. Total net outlays for the NCUA are estimated to be $104 million in 1983. The NCUA also operates a central liquidity facility that provides loans to member credit unions to meet their liquidity needs. The facility is intended to serve as a source of financing only after other sources have been used. It is estimated that the central liquidity facility will provide a gross total of $473 million in loans in 1983 compared to $330 million in 1982.

Postal Service.—The Postal Reorganization Act of 1970 established the U.S. Postal Service as an independent part of the executive branch. The Act charges it to provide prompt 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, except for the Federal subsidy payment. In the past this payment covered certain liabilities of the former Post Office Department, public service payments that provide a direct postal subsidy, and reimbursements for revenue forgone by carrying certain classes of mail at free and reduced rates.

The request for 1983 reflects the administration's policy that the costs of operating the Nation's postal system should be paid directly by mailers, not by the taxpaying public. Budget authority of $500 million is requested for 1983, $119 million below the President's 1982 request. This reduction will result in an elimination of the public service subsidy and payments to offset the liabilities of the former Post Office Department.

The budget also includes a limitation on the Postal Service's authority to borrow from the Treasury. For fiscal year 1983, the maximum amount of funds available would be limited to $1 billion annually, with the stipulations that no more than $500 million could be used for operating expenses and the repayment schedule could not exceed 12 months. This limitation is consistent with the administration's objective of maintaining effective credit control procedures.

The off-budget outlays of the Postal Service, $0.7 billion in 1983, represent the difference between its gross expenditures and its gross receipts. The estimates for 1982 and 1983 reflect the increased revenues resulting from the increase in postal rates that became effective on November 1, 1981.

Other advancement of commerce.—Federal programs attempt to assure fair and equitable business opportunities by collecting and disseminating information on the economy and by providing technical assistance and guaranteed loans.

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Small business assistance.—Net outlays for assistance to small business are estimated to total $0.4 billion in 1983, a reduction of $0.2 billion from the 1982 level. The budget request for the Small Business Administration (SBA) calls for elimination of subsidized direct loans, $2.8 billion in new commitments for guaranteed business loans, including $125 million for small business investment companies (SBIC's), and $41 million in direct financing for minority enterprise small business investment companies (MESBIC's).

The reduction in SBA financial assistance is an integral part of the administration's effort to reduce Federal credit programs and, thereby, increase private credit availability for businesses. As a group, small businesses will benefit more from the administration's efforts to stabilize financial markets, reduce interest rates, eliminate burdensome regulations, and lower inflation than from direct Federal credit subsidies. In particular, subsidized direct loans have been very costly to the small business community as a whole. Not only do such loans directly increase the need for Federal borrowing, they also create a competitive advantage for some small firms over others that are equally deserving.

Since the vast majority of small businesses are obtaining financing without Federal assistance, the administration plans to limit assistance only to those businesses for which a valid case can be made that market imperfections exist. Consistent with this philosophy, 17% of SBA's guaranteed business loans will be targeted to minority-owned firms in 1983. In addition, the budget proposes that the non-credit minority business assistance programs in the Department of Commerce and the SBA continue to operate in 1983 at the 1982 program level of $101 million—an increase of $26 million over the actual 1981 level.

National Consumer Cooperative Bank.—The National Consumer Cooperative Bank began operations in 1979 and made its first loans in 1980 with Federal funding. The Bank makes loans at market interest rates to finance a wide variety of cooperatively owned businesses. In 1981 legislation was passed that moves the Bank toward the status of a private financial institution. No funds are in the budget to finance its operations or to cover any of its liabilities.

Technology utilization.—In addition to the initiatives to encourage innovation and productivity growth that are built into the tax reduction and deregulation components of the economic recovery program, the administration proposes that the Department of Commerce:

- expand and modernize the operation of the patent and trademark systems;
- promote commercial use of government-owned patents through licensing of patent rights; and

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- increase patent and trademark fees to cover 100 percent of application processing costs.

Under the patent and trademark user fee proposal those individuals who benefit from the 17-year monopoly provided by patent protection would pay for the full cost of providing them with this protection.

Economic and demographic statistics.—The budget proposes 1983 budget authority for the data collection efforts associated with the 1982 Census of Agriculture ($20 million), Economic Censuses ($22 million), the Census of Governments ($2 million), and the final phase of the 1980 Decennial Census of Population and Housing ($36 million). Decennial census activities in 1983 will include data dissemination and program evaluation.

The budget proposes $33 million in 1983 budget authority reflecting, in part, an upgrade and consolidation of the Department of Commerce's industrial and productivity analysis activities in support of the Economic Recovery Program. In addition, these funds support preparation and analysis of the National Income and Product Accounts summarized in quarterly estimates of the Gross National Product.

Chrysler Corporation loan guarantees.—The Chrysler Corporation Loan Guarantee Act of 1979 created the Chrysler Corporation Loan Guarantee Board and authorized it to guarantee up to $1.5 billion in loans to the Chrysler Corporation. In 1981, $400 million in loans were guaranteed; this brought the amount of loan guarantees outstanding to $1.2 billion. No guarantees are expected in 1982 or 1983. Administrative expenses for the loans, however, are expected to be $1 million in 1983.

Other.—This budget continues the export and import control activities of the Department of Commerce's International Trade Administration (ITA). ITA's export promotion assistance to small and medium sized businesses will be strenghthened by an expansion of the Foreign Commercial Service overseas. No funding is requested for Trade Adjustment Assistance (TAA) to firms. The TAA program has a high default rate and many of its beneficiaries have failed to adjust to import competition.

Tax expenditures.—The tax system provides a variety of incentives for investment in equipment, commercial and industrial structures, and residential housing. The investment tax credit for capital equipment generates an outlay equivalent estimate of $27 billion in 1982.

The safe harbor leasing rules enable new or unprofitable companies to obtain the benefits of the accelerated depreciation provisions of the Economic Recovery Tax Act of 1981. This results in an

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outlay equivalent estimate of $4.6 billion in 1983. The expensing of construction period interest and taxes produces an estimated tax expenditure of $615 million in 1983.

The cost of financing investment is also reduced by a number of tax incentives. The exclusion of interest on State and local industrial development bonds generates an outlay equivalent cost of $2.3 billion in 1983. The administration is proposing to restrict the excessive use of such bonds. The dividend and interest exclusion produces an outlay equivalent estimate of $650 million. The 1981 Act also provides savings incentives by exempting up to $1,000 ($2,000 for a joint return) of interest on qualified exempt savings certificates. The outlay equivalent estimate for this provision is $2.8 billion in 1983. The Act also permits the tax free reinvestment of dividends in public utility companies; the outlay equivalent estimate for this provision is $590 million in 1983. Preferential treatment of capital gains produces two types of tax expenditures. Taxation of capital gains at less than ordinary rates results in an outlay equivalent estimate of $22.2 billion in 1983. Exempting from tax the full gain from the sale of capital assets acquired by inheritance produces an outlay equivalent estimate of $3.3 billion.

Housing investment is encouraged by permitting deductions for mortgage interest and property taxes on owner-occupied homes. This treatment results in outlay equivalent estimates in 1983 of $25.8 billion and $10.5 billion, respectively. In addition, deferral of capital gains on home sales produces further equivalent outlays of $2.1 billion in 1983. Finally, elderly homeowners are permitted a once-in-a-lifetime tax exemption on capital gains up to $125,000 on the sale of a principal residence. This will result in an outlay equivalent estimate of $820 million in 1983.

In the past, State and local governments used tax-exempt bonds to finance only low-income rental housing. In recent years, however, they have made increasing use of tax-exempt bonds to provide below-market-rate mortgages for single-family homeownership at an equivalent outlay cost of $1.3 billion in 1983. Use of tax-exempt bonds to finance homeownership was significantly restricted with the passage of the Omnibus Reconciliation Act of 1980. The tax exempt status of such bonds is now scheduled to terminate at the end of 1983.

There are also tax expenditures for specific types of business. Financial institutions will receive equivalent outlays of $1.0 billion in 1983 because of the favorable tax treatment accorded excess bad debt reserves. The exclusion of interest on life insurance savings produces an equivalent outlay of $6.8 billion in 1983. Finally, permitting the deduction of interest on consumer debt results in an outlay equivalent estimate of $9.3 billion in 1983.

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Total tax expenditures for commerce and housing credit are estimated to be $120.9 billion in 1983.

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Mortgage purchase activity (GNMA)	1,836	1,993	6	42,150	48,000	38,400
Mortgage credit (FHA)	414	383	311	23,635	28,609	35,000
Housing for the elderly or handicapped	873	819	453			
Rural Housing (FmHA):						
New loans	3,487	3,727	1,145	6		
Repurchases and guarantees of loan assets	2,592	2,644	2,750	6,076	5,648	3,557
Central Liquidity Facility (NCUA)	68	330	473			
Small Business Assistance [1 2 4]	871	712	554	3,616	3,150	2,850
National Consumer Cooperative Bank	130	11				
Chrysler Corporation				400		
Other programs	278	19	5	152	181	100
Off-budget Federal Entities:						
Federal Financing Bank: [3]						
Rural housing (FmHA)	6,045	5,619	3,537			
Small business assistance	165	275	240			
Subtotal, gross	16,759	16,532	9,475	76,035	85,589	79,907
Less:						
Loan assets sold to the FFB and associated guarantees:						
Rural housing (FmHA)	−6,045	−5,619	−3,537	−6,045	−5,619	−3,537
Guaranteed loans held as direct loans:						
By the FFB:						
Small business assistance				−165	−275	−240
By GNMA:						
Tandem plan purchases				−1,832	−1,988	
Secondary guarantees:						
Mortgage purchase activity (GNMA)				−42,150	−48,000	−38,400
Total, commerce and housing credit (net)	**10,714**	**10,913**	**5,938**	**25,843**	**29,707**	**37,730**

[1] Includes loans sold to the FFB as loan assets, and guarantees of those loan assets. The FFB purchases are shown below.
[2] Includes guarantees of direct loans made by the FFB as shown below.
[3] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.
[4] Direct loan obligations for 1983 are repurchases of defaulted guaranteed loans.

Credit programs.—Most of the programs in this function are direct loan or loan guarantee programs. For these programs, the National Needs tables showing budget authority and outlays understate the volume of new activity, as most credit activity does not result in additions to the budget totals. The total volume of new direct loan obligations and new guaranteed loan commitments, as recorded in the credit budget, is shown in the accompanying table. Total direct loan obligations are expected to be $5.9 billion in 1983. Appropriation bill limitations are requested for $2.4 billion of this

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amount. Total guaranteed loan commitments are expected to rise to $37.7 billion in 1983, all of which is subject to appropriation limitations. The guarantees issued in GNMA's mortgage-backed securities program cover loans previously guaranteed by FHA and VA, and therefore are not added to net credit budget totals.

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TRANSPORTATION

National Needs Statement:

- Maintain a safe, reliable, and efficient transportation system to meet the needs of commerce and the public, with maximum reliance on the private sector and, secondarily, on State and local governments.

The Federal Role In Meeting the Need:

- Assist the States in developing and maintaining a highway system capable of providing for interstate commerce and the national defense.
- Provide capital assistance to repair and modernize existing mass transit systems, especially in large cities, while operating subsidies are phased out.
- Encourage the development of self-sufficient, cost-effective rail systems for freight and passengers.
- Provide safe and reliable management of the air space and of facilities within which the aviation system operates.
- Facilitate a safe, reliable, and efficient marine transportation system.

The Nation's transportation systems serve the dual purpose of meeting the personal transportation needs of our citizens and providing an essential component to the smooth working of a healthy national economy. Meeting transportation needs is a responsibility in which all levels of government and private enterprise are involved. The appropriate Federal role is to support programs and activities that address national transportation needs and priorities that would not otherwise be met.

In fulfilling its role, the Federal Government must constantly strive to create a balance of Federal, State, local, and private involvement in transportation programs by allowing other levels of government and the private sector the freedom to develop transportation systems that best suit their diverse needs. This administration is committed to returning authority, responsibility, and discretion for transportation programs when overriding national interests are not at stake, to the private sector as a first priority, and to State and local governments when public sector involvement is necessary.

The transportation proposals in the 1983 budget illustrate the administration's view of the appropriate Federal role in transportation programs. A theme repeated throughout the discussion of

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ground, air, and water systems is the reduction of Federal involvement in programs that can be managed more efficiently by other levels of government or that perpetuate inefficient modes of transportation and distort free market incentives. For example, the Federal highway program will be focused on funding highways needed for the smooth flow of interstate commerce and for the national defense, with particular emphasis on rehabilitating deteriorating interstate highways. States and localities will assume greater responsibility for roads of principal interest to them. Transportation programs that are appropriately State and local responsibilities have been included in the new federalism initiative starting in 1984. This initiative is discussed in Part 3 of this *Budget.*

Excessive regulation has been identified as a primary contributor to our current economic difficulties. The 1983 budget reflects a continued effort on the part of this administration to eliminate or relax regulations, and to rely on competition rather than regulation to provide transportation services. The budgets of the Civil Aeronautics Board and the Interstate Commerce Commission, for example, have been reduced as these agencies lessen their regulatory efforts. The administration also supports deregulation of the bus industry to encourage more firms to provide intercity services.

In order to ensure that the Federal tax burden is borne equitably by those who benefit from transportation programs, this administration is sponsoring major initiatives aimed at the recovery—through user charges—of the cost of transportation services that provide benefits to individuals or enterprises. The 1983 budget proposals include increases in fees for aviation system use and the introduction of fees for some Coast Guard services. The total 1983 request for budget authority for Federal transportation programs is $19.1 billion, and outlays are estimated at $19.6 billion.

Ground transportation.—The budget estimates include outlays of $13.0 billion in 1983 for programs to preserve the Nation's investment in highways, railroads, and mass transit while ensuring that their operations continue in a safe, reliable, and efficient manner. Estimated outlays in 1983 are $1.7 billion lower than in 1982 primarily because of substantial reductions in outlays for railroad grants and subsidies.

Highway improvement and construction.—The Federal highway program currently provides grants to the States for construction and rehabilitation of interstate highways, as well as primary, secondary, and urban road systems. Legislation proposed in this budget emphasizes funding for the interstate highway programs vital for interstate commerce and national defense. Funds will be directed toward completing construction of the interstate system and rehabilitating deteriorated pavement on some existing inter-

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NATIONAL NEED: EFFICIENT TRANSPORTATION SYSTEMS

(Functional code 400; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Ground transportation:					
Highway improvement and construction:					
Existing law	9,093	8,596	7,949	8,374	8,374
Proposed legislation			80	80	80
Highway safety	199	203	204	200	200
Mass transit	4,727	3,546	3,202	3,028	3,028
Railroads	4,134	1,942	814	675	601
Regulation	82	70	69	62	57
Subtotal, ground transportation	18,236	14,357	12,317	12,418	12,339
Air transportation:					
Airways and airports:					
Existing law	3,412	2,613	3,130	3,221	3,310
Proposed legislation		450	774	668	855
Aeronautical research and technology	526	474	486	500	514
Air carrier subsidies	115	86	48	53	58
Regulation	29	26	24	20	19
Subtotal, air transportation	4,082	3,648	4,463	4,463	4,756
Water transportation:					
Marine safety and transportation	2,006	2,501	1,989	2,402	2,496
Coast Guard user fees (proposed legislation)			−200	−800	−800
Ocean shipping	574	489	480	608	608
Regulation	12	11	10	10	10
Subtotal, water transportation	2,592	3,002	2,279	2,219	2,314
Other transportation	109	86	113	114	117
Deductions for offsetting receipts	−99	−97	−70	−59	−59
Total, budget authority	**24,920**	**20,996**	**19,102**	**19,155**	**19,468**

state highways. Greater responsibility will be given to State and local governments to build and maintain highways and roads that serve State and local traffic. Through elimination of unnecessary Federal requirements, the administration will provide States and localities with increased flexibility in the use of the Federal funds they now receive.

Over time, several small categorical programs were added to the Federal highway program to provide a source of funds for special projects and priorities. Three such programs are proposed for termination in the 1983 budget: highway beautification, railroad-highway crossings demonstration projects, and territorial highways. Elimination of these programs is consistent with the administration's policy of reducing Federal involvement in State and local road programs. The administration is requesting $8.0 billion in budget authority for highway improvement and construction in 1983, $0.6 billion less than the 1982 level.

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NATIONAL NEED: EFFICIENT TRANSPORTATION SYSTEMS—Continued

(Functional code 400; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Ground transportation:					
Highway improvement and construction:					
Existing law	9,068	8,264	8,312	8,211	8,333
Proposed legislation	.....	.....	4	36	64
Highway safety	336	307	230	207	187
Mass transit	3,917	3,817	3,221	3,059	2,991
Railroads	3,703	2,271	1,209	876	831
Regulation	75	70	68	62	58
Subtotal, ground transportation	17,100	14,728	13,045	12,451	12,463
Air transportation:					
Airways and airports:					
Existing law	3,158	3,073	3,209	3,163	3,357
Proposed legislation	.....	.....	166	491	838
Aeronautical research and technology	544	544	516	507	514
Air carrier subsidies	119	88	52	53	58
Regulation	29	25	25	20	19
Subtotal, air transportation	3,850	3,730	3,968	4,233	4,785
Water transportation:					
Marine safety and transportation	1,829	2,114	2,238	2,325	2,418
Coast Guard user fees (proposed legislation)	.....	.....	−200	−800	−800
Ocean shipping	580	653	527	477	484
Regulation	12	11	10	10	9
Subtotal, water transportation	2,420	2,778	2,575	2,012	2,112
Other transportation	110	89	111	115	117
Deductions for offsetting receipts	−99	−97	−70	−59	−59
Total, outlays	**23,381**	**21,228**	**19,628**	**18,752**	**19,418**
ADDENDUM					
Off-budget Federal entities:					
U.S. Railway Association:					
Budget authority	228	.....	.....	.....	.....
Outlays	−267	−94	−13	.....	.....
Federal Financing Bank:					
Railroads:					
Budget authority	1,794	195	58	49	.....
Outlays	250	64	19	−83	−21

The Federal-aid highway programs, with the exception of the interstate system, have been identified for inclusion in the new federalism initiative and eventual turnback to the States.

Highway safety.—Programs for highway safety are designed to promulgate and enforce Federal vehicle safety and fuel economy standards, support research and development, and provide supplemental assistance for State highway safety programs. The Omnibus Budget Reconciliation Act of 1981 reduced funding for some regula-

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tory programs and grants to the States. Funds for regulatory activities were decreased in line with the administration's view that excessive regulation suppresses market incentives to achieve greater fuel efficiency and is a significant factor in our current economic difficulties. Grants to States were restricted to programs with demonstrated success in promoting highway safety.

The 1983 request of $0.2 billion in budget authority continues funding for programs of proven success in promoting highway safety. Major initiatives include the development of comprehensive State and local programs to prevent alcohol abuse and to encourage the use of seatbelts. Outlays for highway safety in 1983 are estimated to be $0.2 billion, somewhat less than those estimated for 1982.

Mass transit.—The Federal Government provides assistance for mass transit through a variety of formula and discretionary grant programs. The majority of funds are reserved for capital projects and operating assistance; grants are also provided for planning activities, demonstration projects, and research.

In 1983, $3.2 billion in budget authority is requested for mass transit programs. This amount is $0.3 billion below the level provided for 1982. The budget proposals reflect two major changes for mass transit programs: formula grants for operating expenses are to be phased out over a 3-year period, and construction grants—while proposed at near current levels—are directed primarily toward projects that modernize and repair existing, proven transit systems. Discretionary assistance for the initiation of new rail transit systems is not proposed in this budget.

In the past, most mass transit systems were owned and operated by private companies. However, as the car replaced public transit as the preferred alternative for commuting, ridership on mass transit declined. The drop in ridership, combined with increases in the costs of operating mass transit systems, has resulted in a reliance on public funds to sustain mass transit.

The Federal share of the national spending for transit operating expenses has been approximately 15% over the last few years. The administration has examined the usefulness of Federal funding of operating costs and determined that State and local governments should assume complete responsibility for operating local mass transit systems. Federal operating assistance has led to a number of unintended consequences. In some areas these funds support marginally effective, conventional transit services where transportation needs could be better served by more cost-effective and innovative alternatives. Shifting financial responsibility to local authorities should make low-cost alternatives more attractive. Federal operating subsidies have also been partially absorbed by artificially low fares. Fares have not kept pace with inflation since the

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1973 oil embargo, even though the cost of operating a private vehicle has increased significantly. In addition, regulations attached to Federal assistance increase costs and reduce productivity. Decisions about service levels, equipment, facilities, fares, wage rates, and management practices are better left to local governments or to the private sector.

A gradual phaseout of Federal operating subsidies gives cities and States time to adjust to the loss of funds. No new funds are requested for formula grants to small cities and towns under 50,000 population; however, capital projects in such areas are eligible for discretionary grants. Unobligated funds from previous years can also be used for capital projects or to phase out operating assistance.

Assistance for continuing construction of up to 75 miles of the Washington Metrorail system will be provided from two grant programs. Capital grants of $100 million will be provided for the first time from authorizations contained in the National Capital Transportation Act, if local jurisidictions are able to provide sufficient assurances that stable and reliable revenue sources will be available for covering the operating costs of the local transit system. Additional budget authority of up to $195 million may be available from interstate transfer grants, depending on the willingness of local governments to use these funds for Metrorail construction.

Mass transit grant programs have been identified for inclusion in the new federalism initiative and eventual turnback to the States.

Railroads.—The past several years have been better ones for the railroad industry. Improvements are evident in several ways: 1980 profits were nearly 60% higher than in 1979 and the best since 1943; major mergers were approved by the Interstate Commerce Commission; the Economic Recovery Tax Act of 1981 will help the railroads improve their after-tax profitability; and the deregulatory provisions of the Staggers Rail Act of 1980 will enable railroads to compete more successfully with trucks and barges.

Estimated Federal outlays for railroads in 1983 are $1.2 billion, $1.1 billion less than in 1982. Most of the reduction is attributable to settlements of litigation against the Government in 1982, whereas no additional settlement costs are projected for 1983. Federal aid is being phased back or eliminated, consistent with budgetary restraint and the improved financial condition of the industry. Reduced railroad subsidies are proposed for the three main Federal Railroad Administration freight assistance programs: redeemable preference shares, loan guarantees, and local rail service assistance. The first two programs provide funding for acquisition or rehabilitation of tracks and equipment. No funds are recommended for 1983. The third program, local rail service assistance, provides

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funding for rehabilitation or operating subsidies on low volume branchlines that might otherwise be abandoned. The administration proposes to reduce funding for this program from $35 million in 1982 to $20 million in 1983. No funding is planned for 1984. This program benefits primarily local areas and should be supported by States and localities.

Conrail provides freight and commuter rail service in the northeast and midwest. The Omnibus Budget Reconciliation Act of 1981 stipulated that Conrail should be sold as part of a private market solution to rail problems in that part of the Nation. In the past year, Conrail has made remarkable financial and operational progress which will make it more attractive to potential purchasers. Additional operating subsidies have not been requested by Conrail or proposed by the administration for either 1983 or 1984. Conrail has accumulated cash reserves in recent months sufficient to meet potential emergency requirements.

Budget proposals in the income security function provide funds for Conrail labor protection payments under a program authorized by the Omnibus Budget Reconciliation Act of 1981. This program provides financial compensation to certain Conrail employees who are laid off. The labor protection program will help Conrail become financially self-sufficient by assisting it to reduce its labor force. In turn, this will strengthen the administration's efforts to sell the railroad as a single entity to a buyer who agrees to provide service on Conrail's system. Transfer of commuter services from Conrail is supported by a one-time-only appropriation in 1982 of $45 million.

The 1983 budget includes a proposal to eliminate funding for the federally owned and operated Alaska Railroad. Legislation to transfer the Railroad to the State of Alaska is supported by the administration. In addition, the 1983 budget does not include funding for the continued operation of the Transportation Test Center in Pueblo, Colorado, which carries out research and development for railroads. While the Federal Government would continue to contract for specific research and development projects, the administration believes that the Center should be privately operated.

The Federal Government subsidizes intercity rail passenger service throughout the United States by providing grants to the National Railroad Passenger Corporation (Amtrak). In 1981, the Federal Government covered more than 60% of Amtrak's costs, a much greater percentage than it currently covers of intercity bus or commercial aviation costs. To reduce the competitive inequities, the administration supports decreased funding for Amtrak and increased coverage of costs by passengers and the States.

The Amtrak Improvement Act of 1981 requires Amtrak to cover 50% of costs with revenues and enables Amtrak to terminate service without congressional approval in certain circumstances.

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Amtrak had never before been required to cover a given percentage of costs with revenues. The budget proposals include an estimated $610 million in outlays for subsidies to Amtrak in 1983, a reduction of $210 million from estimated outlays for 1982. Also proposed are certain Federal cost-saving measures: labor and management cost savings of $75 million, higher State payments for Federal and State-funded trains, and elimination of any route that does not meet legal criteria in the authorizing legislation for Amtrak. In addition, the administration proposes to alter labor protection for Amtrak employees to lump sum severance payments, similar to the type of payment provided Conrail employees.

Federal capital subsidies have allowed Amtrak to improve its passenger cars and engines substantially. By July 1982, 60% of Amtrak's rail passenger cars will be less than 6 years old and 65% of Amtrak's engines less than 4 years old. Of the remaining cars, over 90% have been refurbished within the past 3 years. Budget authority of $55 million is proposed for labor protection and capital grants.

With the recommended changes and proposed funding levels, Amtrak should be able to maintain a national system. Amtrak is expected to provide 5.3 billion passenger miles in 1983, a 10% increase over 1981. In 1983, Amtrak passenger revenues are expected to reach $725 million.

The administration has altered the primary focus of the Northeast Corridor Improvement Project from developing high speed rail service to ensuring safe and reliable service. Many of the more critical portions of the project are finished.

Regulation.—The administration will continue to carry out deregulatory measures in the trucking, railroad, and moving industries. As a result of deregulation, the trucking industry has experienced increased competition and now offers a wider variety of services. Railroads are also becoming more competitive with trucks and barges. The administration is currently pressing for deregulation of the bus industry to increase competition and reduce inefficiencies.

Air transportation.—Outlays for air transportation are estimated to be $4.0 billion in 1983 compared to $3.7 billion in 1982. Federal spending for air transportation is for improvement, operation, and maintenance of a safe and efficient national airspace system, aeronautical research and technology, and air carrier subsidies.

Airways and airports.—The primary mission of the Federal Aviation Administration (FAA) is to ensure the safe and efficient movement of air traffic. The 1983 budget requests $3.9 billion in budget authority for the FAA.

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Rebuilding the air traffic control system to the capacity provided prior to the August, 1981 illegal strike of approximately 11,500 controllers will continue to be a top priority for the FAA during 1983. Funds provided in the 1983 budget request should allow the FAA to have the system operating at full capacity by January 1, 1984. The FAA estimates net savings from the strike of slightly under $100 million in outlays in 1983. These savings, however, are offset by increases in other operational costs.

The administration is proposing to revise legislation transmitted in March 1981 to reauthorize revenue deposits into the airport and airway trust fund. The revised proposal would institute the following user fees for deposit into the trust fund:

- an 8% passenger ticket tax on scheduled air carrier flights;
- a general aviation tax on aviation gasoline of 12 cents per gallon in 1982, increasing to 20 cents per gallon in 1987;
- a 14 cents per gallon tax on jet fuel used by general aviation in 1982, increasing to 22 cents per gallon in 1987;
- a 5% freight waybill tax;
- a $3.00 international departure tax; and
- a tax on tires and tubes.

Revenues from these user fees are estimated to be approximately $2.7 billion in 1983, increasing to nearly $4.3 billion in 1987.

Funding levels for FAA capital programs are contingent upon congressional approval of the administration's user fee proposal and recovering 85% of FAA costs (all those allocable to air carriers and general aviation) from the trust fund. The 1983 budget proposal includes $450 million of contract authority for airport grants, additional budget authority of $300 million for facilities and equipment, and $24 million for research, engineering, and development if the Congress enacts the administration's user fee and cost recovery proposals.

The administration continues to support its legislative proposal transmitted in 1981 to eliminate Federal financial support for the 41 largest airports and to create State block grants for small commercial service and general aviation airports. The increased funding levels for development and procurement of facilities and equipment, which total nearly $535 million in budget authority above the enacted 1982 levels, reflect the administration's commitment to modernizing and expanding the FAA capital plant to meet projected aviation growth if users are willing to pay the allocable costs of development, acquisition, operation and maintenance. The 1983 request for FAA also proposes funding of aviation weather services provided by the National Oceanic and Atmospheric Administration from the airport and airway trust fund. No new commitments are proposed under the aircraft purchase loan guarantee program.

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Aeronautical research and technology.—The National Aeronautics and Space Administration (NASA) conducts research and technology development programs in the aeronautical sciences. These programs primarily support public sector needs, particularly in the area of defense. The administration requests $486 million in budget authority for these activities in 1983. The budget proposals maintain the major national aeronautical facilities, such as the wind tunnels, and would support research in the basic aeronautical sciences and technology development projects critical to defense and air transportation safety.

Air carrier subsidies.—In conjunction with airline deregulation, one existing air carrier subsidy program designed to promote general aviation, is being replaced with a new program that funds essential air services to small communities. By 1983, the administration expects that the older subsidy will have been terminated. Proposed budget authority for air carrier subsidies is $48 million in 1983, a reduction of over $65 million from the 1981 level.

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 includes an estimated $2.6 billion in outlays for water transportation programs in 1983, about $0.2 billion less than estimated for 1982.

Marine safety and transportation.—Coast Guard services to the public include search and rescue to vessels in distress, maintenance of navigation aids, icebreaking, prevention and cleanup of marine pollution, enforcement of maritime, customs, and safety-related laws, and examination and licensing of vessels, merchant seamen and ships' officers.

The 1983 budget request for the Coast Guard seeks to improve the efficiency of its capital plant and operations. Five aged cutters are to be decommissioned, resulting in substantial savings from reduced maintenance costs. These vessels will be replaced by new cutters better able to meet the many roles of the Coast Guard. The Coast Guard's aircraft fleet will be modernized by the introduction of significant numbers of new medium-range search jet aircraft and short-range recovery helicopters. The budget also proposes improving and modernizing a number of Coast Guard shore facilities.

A major new initiative for 1983 is to require users of certain services offered by the Coast Guard to pay fees covering the costs of the service. Currently, most services rendered by the Coast Guard for the public are provided without charge. User fee legislation will be introduced in early 1982 to recover 100% of the costs of Coast Guard services that provide benefits to individuals or enterprises. Fees for services involving a transaction, such as licensing

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and inspections, would be set according to the cost of providing the service. Other services, such as maintaining navigation aids and providing search and rescue services, would be financed by an annual fee or other type of charge. Funding for the Coast Guard's polar ice operations, a service provided for the National Science Foundation, Department of Defense, and the Maritime Administration, will be charged to those agencies. Estimated outlays for marine safety and transportation are $2.2 billion in 1983.

Ocean shipping.—Programs in ocean shipping are administered by the Department of Transportation's Maritime Administration, the Panama Canal Commission, and the Federal Maritime Commission. Outlays for ocean shipping are estimated to be $527 million in 1983, $126 million less than estimated for 1982.

The Maritime Administration has traditionally provided subsidies to assist the U.S. merchant marine and shipbuilding industry. These include direct operating differential subsidies to offset the higher costs of operating U.S.-flag vessels in the oceanborne foreign commerce.

A full review of maritime policies is currently being conducted to determine effective methods for revitalizing the maritime industry. The Omnibus Budget Reconciliation Act of 1981 eliminated ship construction subsidies for 1982, that offset the higher construction costs of building in U.S. shipyards. No budget authority will be requested for ship construction subsidies in 1983. For the operating subsidies program, 1983 outlays are estimated to be $454 million to meet the Government's obligation on existing contracts; administrative changes will be made to hold down escalating costs.

Legislative changes are being pursued to eliminate many of the restrictions under which the U.S. Merchant Marine now operates. The administration's proposals would exempt ocean carrier collective shipping activities from antitrust laws, such as setting rates jointly, dividing revenues and profits on each trade route, and jointly offering vessel capacity and service to shipping customers. The Federal Maritime Commission (FMC) would automatically approve agreements between carriers to engage in these permissible joint activities. The administration's proposals also eliminate the requirement that tariffs be filed with and enforced by the FMC. This restructuring of the regulatory framework will benefit the industry by putting U.S. carriers on an equal footing with foreign carriers.

Credit programs.—Many of the programs discussed above contain direct and guaranteed loans including aid to railroads, air carrier subsidies and assistance to ocean shipping. As described in previous sections, the administration is restraining these activities in order to allow private market forces to operate. The Maritime Administration's ship financing fund will extend $600 million in new loan

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guarantee commitments, as shown in the accompanying table. Other amounts shown represent obligations from prior commitments.

CREDIT PROGRAMS—TRANSPORTATION

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Highways and mass transportation	13	19	32	.....	.....	.....
Aid to railroads [1]	39	144	2	16	135	.....
Aircraft purchase loan guarantees	.....	.....	.....	408	56	.....
Assistance to ocean shipping	24	25	25	1,047	675	600
Off-budget Federal entities:						
U.S. Railway Association	17	1	.....	.....	.....	.....
Federal Financing Bank: [2]						
Aid to railroads	1,794	173	58	.....	.....	.....
Subtotal, gross	1,886	362	117	1,472	866	600
Less:						
Guaranteed loans held as direct loans by the FFB:						
Aid to railroads	.....	.....	.....	−1,802	−173	−58
Total, transportation	**1,886**	**362**	**117**	**−330**	**693**	**542**

[1] Includes guarantees of direct loans made by the FFB as shown below.
[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Tax expenditures.—In addition to direct Federal funding, two tax expenditures provide assistance to shipping concerns and mass transit systems. The 1983 outlay equivalent estimates for these two tax expenditures are $90 million and $15 million, respectively. Tax expenditures for transportation total $105 million in 1983.

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COMMUNITY AND REGIONAL DEVELOPMENT

National Needs Statement:

- Promote the economic and social viability of urban and rural neighborhoods, communities, and regions.

The Federal Role in Meeting the Need:

- Promote economic expansion through reductions in Federal expenditures, taxes, and regulations.
- Transfer primary responsibility for administering specific community, regional, and economic development programs to State and local governments.
- Provide Federal financial assistance to State and local governments to help them identify and resolve essential community, regional, and economic needs in their own manner.
- Maintain necessary supplemental assistance for recovery from unexpected disasters.

Community and regional development is promoted best by a sound and expanding economy, which can only be achieved by reducing inflation and by increasing the resources available to the private sector. Government policies and programs can do no more than encourage and stimulate community and regional development. Permanent revitalization of depressed areas will require a substantial and long-term commitment of State, local, and private sector resources. Over the past year, the administration has increased the productive resources available to citizens, businesses, States, and local governments by slowing increases in Federal expenditures, reducing individual and corporate income tax rates, and eliminating unnecessary Federal regulations. However, more remains to be done. There are still programs that are unnecessary or ineffective or that could be administered more efficiently by States, local governments, or the private sector.

Community and regional development is also encouraged by allowing State and local governments the latitude to address their own problems in their own way. The administration has made progress in this area by returning authority, responsibility, and flexibility to State and local governments for administering programs. In 1981, the Federal Government's principal community and regional development program—the community development block grant program—was simplified to allow for increased flexibility in the use of these funds. Application and reporting requirements were significantly reduced. In addition, legislation was en-

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

(Functional code 450; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Community development:					
Community development block grants	3,695	3,456	3,456	3,456	3,456
Urban development action grants	675	440	440	440	440
Rental rehabilitation grants (proposed legislation)	.....	.....	150	150	150
Neighborhood Reinvestment Corporation	12	14	16	16	16
Pennsylvania Avenue development	32	18	12	16	16
Other programs	397	357	386	459	377
Subtotal, community development	4,811	4,286	4,460	4,537	4,455
Area and regional development:					
Rural development	701	585	754	914	1,022
Economic development assistance	476	224	15	10	8
Coastal energy impact assistance	.....	−7	.....	.....	.....
Indian programs:					
Existing law	1,278	1,178	1,225	1,251	1,379
Proposed legislation	.....	.....	30	.....	.....
Regional commissions	356	158	.....	.....	.....
Other programs:					
Existing law	212	115	119	111	89
Proposed legislation	.....	.....	−1	−1	−1
Offsetting receipts	−397	−325	−343	−355	−399
Subtotal, area and regional development	2,626	1,928	1,801	1,930	2,098
Disaster relief and insurance:					
SBA disaster loans	315	.....	.....	.....	.....
Disaster relief	359	302	325	325	325
National flood insurance fund	.....	93	62	84	64
Other programs	62	64	66	66	66
Subtotal, disaster relief and insurance	737	459	452	475	455
Deductions for offsetting receipts	−30	−51	−55	−69	−31
Total, budget authority	**8,143**	**6,621**	**6,658**	**6,873**	**6,978**

acted to transfer responsibility for distributing and administering grants to small cities from the Department of Housing and Urban Development to the States, on an optional basis, through the new State community development block grant program for small cities.

To achieve both objectives of reducing Federal expenditures and providing adequate and effective financial support for community and regional development, this budget includes proposals that provide economic incentives for private investment in distressed areas, transfer functions from the Federal Government to State and local governments, and maintain adequate support for programs that are consistent with the administration's approach to federalism.

Economic incentives for private investment in distressed areas would be encouraged by the establishment of enterprise zones as an experimental, free-market approach to urban problems. The enterprise zone concept is based on a reduction of tax and regulatory burdens in clearly delineated geographic areas as a means of

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT—Continued

(Functional code 450; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Community development:					
Community development block grants	4,042	4,005	3,350	3,200	3,456
Urban development action grants	371	525	550	525	522
Rental rehabilitation grants				75	150
Neighborhood Reinvestment Corporation	12	14	16	16	16
Pennsylvania Avenue development	35	32	17	16	14
Other programs	650	490	417	304	287
Subtotal, community development	5,111	5,066	4,349	4,135	4,444
Area and regional development:					
Rural development	839	1,066	1,217	1,131	1,101
Economic development assistance	536	422	262	157	85
Local public works	83	60	30	30	5
Coastal energy impact assistance	36	37	21	16	1
Indian programs:					
Existing law	984	1,030	1,088	1,151	1,285
Proposed legislation			5	15	10
Regional commissions	425	325	301	169	85
Other programs:					
Existing law	203	233	151	131	94
Proposed legislation			−1	−1	−1
Offsetting receipts	−397	−325	−343	−355	−399
Subtotal, area and regional development	2,708	2,848	2,732	2,442	2,266
Disaster relief and insurance:					
SBA disaster loans	1,101	−77	−290	−290	−250
Disaster relief	401	406	381	325	325
National flood insurance fund	54	107	84	57	40
Other programs	48	67	62	62	62
Subtotal, disaster relief and insurance	1,604	503	237	154	176
Deductions for offsetting receipts	−30	−51	−55	−69	−31
Total, outlays	**9,394**	**8,366**	**7,263**	**6,663**	**6,856**
ADDENDUM					
Off-budget Federal entities:					
Rural Telephone Bank:					
Budget authority	126	163	163	163	163
Outlays	114	156	155	155	155
Federal Financing Bank:					
Community development:					
Budget authority	45	110	120	100	50
Outlays	34	96	83	46	−18
Rural development:					
Budget authority	1,650	1,511	1,196	1,466	1,032
Outlays	1,025	1,036	691	486	437

revitalizing distressed urban areas by stimulating new private investment and creating jobs in those areas. The President intends to submit his plan for enterprise zones to the Congress in the next several weeks and expects enactment this year.

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Transferring functions in this area to the States will be promoted by the President's federalism initiative as announced in his State of the Union address. This proposal would shift the responsibility for several programs classified in this function (e.g., community development block grants, urban development action grants, community facility loans, and water and sewer grants and loans) to the States. This initiative is further described in Part 3 of the *Budget.*

The administration is confident that policies enacted during the past year and those contained in the 1983 budget will increase and strengthen the viability of our urban and rural areas. Achieving this end will require a combination of the recommended financial assistance from the Federal Government, further reductions in Federal expenditures, a transfer of the primary responsibility for administering community and economic development programs to States and localities, and more involvement by States, localities, and the private sector in these development activities. Outlays for this function are estimated to decrease from $8.4 billion in 1982 to $7.3 billion in 1983.

Community development.—A variety of Federal programs, administered by several agencies, support the mission of community development. These programs provide Federal grants, direct loans, loan guarantees, and technical assistance to States and units of local governments.

Community development block grants.—The Housing and Community Development Act of 1974 consolidated a number of separately funded programs of the Department of Housing and Urban Development (HUD) into the community development block grant (CDBG) program. This program substantially improved and simplified the delivery of Federal community development assistance to local governments. In its 7 years, over $20 billion has been spent on community improvements such as housing rehabilitation, streets and roads, water and sewer facilities, and other public facilities. The objective of the block grant program is to develop viable urban communities, by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. Funds are distributed to all large cities and urban counties by entitlement formulas. Smaller cities receive discretionary funding either from HUD or from their States, if their States have elected to administer the new State community development block grant program for small cities.

Realizing the national importance of economically and socially viable communities, the administration recommends budget au-

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thority of $3.5 billion in 1983, the same level provided in 1982. This funding level would provide about $2.4 billion in budget authority for the entitlement program for large cities and urban counties and about $1.0 billion in budget authority for the nonentitlement, "small cities" program. The balance of about $57 million is for the Secretary's discretionary fund, which provides community and economic development assistance to Indian tribes, Alaskan natives, and U.S. Territories, as well as technical assistance to selected CDBG participants. Outlays are estimated to decrease from $4.0 billion in 1982 (when outlays from prior-year obligations are estimated to peak) to $3.4 billion in 1983.

Urban development action grants.—This program provides financial assistance to units of local government to be used in conjunction with private and other public funds in promoting locally designed and managed economic development projects. Program revisions made by this administration target more funds on commercial and industrial projects that have the greatest potential for private sector investment, job creation and urban revitalization.

Because of the need to increase private investment and jobs in distressed areas and in the Nation as a whole, the administration is requesting $440 million in budget authority for this program in 1983, which is the same level of budget authority as provided for 1982. Outlays are estimated to increase from $525 million in 1982 to $550 million in 1983.

Rental rehabilitation grants.—The administration is proposing a new program to be called rental rehabilitation grants. This program will be administered by HUD and will be linked with the modified section 8 housing certificate program. It will provide grants to States and units of local government for up to half the cost of rehabilitating multi-family rental properties, principally for low-income families. It is proposed that this new program replace the section 8 moderate rehabilitation program (discussed in the income security function) and the rehabilitation loan fund, both of which are too expensive and inefficient. (The rehabilitation of single-family, owner-occupied units will continue to be satisfactorily addressed by the CDBG program.) The administration is proposing budget authority of $150 million for this new program in 1983. It is estimated that this level of support will assist in the rehabilitation of 30,000 housing units. Outlays are expected to begin the following year.

Neighborhood Reinvestment Corporation.—This public corporation has been successful in forming working partnerships among residents, local governments, and local financial institutions that promote neighborhood reinvestment and revitalization. Unlike

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many other community development programs, this corporation does not provide funds for neighborhood projects, but offers the necessary technical assistance so that neighborhoods and communities can begin to resolve their own problems in their own ways. Because of the success of neighborhood organizations in revitalizing distressed areas and the need for the kinds of technical and organizational support provided by the Neighborhood Reinvestment Corporation, the administration requests budget authority in 1983 of $16 million, $2 million more than in 1982.

Pennsylvania Avenue development.—The administration requests $12 million in budget authority for 1983 to continue the redevelopment and revitalization of 21 blocks along the north side of Pennsylvania Avenue in downtown Washington, D.C. The first major commercial projects began in 1979 and were completed in 1980 with private investment in excess of $65 million. Several new projects that incorporate private investment in excess of $600 million have been initiated since 1980 in a unique public-private partnership between the Pennsylvania Avenue Development Corporation and private businesses. For 1983, the Corporation will discontinue the practice of requiring developers to construct a specific number of residential housing units within the project area. Outlays for land acquisition and public development activities are estimated to be $17 million in 1983.

Other programs.—Several other programs contribute to community development. One of the more important is the urban homesteading program administered by HUD. This program transfers federally owned, single-family properties to local governments for use in locally administered programs to revitalize distressed and abandoned residential areas.

For 1983, the administration proposes to expand this program to multifamily units in distressed urban areas. This proposal is in keeping with the President's campaign promise to implement a more comprehensive urban homesteading program to help revitalize distressed neighborhoods and to improve the housing of urban Americans. This program expansion would be carried out on an experimental and limited basis to test the feasibility and effectiveness of multi-family homesteading. If the experiment proves efficient and beneficial, it will be continued on an appropriate scale.

The administration requests $12 million in budget authority to operate this program in 1983. This amount is expected to provide for both single-family homesteading as well as the multi-family homesteading demonstration.

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Area and regional development.—Programs in this category support rural development, American Indian tribal governments, and multi-State regional development.

Rural development.—The Department of Agriculture administers a variety of programs for developing rural areas. For rural water and waste disposal systems, the 1983 budget provides $300 million in direct loan obligations and $120 million in budget authority for grants. Direct loan obligations of $130 million are provided for community facilities.

Rural areas can also receive assistance from the Housing and Urban Development's community development block grant program. Outlays for rural development programs are estimated to be $1.1 billion in 1982 and $1.2 billion in 1983.

Economic development assistance.—The Department of Commerce's Economic Development Administration (EDA) provides assistance to States, rural and urban communities, and Indian tribes that is designed to reduce unemployment in economically distressed areas and to react to problems of economic adjustment.

EDA is proposed for termination at the end of 1982. In March 1981, the administration proposed termination of EDA at the end of 1981 as part of its policy of placing greater emphasis on the private sector and transferring primary responsibility for administering community and economic development programs to States and local governments. However, to facilitate an orderly phase out of EDA programs and provide for an adequate adjustment period prior to termination, funds have been provided to continue EDA programs through 1982.

The President's comprehensive economic plan of spending, tax, and regulatory reductions will spur economic expansion and job creation far beyond the capacity of categorical programs administered by EDA. Funds for State and local community and economic development programs will continue to be available in 1983 through the Community Development Block Grant and Urban Development Action Grant programs. Both programs distribute Federal funds more equitably and efficiently than EDA. Specialized assistance for rural areas will continue to be available through the Farmers Home Administration.

Coastal energy impact assistance.—This Department of Commerce program provides grants and loans to State 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 (OCS) oil and gas developments. Grants are also provided to States to help them participate in OCS leasing decisions. No budget authority is

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requested for this program in 1983 because managing the consequences of offshore oil and gas development has proven to be well within the capacity of States and localities.

Indian programs.—The three 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 Federal Government provides grants, training, technical assistance, direct Federal loans, loan guarantees, and interest subsidies designed to strengthen tribal management and encourage a variety of economic and community development activities.

In the 1983 budget, the administration is proposing two initiatives for Indian tribes: (1) $5 million in budget authority for tribal government development for small tribes; and (2) $10 million in budget authority for economic development initiatives that provide seed money grants to help Indian enterprises attract private sector financing. These initiatives are expected to strengthen both tribal governments and reservation economies and make tribes more self-sufficient.

Outlays for the Indian programs and for miscellaneous trust funds for regional development are estimated to be $1.0 billion in 1982 and $1.1 billion in 1983. In addition to these programs, other assistance for Indians is classified in the health; education, training, employment, and social services; natural resources and environment; and general government functions.

Regional commissions.—The Appalachian Regional Commission and the Commerce Department's Title V Regional Action Planning Commissions were intended to support regional development programs.

The Appalachian Regional Commission (ARC) and its nonhighway and access roads programs are proposed for termination at the end of 1982. In March 1981, the administration proposed elimination of these activities at the end of 1981, as part of its policy of relying on the private sector and State and local governments to provide the stimulus for economic development. Because of concerns that the March proposal did not provide adequate time for recipients of ARC funds to adjust to the termination of Federal support, the ARC and its programs were continued through 1982.

Funding for one ARC program, the Appalachian Development Highway System (ADHS), is continued in the Department of Transportation budget, to be funded out of the highway trust fund. This separate categorical highway construction program is proposed to be phased out between 1983 and 1986. The ADHS is eligible for funding through Federal-aid for highways, and continued construc-

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tion after 1986 would be through this funding mechanism, at the discretion of the States.

Federal support for the title V regional commissions was discontinued at the end of 1981. Continuation of the commissions was unnecessary because nearly all of the commissions' projects duplicate activities that would normally be undertaken by State agencies without Federal support.

Disaster relief and insurance.—Insurance against losses from floods, hurricanes, tornadoes, and other natural disasters is primarily the responsibility of individuals and businesses. State and local governments aid recovery, when necessary, and Federal insurance and disaster relief programs are available to supplement State and local resources when they are insufficient.

SBA disaster loans.—The Small Business Administration (SBA) provides loans to homeowners and non-agricultural businesses that suffer losses as a result of physical disasters, such as hurricanes or floods. (Starting in 1983, it is anticipated that the Federal Crop Insurance Corporation will be the primary source for disaster assistance for agricultural enterprises.) Statutory changes enacted in the Omnibus Budget Reconciliation Act of 1981 ensure that such assistance is directed to disaster victims who are truly in need. For businesses eligible for private financial assistance, the act sets a maximum 3-year term for loans at market interest rates. These changes will eliminate interest subsidies to wealthier borrowers and reduce their incentive to apply for disaster loans when no real need exists. In addition, a ceiling of 85% was established for all businesses on the amount of loss covered by disaster loans. The purpose of this limitation is to create an incentive for businesses to make sound locational decisions and to obtain private market insurance rather than to rely on the Federal Government for aid. Interest rates on loans to businesses and homeowners who have no source of private financial assistance have been increased moderately but still provide a subsidy to such victims.

Disaster relief.—The Federal Emergency Management Agency administers the Federal disaster assistance program. This nationwide program provides supplemental assistance to individuals, businesses, and State and local governments in the event of a Presidentially declared emergency or disaster. In addition, States or Federal agencies may be reimbursed for expenditures in disaster relief work performed under this authority.

The President has proposed that the Federal share of costs for a disaster or major emergency be limited to 75% of total expenditures. This proposal will reduce outlays from the disaster relief fund by an estimated $50 million annually. A number of adminis-

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trative changes will result in further savings of several million dollars per year.

It is difficult to forecast levels of disaster activity with any degree of certainty. Demands on the fund were light in 1981: 16 disasters or major emergencies were declared, compared to a 5-year average of 34. Unlike 1980 when Mt. St. Helens erupted, none of the 1981 disasters had major budget implications.

Estimates of outlays for 1983 through 1987 anticipate the results of the cost-saving measures proposed by this administration, offset by an anticipated return to normal levels of disaster activity. Outlays are estimated to be $406 million in 1982 and $381 million in 1983.

National flood insurance fund.—The Federal Emergency Management Agency operates a national program of direct Federal flood insurance at subsidized rates. Over the past 5 years, the program has cost the taxpayers an average of $171 million per year. This budget continues the insurance program but contains a plan to phase-out the costly subsidy by 1987 through a series of rate increases. This plan supports the administration's policy of recovering clearly allocable costs of flood insurance from those who receive the benefits of this program. The change will eliminate a substantial portion of the subsidy that the taxpayer now provides and discourage uneconomic development in flood prone areas. Outlays for this program are estimated at $84 million for 1983.

Credit programs.—There are a number of credit programs for community and regional development. For several, the amount of credit activity is only partially reflected in the budget. As shown in the table, direct loan obligations in 1983 are estimated to decrease by $.4 billion from the 1982 estimate and by $1.9 billion from 1981. The largest decreases in direct loan obligations between 1981 and 1983 occur in Small Business Administration disaster loans ($1.1 billion), and the rural development insurance fund in the Farmers Home Administration ($.6 billion). Gross guaranteed loan commitments decrease by $1.1 billion from the 1982 estimate and $1.5 billion from 1981.

Related programs.—Many programs that fulfill other national needs as their primary purpose also promote community and regional development. For example, Federal outlays for civil public works shown in the table below and grants for local health, education, transportation and general revenue sharing programs support State and local development. Community development is also encouraged by other Federal activities, including defense contracting, management of public forests and parks, and the operation of

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CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Community development [1]				156	125	
Other Housing and Urban Development programs	110	68				
Rural development insurance fund (FmHA):						
New loans	1,010	505	430	743	575	
Repurchases and guarantees of loan assets	659	541	518	1,650	1,511	1,196
Economic development assistance	54	30		178	50	
Small Business Administration disaster loans	1,522	640	440	1	6	
Other programs	41	17	22	4	31	16
Off-budget Federal entities:						
Rural Telephone Bank	160	185	185			
Federal Financing Bank: [2]						
Rural development insurance fund (FmHA)	1,650	1,511	1,196			
Community development	45	110	120			
Subtotal, gross	5,250	3,607	2,911	2,732	2,292	1,212
Less:						
Loan assets sold to the FFB and accompanying guarantees:						
Rural development insurance fund (FmHA)	−1,650	−1,511	−1,196	−1,650	−1,511	−1,196
Guaranteed loans held as direct loans by the FFB:						
Community development				−45	−110	−120
Total, community and regional development	**3,600**	**2,096**	**1,715**	**1,037**	**671**	**−104**

[1] Includes guarantees of direct loans made by the FFB shown below.
[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Federal facilities, such as Veterans Administration hospitals, naval shipyards, and NASA research facilities.

Tax expenditures.—Direct Federal funding for community and regional development is supplemented by several tax expenditures. Under certain conditions, taxpayers may elect to amortize rehabilitation expenditures for low- and moderate-income rental housing over a 5 year period. The 1983 outlay equivalent estimate for this provision is $60 million. The Economic Recovery Tax Act of 1981 replaced the 10 percent investment credit for the rehabilitation of buildings that are at least 20 years old with a three-tier system of investment credits. Under the Act, the credit is 15 percent for rehabilitation of nonresidential buildings 30 to 39 years old; 20 percent for rehabilitation of nonresidential buildings over 39 years old; and 25 percent for rehabilitation of certified historic structures. For 1983, the outlay equivalent estimate is $315 million; tax expenditures for community and regional development total $375 million.

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FEDERAL OUTLAYS FOR CIVIL PUBLIC WORKS AND CONSTRUCTION [1]

(In millions of dollars)

Function or Program	1981 actual	1982 estimate	1983 estimate
Federal civil public works: [1]			
Community and regional development	146	138	128
Water resources projects	2,264	2,215	2,143
Other natural resources and environment	1,121	1,143	955
Energy	2,279	2,228	1,872
Transportation	446	480	497
Veterans hospitals and health	552	574	637
Other	346	529	415
Total, Federal civil public works	7,154	7,307	6,647
Grants to State and local governments:			
Community and regional development:			
Community development block grants	4,042	4,005	3,350
Other	1,531	1,433	1,153
Subtotal, community and regional development	5,573	5,438	4,503
Highways and mass transit	11,428	10,726	10,509
Other transportation	469	475	374
Pollution control and abatement	3,881	4,050	3,350
Other natural resources and environment	277	305	196
Other	194	248	176
Total, grants to State and local governments	21,823	21,242	19,107
Total, civil public works	**28,977**	**28,549**	**25,754**

[1] Outlays for the construction and rehabilitation of physical assets, including privately owned assets.

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EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

National Needs Statement:

- Assist parents, States, and localities in providing education, especially for educationally disadvantaged, low-income, and handicapped persons.
- Assist economically disadvantaged or dislocated workers in finding permanent unsubsidized employment opportunities.
- Maintain stable and productive relations between employers and employees.
- Provide basic social services for needy children, families, the elderly, and other groups.

The Federal Role in Meeting the Needs:

- Ensure that the Federal Government's participation in education is limited to appropriate areas of financial support and does not intrude improperly on parental, State, and local responsibilities.
- Provide States with block grants for training to help them give their disadvantaged citizens the skills needed for access to jobs.
- Assure fairness in the handling of disputes between unions and management and enforce equitable standards governing wages and other relations between employers and employees.
- Allow States the flexibility to direct social services resources to help low-income individuals and others with special needs.

The Federal role in meeting education, training, employment, and social services needs should be limited to those specific areas where a demonstrated Federal responsibility exists and is of sufficient priority to warrant expenditure of scarce Federal budget resources. Historically, the responsibility for meeting most of these needs has rested with State or local governments and the private

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sector. Most Federal programs in this function have been very expensive but not very effective, and have encouraged excessive dependence on the Federal Government. This administration therefore proposes to continue the policies it initiated in its first year by eliminating low priority activities, combining related activities into consolidated grants, and phasing out funding where Federal support is not appropriate. Total outlays for this function are estimated to be $21.6 billion for 1983. This is a 31% decrease from the 1981 level of $31.4 billion.

Total outlay equivalent tax expenditures for education, training, employment, and social services are estimated to be $15.7 billion in 1983.

Several programs in this function are involved in the federalism initiative described in Part 3 of the *Budget*. Continuation of these programs in 1984 and beyond will depend on the specifics of the initiative or on decisions made by States and localities as part of the initiative.

The responsibility for education rests primarily with parents and with State and local governments. In recent years, Federal intervention has imposed many burdensome requirements that have made the exercise of this responsibility both more costly and more difficult. To decrease the Federal Government's intervention gradually, the administration proposes to continue many of the existing programs in 1983, but at lower funding levels and with fewer regulatory and reporting requirements than in years past. In addition, this budget directs elementary, secondary, and higher education funds more toward those in greatest need.

Most training and employment activities are and should be carried out by the private sector. Private businesses and employers are far more efficient than the Government at training workers for specific tasks that contribute to a productive economy. Government training in most cases has been expensive, often has been for people who would probably find work anyway, and too frequently has been for jobs that do not exist. The best contribution the Federal Government can make to the under-trained and unemployed is to encourage the steady expansion of the private economy and private employment. The administration's economic recovery program will assist job seekers much more than expensive and misdirected Federal employment programs. Some Federal training programs for the most disadvantaged should continue, but even

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these will contribute little if the Federal Government, by excessive spending that adds to the Federal deficit, retards economic growth.

Those potential workers who have not learned the basic reading, writing, and arithmetic skills required to get started in an entry-level job may be helped by publicly financed remedial training programs. Such training can best be provided by the States, which can better coordinate it with their already extensive vocational and adult education programs. States also are in a better position than the Federal Government to diagnose the problems of their unemployed and to design appropriate solutions.

Different communities have differing needs for social services. Since social services programs are most appropriately operated by States or localities, the administration proposes to provide continued assistance through flexible block grants.

For 1981 and 1982, the following major achievements toward fulfilling the Federal role in this function have been realized:

- streamlining the major elementary and secondary education program for compensatory education for the disadvantaged to allow more local flexibility;
- combining over 40 authorized narrow-purpose categorical education programs into a single State block grant; only 27 of these programs were funded in recent years;
- phasing out the programs providing temporary, federally funded jobs in State and local governments; among other drawbacks, these programs had been among the least successful of Federal programs in preparing the unemployed for unsubsidized jobs in the private sector;
- phasing out the young adult conservation corps, which failed to focus resources on the most disadvantaged, had one of the worst records among training and employment programs of placing former participants in productive activities, and was one of the most costly training and employment programs per year of service;
- establishing an outreach program through ACTION to encourage able and successful Vietnam veterans to help their fellow Vietnam veterans overcome lingering problems associated with military service; and
- creating a block grant for social services, which combined a number of social services and related activities.

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In addition to the federalism initiative that would begin in 1984, major 1983 budget proposals in education, training, employment, and social services would:

- Abolish the Department of Education and form a smaller Foundation for Education Assistance, transferring a number of programs to other agencies.
- Consolidate programs providing education for the handicapped, rehabilitation services, and vocational and adult education into less cumbersome, but separate, State grants.
- Restrict eligibility for higher education aid to students (grants and loans) to those most in need and concentrate campus-based student aid funds on work-study rather than on additional grants and loans.
- Provide a block grant to States for training activities. This would permit an increase in the coordination between education and training programs at the State and local level and would, by eliminating stipends, prevent costly overlap with income maintenance programs.
- Continue the Job Corps as a separate federally administered residential training program serving the most educationally and economically disadvantaged youth.
- Provide greater flexibility to States in the area of child welfare by consolidating child welfare services, child welfare training, foster care, and adoption assistance programs into a single block grant.

NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

(Functional code 500; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Education:					
Elementary, secondary, and vocational education:					
Education for the disadvantaged	3,112	2,481	1,942	1,500	1,500
State education block grant	614	471	433	305	305
Indian education	352	326	308	291	291
Impact aid	662	453	289	289	289
Education for the handicapped:					
Existing law	1,025	784			
Proposed legislation			846	846	846
Vocational and adult education:					
Existing law	782	634			
Proposed legislation			500	500	500
Other	166	131	99	79	79
Subtotal, elementary, secondary, and vocational education	6,713	5,280	4,417	3,809	3,809

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Higher education:					
Aid to students:					
Pell Grants	2,604	2,188	1,400	1,000	1,000
Campus-based aid	1,198	1,024	400	400	400
Guaranteed student loans:					
Existing law	2,535	3,061	3,397	3,689	4,035
Proposed legislation	.....	−309	−912	−1,174	−1,536
General institutional assistance	216	228	200	185	184
Special institutions	204	220	222	223	223
Other	157	140	82	82	82
Subtotal, higher education	6,913	6,552	4,789	4,405	4,388
Research and general education aids:					
Educational research and statistics	75	62	62	62	62
Cultural activities	673	639	562	506	528
Other	539	486	436	441	449
Subtotal, research and general education aids	1,286	1,186	1,060	1,010	1,039
Subtotal, education	**14,912**	**13,018**	**10,266**	**9,224**	**9,236**
Training, employment, and labor services:					
Training and employment:					
General training and employment programs:					
Existing law	3,902	2,194	.....	.....	.....
Proposed legislation	.....	.....	1,800	1,800	1,800
Special target groups:					
Existing law	782	290	.....	.....	.....
Proposed legislation	.....	.....	200	200	200
Job Corps:					
Existing law	561	586	.....	.....	.....
Proposed legislation	.....	.....	387	387	387
Public service employment	2,606	.....	.....	.....	.....
Work incentive program	365	246	.....	.....	.....
Federal-State employment service	799	547	487	487	487
Other	94	83	81	70	70
Subtotal, training and employment	9,109	3,945	2,955	2,944	2,944
Other labor services:					
Existing law	606	585	639	645	649
Proposed legislation	.....	.....	−2	−2	−2
Subtotal, training, employment, and labor services	**9,715**	**4,530**	**3,592**	**3,587**	**3,591**
Social services:					
Social services block grant	2,399	2,400	1,974	1,974	1,974
Rehabilitation services	938	848	637	639	639
Community service programs	525	378	104	103	103
Child welfare block grant:					
Existing law	174	465	420	420	420
Proposed legislation	.....	.....	−40	−40	−40
Services for children, youth, and families	832	923	923	928	928

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Services for the elderly and other special groups:					
Existing law	829	783	778	782	782
Proposed legislation			−4	−4	−4
Domestic volunteer programs	153	129	118	109	109
Other social services	87	63	59	59	59
Subtotal, social services	5,935	5,989	4,968	4,970	4,970
Deductions for offsetting receipts	−13	−31	−32	−33	−34
Total, budget authority	**30,550**	**23,507**	**18,794**	**17,747**	**17,762**
OUTLAYS					
Education:					
Elementary, secondary, and vocational education:					
Education for the disadvantaged	3,354	2,978	2,553	1,997	1,568
State education block grant	735	666	578	441	335
Indian education	316	326	314	291	284
Impact aid	697	580	359	307	290
Education for the handicapped:					
Existing law	1,035	1,265	839	187	
Proposed legislation			38	651	846
Vocational and adult education:					
Existing law	728	1,120	474	122	12
Proposed legislation			170	415	490
Other	178	156	142	110	84
Subtotal, elementary, secondary, and vocational education	7,043	7,092	5,467	4,521	3,908
Higher education:					
Aid to students:					
Pell Grants	2,495	2,296	2,122	1,336	1,008
Campus-based aid	1,411	1,195	1,015	425	400
Guaranteed student loans:					
Existing law	2,259	3,039	3,313	3,616	3,948
Proposed legislation		−232	−762	−1,108	−1,445
General institutional assistance	256	315	277	121	108
Special institutions	206	224	241	231	225
Other	162	145	139	89	82
Subtotal, higher education	6,790	6,982	6,346	4,709	4,326
Research and general education aids:					
Educational research and statistics	61	91	106	68	62
Cultural activities	663	663	623	514	515
Other	500	550	544	471	449
Subtotal, research and general education aids	1,223	1,304	1,273	1,052	1,026
Subtotal, education	**15,056**	**15,378**	**13,086**	**10,282**	**9,260**
Training, employment, and labor services:					
Training and employment:					
General training and employment programs:					
Existing law	4,150	2,972	596		
Proposed legislation			900	2,250	1,800

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

(Functional code 500; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Special target groups:					
Existing law	874	692	94	.....	.....
Proposed legislation	.....	.....	180	200	200
Job Corps:					
Existing law	540	595	90	.....	.....
Proposed legislation	.....	.....	320	387	387
Public service employment	2,399	275	4	.....	.....
Work incentive program	381	269	11	.....	.....
Federal-State employment service	804	547	487	487	487
Other	93	90	81	71	70
Subtotal, training and employment	9,241	5,439	2,764	3,395	2,944
Other labor services:					
Existing law	587	584	635	644	648
Proposed legislation	.....	.....	−2	−2	−2
Subtotal, training, employment, and labor services	**9,828**	**6,023**	**3,397**	**4,037**	**3,590**
Social services:					
Social services block grant	2,646	2,912	1,974	1,974	1,974
Rehabilitation services	1,007	788	641	655	655
Community services programs	619	508	183	104	103
Child welfare block grant:					
Existing law	180	493	423	420	420
Proposed legislation	.....	.....	−40	−40	−40
Services for children, youth, and families	916	857	892	919	919
Services for the elderly and other special groups:					
Existing law	915	630	843	774	774
Proposed legislation	.....	.....	−4	−4	−4
Domestic volunteer programs	150	133	119	113	109
Other social services	97	81	69	66	65
Subtotal, social services	6,531	6,400	5,101	4,980	4,974
Deductions for offsetting receipts	−13	−31	−32	−33	−34
Total, outlays	**31,402**	**27,770**	**21,552**	**19,266**	**17,791**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Higher education:					
Budget authority	1,955	700	.....	.....	.....
Outlays	1,955	700	.....	.....	.....

Education

The Federal Government traditionally has had only a small role in the financial support of education. In 1981, only about 10% of the total national support for education came from the Federal Government. However, the Federal Government's influence on parental, State, and local education decisionmaking has been growing rapidly in recent years.

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The administration believes that Federal involvement should return to more traditional minimal levels. This budget includes proposals that would restore a more appropriate Federal-State balance and would substantially reduce the Federal regulatory burden imposed on States and localities. Two major grant consolidations are proposed; they are designed to give more discretion to States and localities. Significant reductions in funding for almost all programs are also requested.

The creation of the Department of Education symbolized the progressive intrusion of the Federal Government into an educational system that has drawn its strength from diversity, adaptability, and local control. Legislation is being transmitted to abolish the Department of Education, form a Foundation for Education Assistance, and transfer several programs to other agencies whose missions are more appropriate for these activities. The Foundation and the other proposals in this budget would affirm that the primary responsibility for education rests with parents, the States, and local school systems.

Programs administered by the Foundation for Education Assistance would emphasize:

- leadership that strengthens State, local, and private control;
- more family and private resource involvement in providing student financial assistance to needy college students and more aggressive policies to collect overdue loans;
- limited assistance to special student populations at the elementary and secondary school level and greater use of block and consolidated grants;
- research and limited data collection; and
- civil rights investigation and related activities, except enforcement, which would be transferred to the Justice Department.

Federal spending for 1983 is expected to continue its decline from the excessive levels reached in recent years. For 1983, the administration proposes $10.3 billion in budget authority for education programs, $2.8 billion less than is proposed for 1982. Outlays are estimated to be $15.4 billion for 1982 and $13.1 billion for 1983. These estimates assume Congressional approval of rescissions of $1.2 billion and supplemental requests—primarily for guaranteed student loans and for developing institutions—of $1.0 billion in 1982 budget authority.

The 1983 budget request includes:

- $4.4 billion in budget authority for elementary, secondary, and vocational education programs;
- $4.8 billion in budget authority for Federal assistance to support higher education; and
- $1.1 billion in budget authority for research and general education aids.

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Elementary, secondary, and vocational education.—Most of the funds requested in the 1983 budget for elementary, secondary, and vocational education are to assist States and localities in providing education to students within priorities determined locally.

Education for the disadvantaged.—The largest share of the funds for elementary and secondary education goes to States and localities for supplementary compensatory education services—such as special classes in reading and mathematics—to low-income, low-achieving students under Chapter 1 of the newly enacted Education Consolidation and Improvement Act (ECIA) of 1981. In the 1983-84 school year, approximately 13,800 school districts in all 50 States, the District of Columbia, Puerto Rico, and the outlying areas will participate in these programs, serving an estimated 4.3 million students. The 1983 request of $1.9 billion in budget authority is $539 million below the 1982 level.

State education block grant.—Chapter 2 of ECIA combines over 40 authorized categorical programs. (Only 27 of these programs were funded in recent years.) State and local education agencies will determine which of the Act's authorized activities most appropriately address local educational priorities. In 1983, $433 million in budget authority is requested for Chapter 2, $38 million less than is provided in 1982.

Indian education.—Budget authority of $308 million is requested for 1983 to support the education of Indians, $18 million less than in 1982. The Bureau of Indian Affairs (BIA) provides support for the education of Indian children through direct operation of 200 elementary and secondary schools, support of tribally operated schools, and financial assistance to public schools serving Indian children. BIA also assists Indian adults by providing financial assistance for higher education, by direct support of tribally operated post-secondary institutions, and by operating continuing education programs on many reservations. Under the administration's proposal to abolish the Department of Education, programs in this area that were formerly administered by the Department would be transferred to BIA.

Impact aid.—This program compensates local school districts whose revenues are reduced because the parents of school-aged children live or work on tax-exempt Federal property. Payments are made directly to the local districts, which use them for operating expenses and, in some cases, construction. The administration proposes to limit this assistance in 1983 to only those districts most directly affected by Federal activity. Payments would be made to districts only on behalf of children whose parents both live and work on Federal property. The Department of the Treasury would

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have primary responsibility for this program. Construction payments for schools serving military personnel would be transferred to the Department of Defense and are classified in the national defense function. Similarly, responsibility for construction of schools serving children living on Indian lands would be transferred to the Department of the Interior. The budget includes a request for 1983 budget authority of $289 million and estimated outlays of $359 million for impact aid payments, including program administration.

Education for the handicapped.—Federal funds from two sources help States and localities educate handicapped children. For 1983 the administration is proposing legislation to consolidate programs authorized by the Education of the Handicapped Act and activities for education of the handicapped funded under Chapter 1 of the Education Consolidation and Improvement Act of 1981 into one State block grant. Under this approach, States would be able to use funds more effectively and efficiently than in previous years because of reduced Federal restrictions and regulations. For 1983, $846 million in budget authority is requested, which is $54 million less than the $900 million in budget authority requested for the prior categorical programs in 1982, $116 million of which is shown under education for the disadvantaged.

Vocational and adult education.—Vocational education funds assist youth in preparing for careers and assist adults who are in need of training or retraining. These funds, currently provided under several categorical grants with overlapping purposes, are used by States and local agencies to teach work and work-related skills. The adult education program provides formula grants to States to reduce functional illiteracy. Legislation is proposed to consolidate vocational and adult education authorities into a simplified grant to the States, starting in 1983. This will enable States to select the appropriate mix of activities to address vocational and adult education issues in their areas. Budget authority of $500 million is requested for 1983, a $134 million decrease from 1982.

Higher education.—The administration requests $4.8 billion in budget authority and $6.3 billion in estimated outlays to support higher education activities in 1983.

Federal aid to postsecondary students helps qualified students enter and complete schooling beyond the twelfth grade. These grants, direct loans, loan guarantees, and work-study stipends have expanded from $250 million in budget authority in 1965 to $6.3 billion in 1981. Growth in these programs has been especially rapid in the last few years, as indicated by the accompanying chart.

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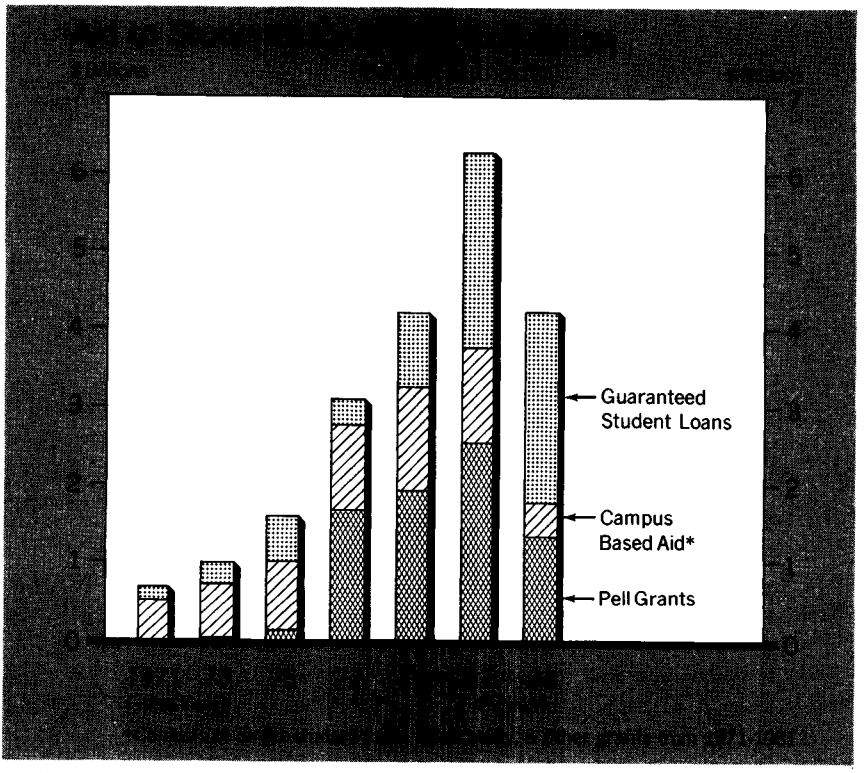
Included in the 1983 budget are proposals to control the rapid cost increases in student aid, especially in the guaranteed student loan program. Reforms will be proposed in the student loan programs, such as limiting participation to students with proven financial need and reducing the amount of Federal subsidy per loan. In addition, limits will be placed on Federal grant assistance and increases have been made in expected family and student contributions to educational costs.



Aid to students.—Aid to students includes all of the major student aid programs. Budget authority of $4.3 billion and estimated outlays of $5.7 billion are requested for 1983.

Pell Grants provide financial aid directly to undergraduate students and form the base upon which other financial aid is awarded. Students qualify for these grants under a needs analysis, performed uniformly nationwide, that takes into account the ability of the student's family to contribute to educational costs. The 1983 request of $1.4 billion in budget authority would allow a maximum award of $1,600 per eligible student, a decrease of $70 from the maximum award level proposed for 1982. In the 1983–84 school year, an estimated 1.8 million students would receive Pell Grants.

There are currently three *campus-based aid* programs: national direct student loans, college work-study, and supplemental educational opportunity grants. Under these programs, each institution

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determines a student's individual need under guidelines provided by the Federal Government. In 1983, the administration requests budget authority of $400 million for the college work-study program, which provides stipends to students who work while in school. The administration proposes to eliminate funding for the supplemental educational opportunity grant program and discontinue Federal contributions of capital funds to the national direct student loan program. Even without additional Federal capital contributions, repayments on prior-year loans will make available $435 million for the national direct student loan program, allowing 590,000 new loans.

The administration's 1983 request for the *guaranteed student loan program (GSL)* of $2.5 billion in budget authority and $2.6 billion in estimated outlays would provide new loans to 2.8 million undergraduate students and 1.4 million "auxiliary" loans to parents and graduate and professional students. Several reforms are proposed for the guaranteed student loan program in 1982 and 1983 to reduce future costs, provide help according to need, and produce a more equitable distribution of loans. These reforms would:

- increase the loan "origination fee" charged on new loans from 5 to 10%;
- apply the GSL need analysis to students from all income levels;
- allow graduate and professional students to borrow *only* under the much less subsidized auxiliary loan program;
- increase the insurance premiums paid on GSL's to the Federal Government by: (a) increasing the premium charged lending institutions in the federally insured loan program, which accounts for 5% of new loan volume, from ¼ to 1%, and (b) initiating a reinsurance premium charged State and private guarantee agencies, which account for 95% of new loan volume, equal to ½ of the yearly income of the agencies from the insurance premium these agencies charge their participating lending institutions; and
- limit special allowance payments to the in-school periods plus a 2-year period following graduation or withdrawal from school.

These proposals would save $232 million in estimated outlays in 1982 and $762 million in 1983. Even with these changes, $1.2 billion in estimated 1982 outlays are required by loan commitments made under prior agreements that allowed larger interest subsidies. Total outlays for this program are estimated to decrease from $2.8 billion in 1982 to $2.6 billion in 1983 and $2.5 billion in 1984.

General institutional assistance.—The major program in this area provides grants to strengthen institutions serving large num-

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bers of disadvantaged students, especially black colleges. Institutions receiving assistance have considerable flexibility in determining how funds will be used. Funds may provide support services to students, finance outreach efforts, or improve the administrative and academic capabilities of the institution. The budget proposes budget authority in both 1982 and 1983 of $130 million for this program. The request represents an increase of $10 million over the 1981 level. In addition, $9 million will be made available to establish an aerospace science and engineering education center at Tuskeegee Institute as a memorial to General Daniel James.

The administration has been particularly concerned with the level of support provided for traditionally black colleges. Federal outlays for education programs directly supporting black colleges are estimated to be $212 million in 1983, $26 million more than in 1982. In addition, black colleges will continue to receive a substantial amount of student financial assistance in 1983 under the administration's student aid proposals. These proposals focus aid on the lowest income students, who make up a significant proportion of the enrollment at these colleges.

Budget authority of $70 million is requested in 1983 for other general institutional assistance programs such as the higher education facilities loan and insurance program. The administration is proposing a 1982 rescission that would result in no funding for the following general institutional assistance programs: veterans cost of instruction, educational outreach, cooperative education, aid to land grant colleges, public service fellowships, mining fellowships, and law school clinical experience. No funding is requested in 1983 for these programs or for the graduate professional opportunities fellowships and the program for legal training for the disadvantaged. These programs were designed to serve special groups that are eligible for assistance under other higher education programs.

Special institutions.—The American Printing House for the Blind (classified in elementary, secondary, and vocational education), Gallaudet College, the National Technical Institute for the Deaf, and Howard University are private institutions that receive direct appropriations from the Federal Government. Under the administration's proposal for the Foundation for Education Assistance, funding for the special institutions, except Howard University, would be transferred to the Department of Health and Human Services in 1983. Howard University would be funded through the Foundation. In 1982, a supplemental request of $5.8 million in budget authority is included for Howard University to help overcome accreditation deficiencies. The 1983 request for the higher education special institutions is $222 million in budget authority and $241 million in estimated outlays, slightly higher than in 1982.

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Other.—Funds are made available to a variety of agencies and groups to provide support services that encourage the disadvantaged to enter or complete postsecondary education. In 1983, budget authority of $82 million is requested for these programs.

CREDIT PROGRAMS—EDUCATION

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Guaranteed student loans	238	410	548	7,762	9,500	10,300
Student financial assistance	183	179				
Guarantees of SLMA obligations [1]				1,955	700	
Other education	138	344	100			
Off-budget Federal entities: [2]						
Federal Financing Bank:						
SLMA obligations	1,955	700				
Subtotal, gross	2,514	1,633	648	9,717	10,200	10,300
Less:						
Guaranteed loans held as direct loans by the FFB:						
Guarantees of SLMA obligations				−1,955	−700	
Secondary guarantees:						
Guarantees of SLMA obligations				−1,955	−700	
Total, education	**2,514**	**1,633**	**648**	**5,807**	**8,800**	**10,300**

[1] Includes guarantees of direct loans made by the FFB shown below.
[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

Credit programs.—The major education credit program, the guaranteed student loan program, is expected to generate $10.3 billion in new guaranteed loan commitments in 1983. Federal capital contributions to the national direct student loan program, a part of aid to students, are proposed to be terminated. Other education credit would continue at stable levels with no new lending activities. Prior to 1983 the Federal Government has supported the guaranteed student loan program by granting Federal Financing Bank financing for the obligations of the Student Loan Marketing Association (SLMA), which provides a secondary market for student loans. Beginning in 1983, SLMA will finance its operations solely from private sources.

Research and general education aids.—The administration requests $1.1 billion in budget authority for educational research and statistics, cultural activities, and other general education, including the cost of administering programs.

The budget includes $62 million in budget authority for 1982 and 1983 educational research and development activities and for limited collection of educational statistics. The budget also requests $562 million in 1983 budget authority for cultural activities, including

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budget authority of $101 million for the National Endowment for the Arts and $97 million for the National Endowment for the Humanities. No funding is requested for the Institute of Museum Services, established as an independent agency in 1981. Funds for the Corporation for Public Broadcasting are provided 2 years in advance; this budget includes $110 million in budget authority for 1985, $27 million less than in 1983. These reduced levels of funding reflect the administration's intent to encourage direct beneficiaries and the private sector to make larger contributions to cultural activities. Budget authority of $227 million for the Smithsonian Institute is also requested in 1983.

Other research and general education aids includes the cost of administering programs in the Library of Congress, the Foundation for Education Assistance, and other independent agencies. Budget authority of $436 million is requested for these costs in 1983.

OUTLAYS FOR EDUCATION SUPPORTING OTHER MAJOR MISSIONS

(In millions of dollars)

Agency	1981 actual	1982 estimate	1983 estimate
Elementary and secondary education:			
Health and Human Services	616	406	282
Defense	633	685	733
Veterans Administration	242	250	223
Agriculture	4,009	3,266	3,213
Interior	16	18	20
Other	723	591	375
Subtotal, elementary and secondary education	6,239	5,216	4,846
Higher education:			
Health and Human Services	2,370	1,645	975
Defense	686	818	870
Veterans Administration	1,744	1,474	1,203
Agriculture	12		
Interior	53	53	47
Other	79	71	57
Subtotal, higher education	4,944	4,061	3,152
Other:			
Health and Human Services	423	325	236
Defense	701	812	939
Veterans Administration	187	149	111
Agriculture	298	320	317
Transportation	36	12	12
Justice	12	12	12
Labor	599	176	16
Other	154	150	170
Subtotal, other	2,410	1,956	1,813
Total	**13,593**	**11,233**	**9,811**

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Tax expenditures.—The major tax expenditures that aid higher education are the exclusion of interest on State and local student loan bonds, the personal income tax exemptions available to parents of children age 19 and over who are in school, the deductibility of charitable contributions to educational institutions, and employer educational assistance plans. The outlay equivalent estimates for these provisions in 1983 are $170 million, $1.0 billion, $940 million, and $55 million, respectively. Later in the year, the administration will transmit to the Congress a plan to implement a program of tax credits for families of tuition paying students.

Related programs.—Many Federal programs are related to education, although their primary purpose is to meet other national needs. For example, veterans readjustment benefits provide assistance to eligible veterans attending school. The Department of Defense operates the service academies and schools for the dependents of military personnel. The Department of Labor training programs previously authorized by the Comprehensive Employment and Training Act (CETA) were frequently conducted through State and local education agencies. CETA also provided special grants to be used by, or in cooperation with, education agencies to increase coordination between education and training programs. This coordination is expected to increase under the provisions of the block grant to States for training that will be proposed to replace CETA in 1983. The accompanying table shows major education-related programs that support other missions.

Training, Employment, and Other Labor Services

Programs that carry out the training and employment mission are intended to improve the operation of the labor market and enhance individuals' long-term employment and earnings prospects. Some programs provide training that is intended to develop and improve work skills or provide job counseling and labor exchange services that match workers and jobs. Other labor services programs include the regulation of employer-employee relations and the publication of labor statistics. The administration believes that most training and employment activities should be carried out by the private sector and that, in areas where potential workers lack basic skills required for entry-level jobs, training can best be provided by the States which are already responsible for vocational and adult education programs. Therefore, the budget includes $3.4 billion in estimated outlays for these activities in 1983, a reduction of $2.6 billion from the 1982 estimate of $6.0 billion.

Training and employment.—Beginning in the 1960's the Federal Government embarked on a series of initiatives that was based on the belief that normal market mechanisms would not work well

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enough to keep cyclical or structural unemployment at a socially acceptable level. As a result, the programs enacted were generally intended to improve the labor market position of the worst off in society through training, subsidized employment, counseling, and related activities. Outlays for training and employment programs increased steadily over the years from $194 million in 1962 to $9.2 billion in 1981, including large temporary increases for public sector jobs as part of the economic stimulus programs in 1977 and 1978.

The most recent in the panoply of major training and employment programs is the Comprehensive Employment and Training Act (CETA) of 1973. Originally intended to consolidate the myriad of categorical programs authorized by its predecessors into a block grant to local governments, CETA was continually amended so that the use of funds by local governments was restricted to several separate activities designed to provide specific services to narrowly defined population groups. The enactment of these special categorical programs, first for public service jobs and later for various youth activities, thwarted CETA's original purpose of allowing States and localities to carry out programs to meet the particular needs of their citizens, created severe administrative burdens for grant recipients, and often precluded the development of efficient and effective programs.

The authority for CETA appropriations expires at the end of fiscal year 1982. Initiatives undertaken in 1981 to phase out the public service jobs programs were a first step in eliminating the categorical grants under CETA and restoring the training and employment programs to their original purpose of improving long-term employability by providing the disadvantaged with skills that are marketable in the private sector. For 1983, the administration is proposing legislation to replace the expiring CETA. This proposal would:

- consolidate current training and employment categorical grant programs into a block grant to the States for training;
- continue the Job Corps residential training program, which serves the most educationally and economically disadvantaged youth; and
- provide authority for Federal training programs for special target groups that have the most difficulty establishing or maintaining ties to the labor market.

The last authority would permit the Federal Government to continue serving such groups as Indians, seasonal farmworkers, older Americans, and those displaced from jobs by changing patterns of international trade.

General training and employment programs.— The block grant proposed for 1983 would accomplish several purposes. First, it

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would remove the artificial categorization of Federal assistance that has prevented recipients from using grant resources to address their most pressing training and employment problems. Programs, service mix, and geographical areas and the types of people served can then vary from State to State depending on economic situations within the State and on the degree States choose to coordinate other training, education, and labor market services with the block grant training resources. Second, by directing resources to the States, the legislation would permit increased coordination among programs intended to provide training and to improve the operation of the labor market, such as vocational and adult education and the employment service, which are already primarily the responsibility of State governments. Third, the payment of training stipends, which may now supplant regular income maintenance, would be eliminated. These stipends often have enticed people to enter training programs for short-term income rather than long-term earnings or employability gains. This would assure that those who participate in training are those most serious about improving their skills. Although few restrictions on the use of funds will be included in the proposed legislation, no Federal funds could be used for public service employment or work experience activity.

Outlays for the block grant for training and employment are estimated to be $900 million in 1983. Outlays for prior CETA grants are expected to be $596 million in 1983. Total outlays will be $1.5 billion less than in 1982.

Special target groups.—The Federal Government finances other training and employment services in addition to the grants to States and local prime sponsors authorized under CETA. These programs have been primarily for groups that have special difficulty in forming permanent attachments to the labor force or who have experienced sudden and severe changes in their labor market status. The administration's legislative proposal for training and employment programs in 1983 will include a nationally-administered program authorizing the provision of training and employment services to special target groups. Included among these target groups could be older workers, Indians and other Native Americans, migrants, and other groups such as displaced homemakers or experienced workers dislocated due to increased imports. Because older workers could be served under this proposal, separate funding for the community service employment program for older Americans is not requested in 1983. Outlays for these programs are estimated to be $274 million in 1983, a decrease of $418 million from 1982; $180 million of these outlays in 1983 would be from the new program.

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Job Corps.—The Job Corps residential training program would be reduced from an expected enrollment of 32,000 at the end of 1982 to a level of 22,000 at the end of 1983. This end-of-year level is roughly equal to service levels achieved during most of the 1970's. Unit costs would be held to a minimum through such actions as closing federally operated centers, which are more expensive than centers operated by private contractors. The administration expects to request budget authority of $387 million for the Job Corps under the new legislation in 1983.

Public service employment.—Two public service employment programs under CETA provided temporary, federally subsidized employment for low-income, unemployed persons in public or nonprofit agencies. These programs failed as countercyclical stimulus programs, often replaced local resources that could otherwise have been used for any necessary work that these employees might have performed, and were generally less successful than other CETA components in preparing the structurally unemployed for jobs in the private sector. These programs were phased out in 1981. A freeze on new hiring was imposed in March; all participants had left their federally subsidized jobs by September 30, 1981. Outlays of $275 million are estimated for 1982 for the cost of closing out both public service employment programs.

Work incentive (WIN) program.—The WIN program has provided persons receiving aid to families with dependent children (AFDC) training, job counseling, and labor market services. The administration is proposing to terminate this program at the end of 1982 and, in its place, is proposing comprehensive social welfare amendments that would require States to establish a community work experience program (CWEP). This program would provide able-bodied AFDC recipients with public sector work assignments and would require recipients to work enough hours to offset their welfare benefit calculated at the minimum wage. Passage of this proposal would make WIN unnecessary. (This proposal is described more fully in the income security function, where outlays for the new program are classified.) Outlays connected with WIN program termination in 1983 are estimated to be $11 million.

The Omnibus Budget Reconciliation Act of 1981 authorized States to elect to participate in a 3-year WIN demonstration program in lieu of their regular WIN program. Resources for continuing these demonstrations or other WIN-type activities in 1983 would be available under the block grant to States for social services. The WIN tax credit is discussed under tax expenditures.

Federal-State employment service.—Job matching services are provided for job seekers and employers free of charge by State

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employment service agencies financed by Federal grants. During 1981, the employment service began a redirection of its job finding services to focus on those who most need assistance and to provide others with the basic tools necessary to carry out their own search for jobs. Staff levels are being reduced in 1982 and 1983 as available Federal resources decline. The 1983 request for grants to States for employment services, combined with the grants to operate the State unemployment insurance offices, is the maximum permitted by law, given the anticipated level of receipts of Federal unemployment taxes available for this purpose. Budget authority of $487 million is requested for the Federal and State cost of administering the employment service in 1983, $60 million less than in 1982.

Other labor services.—The Federal Government establishes and enforces standards affecting the relationship between employers 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, regulation of the equal employment practices of Federal contractors, and assurances that election of labor union officials are democratic and that such officials do not abuse their stewardship. In addition, employment and unemployment statistics and data on wages, prices, and productivity are collected and disseminated. Outlays for these activities are estimated at $633 million in 1983.

Job safety and health activities are included in the health function; activities relating to job discrimination on the basis of race, age, or sex are included in the administration of justice function.

Tax expenditures.—The tax code provides incentives for employers to hire disadvantaged individuals and recipients of 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 jobs tax credit provides employers with a credit of 50% of the first $6,000 of a covered employee's wages in the first year and 25% in the second year. This credit was reauthorized and amended by the Economic Recovery Tax Act of 1981. The Act extends the life of the tax credit through December 31, 1982, and allows a 2-year tax credit to an employer for each qualified employee who begins work before January 1, 1983. The previous categories of economically disadvantaged individuals eligible for the program were retained (youth ages 18 to 25, Vietnam veterans, general assistance and SSI recipients, cooperative education students, ex-offenders, and handicapped individuals undergoing vocational rehabilitation). WIN registrants and individuals involuntarily terminated from CETA public service employment programs were added,

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thereby replacing the WIN tax credit. In addition, two failings of the previous tax credit were addressed: retroactive certifications of workers are limited, and cooperative education students are not eligible for the credit unless they are economically disadvantaged. The outlay equivalent estimate for the targeted jobs credit is $200 million in 1983.

Employment is also encouraged by a credit for 20% of child care expenses incurred to allow people with dependent children to work. The Economic Recovery Tax Act of 1981 increased the child care credit to 30% for taxpayers with incomes of $10,000 or less. The Act also increased the maximum credit per year from $400 to $480 for one child and from $800 to $960 for 2 or more children. The outlay equivalent estimate for this credit is $2.0 billion in 1983.

Training and employment-related programs.—A number of Federal programs are related to training and employment, although their primary purpose is to meet other national needs and serve other missions. The following table shows major training and employment-related programs that support other national needs. The table does not include programs that are primarily for economic development.

TRAINING AND EMPLOYMENT OUTLAYS IN OTHER NATIONAL NEEDS

(In millions of dollars)

National needs	1981 actual	1982 estimate	1983 estimate
Natural resources and environment	19	7	
Community and regional development	29	26	22
Education	1,209	1,533	1,110
Social services [1]	1,150	981	796
Income security	33	152	22
Veterans benefits and services	516	521	457
Administration of justice	139	148	150
All other	237	213	210
Total	**3,332**	**3,582**	**2,769**

[1] Assumes service mix in social service block grant identical to predecessor programs.

Social Services

The Federal Government provides funds to States and to local public and private institutions for a variety of social services. These services are primarily designed to meet the needs of low-income people, children and youth, the elderly, the disabled, and other groups with special needs. Many of these programs are more appropriately administered by States, localities, or private groups who are much better able to judge local needs. In 1981, the administration proposed, and Congress enacted, legislation to consolidate many of these programs. This not only enhances State flexibility to target resources where they are most needed but also permits

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significant efficiencies and savings in program administration. The administration is proposing additional consolidations for 1983. Outlays for social services are estimated to decrease from $6.4 billion in 1982 to $5.1 billion in 1983.

Social services block grant.—The Omnibus Budget Reconciliation Act of 1981 created a block grant for social services that consolidated several social services related activities. States have wide discretion in determining the types of services offered and who is eligible to receive them. The broad array of services provided by the States includes child day care, foster care, child protective services, homemaker services, family planning, preparation and delivery of meals, transportation, counselling, legal services, and substitute care and day care for adults. Funds may be used for State and local administrative costs, including planning, evaluation, staff training, and conferences or workshops. The funds are distributed among the States on the basis of population.

States also have the flexibility of transferring up to 10% of any block grant allotment to other block grants, which support health services, health promotion and disease prevention activities, or low-income home energy and emergency assistance.

Budget authority of $2.0 billion is requested for the social services block grant in 1983, $0.4 billion less than 1982.

Rehabilitation services.—In 1983, under the administration's Foundation for Education Assistance proposal, rehabilitation services programs formerly administered by the Department of Education would be transferred to the Department of Health and Human Services. This includes the National Institute for Handicapped Research, which is now shown in "other social services."

Budget authority of $637 million is requested in 1983 for rehabilitation services. The administration will propose legislation to consolidate the many categorical programs in this area. Federal funds support a variety of services designed to help disabled individuals become self-sufficient. Reduced Federal restrictions and regulations would allow States and social services agencies to use these funds more effectively and efficiently than in prior years.

Community service programs.—In 1983, budget authority of $104 million is requested for community services programs, including $100 million for grants to States under the newly authorized community services block grant. These funds would provide community-based services that could have a major impact on the causes of poverty. Community services programs assist poor persons in a variety of areas such as employment and education. These programs use a wide range of services including those provided by the private sector.

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Estimated outlays for community services programs in 1983 include $100 million for the community services block grant and $33 million for the unexpended obligations of the *Community Services Administration*, which was terminated on September 30, 1981. These funds will be used for final payments for CSA grant activities financed from appropriations in earlier years and will be administered by the Department of Health and Human Services.

Child welfare block grant.—Legislation is being proposed to consolidate child welfare services, child welfare training, foster care, and adoption assistance into one child welfare block grant. Budget authority of $380 million in 1983 is requested for this grant program, a decrease of $85 million from 1982. The block grant would support State services that are designed to strengthen and reunite families and place children promptly and permanently in adoptive homes when they cannot be reunited with their families. (The 1982 amounts for child welfare shown here exclude $300 million that is shown in the income security function.)

Services for children, youth and families.—These programs are designed to improve the quality of services for children and to protect neglected, abused, and homeless children. Budget authority of $923 million is requested for these programs in 1983, a slight decrease from 1982. For 1983, budget authority of $912 million is requested for *Head Start*, which assists local community groups in providing comprehensive services for low-income pre-school children and their families. This level will allow the program to maintain enrollment of 377,300 children and will enable local projects to reduce overcrowding in *Head Start* classrooms.

Services for the elderly and other special groups.—For 1983, the budget requests budget authority of $774 million for social services for elderly people and other special groups, a slight decrease from 1982.

Grants are made to State and area agencies on aging to assist in financing a range of services to older Americans, particularly those with the greatest economic and social need. State and area agencies analyze and evaluate the need for services, act as advocates on behalf of the elderly, furnish technical assistance to service providers, and help to coordinate systems of services for older people. Services delivered locally include transportation, information and referral, legal, and community services in addition to a variety of services provided in the home.

These services include nutrition projects for the elderly, which finance meals served in a group setting or delivered to the homebound elderly. Budget authority of $390 million is requested for

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these projects in 1983, the same as the 1982 level. The 1983 request would finance approximately 608,000 meals daily.

Domestic volunteer programs.—ACTION, a Federal agency for volunteer programs, supports Foster Grandparents, the Retired Senior Volunteer Program (RSVP), Senior Companions, and programs to stimulate volunteer services. In 1983, 345,200 RSVP volunteers are expected to work on community needs, 18,100 foster grandparents are expected to serve 54,000 children with special needs, and 4,100 senior companions are expected to provide long-term care to 14,500 frail and elderly people. No budget authority is requested for the Volunteers in Service to America (VISTA) program for 1983. ACTION will encourage volunteer service through technical assistance, demonstrations, and small grants and will support groups of Vietnam veterans to help other veterans of the Vietnam war with problems stemming from their military service. Outlays for ACTION are estimated to decrease from $133 million in 1982 to $119 million in 1983.

Other social services.—Budget authority of $59 million is requested in 1983 to support research, demonstration, training and technical assistance, and evaluation activities in a variety of human services areas. These include the abuse and neglect of children, day care, placing children who are difficult to adopt, information systems, service delivery, strengthening family and community support systems, and the National Institute for Handicapped Research, which develops rehabilitation methods and equipment for the disabled.

Tax expenditures.—The provision of social services by a wide variety of private institutions is encouraged by the tax deductibility of contributions to those institutions. The outlay equivalent estimate for charitable contributions, other than to educational and health institutions, is $8.1 billion in 1983.

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HEALTH

National Needs Statement:

- Promote the health of the population.

The Federal Role in Meeting the Need:

- Promote competition to reduce the rate of inflation in health care costs.
- Improve the efficiency and effectiveness of Federal health care programs.
- Support health care for the poor.
- Promote preventive health and health maintenance measures.
- Acquire knowledge regarding the causes, prevention, and treatment of disease.

The administration has begun to restructure the Federal role in financing and providing health care services. The Omnibus Budget Reconciliation Act of 1981 included a number of the administration's proposals that will help to reduce Federal regulation and control over the provision of health services. This budget proposes more changes to:

- *Moderate the excessive rate of increase in health care costs through improvement of market forces.* In support of the objective of strengthening market forces in health care, the administration is proposing elimination of ineffective Federal regulatory activities, including the health planning and professional standards review organization (PSRO) programs. Later this year the administration will propose major reforms of the current health care financing system to introduce more price discipline into the health care market and moderate the explosive growth of health care costs.
- *Reform the Federal health care financing programs to increase their effectiveness and efficiency.* Proposed reforms of the medicaid program emphasize greater program efficiency and effectiveness. Proposed reforms of the medicare program emphasize increased program efficiency, reductions in excessive reimbursements to providers of health care, more appropriate beneficiary financing of program activities, and greater competition in the medicare market.
- *Reorganize health services to deliver care more effectively.* The Omnibus Budget Reconciliation Act of 1981 consolidated 21 categorical health programs into 3 health block grants in

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1982—for maternal and child health, preventive care, and mental health and substance abuse—with a fourth block grant for primary care authorized to begin in 1983. For 1983, the administration is proposing to consolidate additional programs into the block grants to improve primary care and services for women, infants and children.

- *Expand research and education efforts throughout the Federal Government to promote health and to prevent illness, accidents and premature death.* Increased budget authority is requested to expand the resources available for basic and clinical research. Increased budget authority is also requested for health promotion and disease prevention programs.

In 1984, under the administration's federalism initiative, financial responsibility for the total medicaid program would be assumed by the Federal Government in exchange for the States assuming the responsibility for the aid to families with dependent children and food stamp programs. In addition, the responsibility for the health block grants and several other small health grants is proposed to be shifted from the Federal Government to State governments. This initiative would begin in 1984 and be phased in over 4 years. The federalism initiative is discussed in more detail in Part 3 of the *Budget.*

Health care services.—About 93% of Federal outlays for national health needs is devoted to the mission of financing and providing health care services directly to individuals. Federal outlays for health care services are estimated to rise from $68.0 billion in 1982 to $72.7 billion in 1983 and $79.6 billion in 1984, despite proposed savings.

Medicare and medicaid.—Medicare and medicaid outlays, which finance health care services for poor, disabled, and aged Americans, are estimated to be $72.4 billion in 1983 (prior to deduction of offsetting premiums and collections), including proposed legislative savings of $3.6 billion. Medicare outlays are estimated at $55.4 billion in 1983 (prior to deduction of offsetting premiums and collections), including proposed legislation of $1.7 billion in savings. These outlays are expected to finance services for 26 million aged and 3 million disabled Americans. Estimated medicaid outlays of $17.1 billion in 1983, with an additional $15.5 billion provided by States, are expected to finance care for 22 million poor Americans. Medicare and medicaid together are expected to aid nearly one in every five Americans in 1983.

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NATIONAL NEED: HEALTH

(Functional code 550; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Health care services:					
Medicare:					
Hospital and supplementary medical insurance:					
Existing law	45,292	55,846	61,293	67,768	76,127
Proposed legislation		17	−1,910	−10,273	−8,180
Premiums and collections:[1]					
Existing law	−3,340	−3,862	−4,418	−4,922	−5,387
Proposed legislation		6	26	28	32
Subtotal, medicare	41,952	52,007	54,991	52,601	62,592
Medicaid:					
Existing law[2]	17,530	18,492	14,427	20,913	24,092
Proposed legislation		−451	−1,432	−2,216	−3,617
Health blocks grants:					
Existing law		861	1,193	1,193	1,193
Proposed legislation			741	741	741
Other health care services:					
Existing law	3,980	3,047	2,551	2,803	3,261
Proposed legislation			−3	−3	−3
Subtotal, health care services	63,462	73,955	72,468	76,032	88,260
Health research:					
National Institutes of Health research	3,352	3,442	3,554	3,554	3,554
Other research programs	405	381	416	416	416
Subtotal, health research	3,757	3,824	3,969	3,969	3,969
Education and training of the health care work force:					
Research training	238	215	212	212	212
Clinical training	427	245	125	125	125
Subtotal, education and training of the health care work force	665	460	337	337	337
Consumer and occupational health and safety:					
Consumer safety:					
Existing law	708	668	712	704	700
Proposed legislation			−2		
Occupational safety and health:					
Existing law	369	344	351	354	356
Proposed legislation			−9	−14	−14
Subtotal, consumer and occupational health and safety	1,077	1,012	1,052	1,043	1,041
Deductions for offsetting receipts	−25	−16	−17	−14	−14
Total, budget authority	**68,936**	**79,234**	**77,808**	**81,367**	**93,593**

[1] Includes voluntary enrollee premiums for medicare coverage.
[2] The large decrease in 1983 budget authority is due to a transitional quarter resulting from a technical change in the appropriations language.

The Omnibus Budget Reconciliation Act of 1981 established target rates of medicaid cost increases to encourage the States to limit the program's explosive growth. States above the target will have their Federal matching funds reduced, to the extent that they

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NATIONAL NEED: HEALTH—Continued

(Functional code 550; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Health care services:					
Medicare:					
Hospital and supplementary medical insurance:					
Existing law	42,489	49,800	57,099	65,379	75,094
Proposed legislation		−248	−1,747	−4,201	−6,729
Premiums and collections: [1]					
Existing law	−3,340	−3,862	−4,418	−4,922	−5,387
Proposed legislation		6	26	28	32
Subtotal, medicare	39,149	45,696	50,960	56,284	63,010
Medicaid:					
Existing law	16,948	17,888	18,959	20,910	24,092
Proposed legislation			−1,883	−2,216	−3,617
Health block grants:					
Existing law		761	1,052	1,193	1,193
Proposed legislation			650	741	741
Other health care services:					
Existing law	4,254	3,617	2,937	2,644	2,783
Proposed legislation				−2	−3
Subtotal, health care services	60,351	67,961	72,675	79,554	88,199
Health research:					
National Institutes of Health research	3,394	3,422	3,515	3,550	3,554
Other research programs	442	417	427	416	417
Subtotal, research programs	3,836	3,839	3,941	3,966	3,970
Education and training of the health care work force:					
Research training	236	217	206	207	208
Clinical training	543	420	245	157	132
Subtotal, education and training of the health care work force	779	637	451	364	340
Consumer and occupational health and safety:					
Consumer safety:					
Existing law	688	677	716	707	702
Proposed legislation			−2		
Occupational safety and health:					
Existing law	353	339	349	354	355
Proposed legislation			−8	−14	−14
Subtotal, consumer and occupational health and safety	1,042	1,017	1,055	1,047	1,043
Deductions for offsetting receipts	−25	−16	−17	−14	−14
Total, outlays	65,982	73,437	78,105	84,917	93,539

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NATIONAL NEED: HEALTH—Continued

(Functional code 550; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Health care services:					
Budget authority	15	28	16		
Outlays	8	22	11	−5	−5

[1] Includes voluntary enrollee premiums for medicare coverage

are unsuccessful in slowing the rate of increase in program costs. The Congress also adopted a number of the administration's proposals to increase the ability of States to manage their programs more efficiently and effectively, and to assure continuance of basic health care services to welfare recipients. Administration proposals for reducing medicare reimbursement to health providers, as well as a number of other economies designed to increase program economy or effectiveness, were also enacted. The accompanying table displays savings proposals in medicare and medicaid adopted in the 1981 Reconciliation Act.

The 1983 budget proposes additional measures to achieve savings in medicaid and medicare. Those measures are discussed below and displayed in an accompanying table.

Medicaid reform proposals have three major emphases:

- Program *efficiency* would be improved by eliminating the unnecessary Federal match for State payment of medicare premiums, requiring beneficiaries to contribute a modest payment for use of medicaid services, reducing the length of automatic eligibility extensions for those who find private employment, and gradually eliminating Federal matching payments for State payment errors.
- States would be provided *incentives to improve program effectiveness* by proposals such as eliminating higher matching for particular medicaid services, and reducing Federal matching payments for optional services and beneficiaries. In addition, Federal support for administrative costs will be consolidated into a single payment to States for the administration of medicaid, food stamps, and aid to families with dependent children. This proposal is discussed in the income security function under combined welfare administration.
- States would be given *flexibility to reduce inappropriate expenditures* by such proposals as increasing States' ability to collect long-term care expenditures from beneficiaries' estates and from relatives.

Medicare proposals emphasize:

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1981 BUDGET RECONCILIATION ACT OUTLAY SAVINGS

(In millions of dollars)

	1983 estimate	1984 estimate	1985 estimate
Medicaid:			
Reduce the Federal match in 1982–1984 and impact of other welfare program changes	−696	−835	−3
Medicare:			
Lower the routine hospital cost reimbursement limit to 108 percent of the average for similar hospitals	−43	−39	−38
Lower home health agency (HHA) reimbursement limit to the 75th percentile of similar HHAs	−14	−16	−18
Reduce the hospital nursing cost reimbursement bonus from 8 percent to 5 percent of costs	−65	−74	−84
Increase the hospital insurance (HI) deductible	−305	−360	−410
Repeal the coverage of outpatient alcohol detoxification facilities	−90	−110	−120
Base coinsurance on deductible in the year the expense was incurred	−10	−10	−10
Eliminate the 80 percent occupancy test for hospital reimbursement based on level of care	−5	−5	−10
Increase the supplementary medical insurance (SMI) deductible to $75	−210	−240	−250
Eliminate the SMI deductible carry-over from one year to the next	−55	−55	−55
Eliminate unlimited open enrollment in SMI	−10	−11	−13
Adjust for interactive effects of changes	−10	−15	−15
Total	**−1,513**	**−1,770**	**−1,026**

- *Improvement in market forces in the health care industry.* The administration is currently developing health care financing reforms to eliminate perverse characteristics of the health care market and of medicare which have contributed to excessively high health care costs. These reforms are expected to reduce the rate of medicare cost inflation beginning in 1984. Reforms proposed for 1983 include: indexing the supplementary medical insurance (SMI) deductible to the CPI, coordinating medicare benefits with employment-based group insurance for the working aged, initiating co-payments for home health agency (HHA) services, establishing medicare coverage at the beginning of the first full month of eligibility, and fully integrating Federal employees into medicare through payment of the medicare tax.
- *Improved program efficiency.* Excessively long hospital stays and unnecessary utilization of services would be reduced through better claims review and through tightening current rules which encourage providers to render unnecessary care. The cost effectiveness of the billing process would also be improved.

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- *Reduction in excessive reimbursement for providers.* The administration proposes such reforms as eliminating unintended subsidies for private rooms, reducing duplicate payments to physicians, and reducing the rate of increase of maximum physician reimbursements. Other proposals would eliminate the unwarranted distinction between hospital-based and independent facilities, reimburse radiologists and pathologists on the same basis as other physicians and impose an interim 2% reduction in hospital reimbursements until forthcoming administration proposals to improve market forces in health care can reduce the rate of increase in industry costs.

The table below displays the medicare and medicaid savings proposals.

PROPOSED HEALTH CARE FINANCING PROGRAM OUTLAY SAVINGS AND REVENUE INCREASES

(In millions of dollars)

	1983 estimate	1984 estimate	1985 estimate
Medicaid:			
Proposed legislation:			
Require beneficiary co-payments	−329	−370	−415
Eliminate Federal matching for State payment of beneficiary medicare premiums	−203	−216	−230
Eliminate special medicaid matching rates	−64	−70	−81
Allow State flexibility to recover long term care expenditures from beneficiary estates and relatives	−183	−200	−221
Reduce automatic extension of Medicaid eligibility for AFDC cases dropped from the rolls from 4 months to 1 month	−75	−85	−95
Reduce Federal matching for optional services and beneficiaries by 3 percent	−600	−670	−740
Phased-in elimination of Federal matching for Medicaid payment errors	−59	−130	−225
Medicaid impact of AFDC changes	−153	−170	−190
Eliminate hospital utilization review requirement in conjunction with PSRO phase-out	−16	−17	−17
Medicaid impact of SSI proposals	−176	−328	−527
Extension of Reconciliation Act savings			−930
Impact of medicare proposals on medicaid	−25	+40	+54
Subtotal, Medicaid proposed legislation	−1,883	−2,216	−3,617
Administrative and other reductions:			
Allow State flexibility to recover LTC costs from relatives	−100	−116	−128
Establish limit on State administrative costs [1]	(−218)	(−284)	(−393)
Subtotal, Medicaid administrative action	−100	−116	−128
Total, Medicaid	−1,983	−2,332	−3,745
Medicare:			
Proposed legislation:			
Update medicare physician fee limits in October rather than July	−210	−235	−230
Repeal mandated State facility review	−10	−10	−10

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PROPOSED HEALTH CARE FINANCING PROGRAM OUTLAY SAVINGS AND REVENUE INCREASES—Continued

(In millions of dolars)

	1983 estimate	1984 estimate	1985 estimate
Index SMI deductible to the CPI	−65	−145	−230
Conform radiologist-pathologist reimbursement to that for other physicians	−160	−210	−250
Begin medicare coverage with the first day of the first full month of eligibility	−145	−183	−217
Establish an interim 2 percent reduction in medicare hospital reimbursement	−653	−850	−950
Eliminate reimbursement for provider delivery of uncovered services	−10	−10	−10
Repeal the PSRO program and provider utilization review requirement	−83	−86	−89
Cut projected increase in physician fee screen from 8 percent to 5 percent	−35	−45	−55
Establish coinsurance for home health agency services	−35	−55	−60
Make medicare coverage secondary to private group insurance for the working aged	−306	−393	−450
Adjust for other proposals	−36	−29	−78
Reform health care financing (future legislation)		−1,950	−4,100
Subtotal, Medicare proposed legislation	−1,747	−4,201	−6,729
Administrative and other reductions:			
Eliminate subsidy for private hospital rooms	−54	−75	−80
Set single reimbursement limits for hospital-based and free-standing facilities	−18	−46	−46
Improve contractor utilization review activities	−362	−405	−460
Eliminate duplicate payments for physicians in hospital outpatient departments	−160	−225	−270
Establish prospective reimbursement rates for renal dialysis services	−130	−179	−224
Subtotal, Medicare, administrative action	−724	−930	−1,080
Revenue increase:			
Integrate Federal workers into medicare hospital insurance [2]	−619	−844	−933
Total, Medicare deficit reduction [3]	−3,090	−5,975	−8,742

[1] Savings included in the income security function.
[2] Revenues from imposition of HI tax.
[3] Excludes offsetting premiums and collections.

Health block grants.—Budget authority for health block grants is proposed to increase from $0.9 billion in 1982 to $1.9 billion in 1983, as a result of additional programs being consolidated into these grants.

The 1981 Reconciliation Act consolidated an initial 21 categorical programs into 4 block grants. Enactment of these block grants was a critical step toward accomplishing the President's goals of restoring a more appropriate balance among the levels of government and encouraging more efficient and effective use of health resources. The block grants will serve program purposes similar to the categorical programs consolidated, but will allow States flexibility to coordinate and improve the effectiveness of services for their citizens. The block grants streamline program administration by reducing unnecessary Federal regulatory, legal, and reporting

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requirements previously imposed on States and grantees. Duplicative and low-priority programs can be eliminated, while gaps in needed local services can be filled.

The administration is proposing legislation to consolidate an additional four programs into these grants.

- *Services for women, infants, and children block grant (formerly maternal and child health).*—For 1982, this block grant consolidated seven Federal categorical grant programs. It is enabling States to assist and improve the health of mothers and children through a State-administered program. For 1983, the administration proposes an expansion of the maternal and child health block grant to include the women, infants, and children (WIC) nutrition program formerly classified in the income security function, and a change in the name of the program to "Services for women, infants and children." Evidence indicates that improvement in health status is much greater when supplemental nutrition is combined with improved access to health care than when provided alone. The 1983 request for budget authority for this block grant is $1.0 billion.
- *Health prevention and services block grant.*—This block grant consolidated eight categorical grant programs into one program that emphasizes services to prevent unnecessary injury, illness, and death. For 1983, the administration is requesting $83 million in budget authority for this block grant.
- *Alcohol, drug abuse, and mental health block grant.*—Five categorical grant programs were consolidated in this block grant, which emphasizes substance abuse—drugs and alcohol—and mental health services. The administration is requesting $433 million in budget authority in 1983 for this program.
- *Primary care block grant.*—This block grant will enhance the ability of States to provide primary care services to populations in need by converting the categorical community health centers (primary care) program into a block grant to States beginning in 1983. The administration proposes to expand this block grant to include categorical programs for black lung clinics, migrant health, and family planning. The total budget authority requested for 1983 is $417 million.

Other health care services.—In order to promote competition in health care, the budget reflects proposed legislation to continue the phaseout of the health planning program, which bars market entry to providers, and the phaseout of direct Federal subsidies for the professional standards review organization (PSRO) program. Legislation will also be proposed to assist federally-funded health maintenance organizations (HMOs) to compete by removing unnecessary

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Federal requirements, thus allowing a phaseout of Federal grant and loan subsidies.

For 1983, the administration is requesting $68 million in budget authority for the direct Federal subsidy to St. Elizabeths Hospital (SEH)—a reduction of $27 million from the Federal subsidy level of $95 million projected for this program in 1982. Federal employees at SEH will be actively working with the District of Columbia (D.C.) to place in the community the patients for whom inpatient psychiatric care is less appropriate than community care. In 1983, this budget proposes that the hospital bill D.C. and Federal agencies for the cost of SEH care for individuals for whom they are responsible. The administration is also considering the development of legislation to establish a corporation to manage the hospital.

The administration requests budget authority for the Indian Health Service at a level of $600 million in 1982 and $613 million in 1983, and for the National Health Service Corps at a level of $95 million in 1982 and $103 million in 1983.

Federal expenditures to cover the Government's share of health insurance premiums for its employees and annuitants enrolled in the Federal Employees Health Benefits program (FEHB) are estimated at $2.5 billion in 1982 and $3.2 billion in 1983. These estimates include $0.9 billion in 1982 and $1.1 billion in 1983 shown in this function; the remaining agency contributions to health care funds are shown in the table at the end of this function displaying health-related outlays. The administration intends to strengthen the FEHB program through administrative improvements which will capitalize on its uniqueness in providing for participant choice among a number of health plans. Reform proposals also will be developed to moderate the growth of health care costs.

Tax expenditures.—Federal tax laws help finance health care by allowing employees to exclude from their taxable income the insurance premiums paid by their employers. The outlay equivalent estimate for this provision is $21.5 billion for 1983. Individuals also are permitted to itemize as deductions certain expenses for health care and premiums paid for health insurance. In 1983, the outlay equivalent estimates of these tax deductions are $4.2 billion. In addition, health-related charitable contributions result in an outlay equivalent estimate in 1983 of $1.4 billion and the exclusion of interest on State and local hospital bonds results in an outlay equivalent estimate of $845 million. Tax expenditures for health total $28.1 billion in 1983.

Health research.—The Federal Government provides approximately two-thirds of the total funds devoted to health research in the country. The budget proposes to increase budget authority for

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health research from $3.8 billion in 1982 to $4.0 billion in 1983. These funds will support primarily basic biomedical research conducted by the National Institutes of Health. Support will be provided for such activities as research project grants, research centers, training of biomedical scientists, and the NIH intramural research program. Funds are also requested for continued support of research on chemical and related behavioral disorders, such as mental illness and alcohol and drug abuse, as well as health services research and health statistical activities.

Education and training of the health care workforce.—In 1983, $212 million in budget authority is requested for the support of about 10,000 research trainees. Because the supply of most health care professionals is now adequate and Federal support for clinical training is therefore no longer essential, budget authority requested for clinical training of health care professionals decreases from $245 million in 1982 to $125 million in 1983.

Consumer and occupational health and safety.—Budget authority of $1.1 billion in 1983 is requested for protecting consumers from unsafe and defective products and for protecting workers from occupational hazards. This is $40 million above the 1982 budget authority.

Consumer safety.—Budget authority for consumer safety activities is proposed to increase from $668 million in 1982 to $710 million in 1983. Funding would support research, dissemination of information, and regulatory measures to protect consumers from unreasonable consumer product risks. Inspection activities to assure the safety and efficacy of drugs and medical devices and the safety of foods would be continued.

Occupational safety and health.—The budget includes $342 million in budget authority to improve occupational safety and health in 1983, $2 million below the 1982 level. The Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) in the Department of Labor issue and enforce standards to eliminate workplace hazards causing injury, illness, or death. During 1982 and 1983, both OSHA and MSHA will continue efforts to revise or eliminate standards that burden employers more than needed to protect workers. These efforts will focus resources on those activities most likely to ensure safe and healthful working conditions. Cooperative programs providing voluntary assistance to employers in complying with regulations, without the threat of penalties, will be expanded. For 1983, legislation is proposed that would allow MSHA to concentrate its resources on mines most likely to be hazardous and to eliminate

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unproductive activities saving $9 million in proposed budget authority.

Health-related expenditures.—The Federal Government supports health-related expenditures that are reported in other budget functions. Among the most important are medical care for veterans and military personnel, reported in the veterans benefits and services and national defense functions, and agency contributions to Federal employee health benefits, which were described under health care services.

MAJOR FEDERAL HEALTH AND HEALTH-RELATED OUTLAYS SUPPORTING OTHER MISSIONS

(In millions of dollars)

Agency	1981 actual	1982 estimate	1983 estimate
Veterans	6,965	7,594	8,108
Defense	5,487	6,252	6,710
Agency contributions to employee health funds	1,190	1,613	2,089
Agriculture	638	666	655
Total, outlays	**14,280**	**16,125**	**17,562**

Credit programs.—The health function includes several small loan and loan guarantee programs, which generally support larger health initiatives. These include health related student loans and assistance to health maintenance organizations. The total amount of health credit activity proposed for 1983 includes $40 million in direct loan obligations and $88 million in loan guarantee commitments.

CREDIT PROGRAMS—HEALTH

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Health maintenance organization, loan fund	27	41	38	19	36	24
Other health programs [1]	30	13	1	48	80	80
Off-budget Federal entity: [2]						
Federal Financing Bank:						
Health programs	15	28	16			
Subtotal, Gross	72	83	56	67	116	104
Less:						
Loan assets sold to the FFB and associated guarantees:						
Health maintenance organization, loan fund	−15	−28	−16	−15	−28	−16
Total, health	**57**	**54**	**40**	**52**	**88**	**88**

[1] Includes loans sold to the FFB as loan assets, and guarantees of those loan assets. The FFB purchases are shown below.
[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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INCOME SECURITY

National Needs Statement:

- Insure against the loss of income resulting from unemployment, old age, disability, or death of a wage earner.
- Assist the truly needy who are unable to provide for themselves.

The Federal Role in Meeting the Need:

- Provide a base of social insurance upon which individuals can build their own income security through private insurance, pension plans, and personal savings.
- Assure that food and shelter are available to the poor, particularly to dependent children, the elderly, and the disabled.
- Help the poor in working their way out of need rather than foster permanent dependence on government assistance.
- Administer income security programs efficiently, protecting the American taxpayer from costly fraud, waste, and abuse.

Income security is the largest and one of the most steadily growing functions in the Federal budget. In 1983 income security outlays are estimated to be $262 billion, about 35% of total budget outlays. The income security function has grown from 2.7% of gross national product (GNP) in 1957 to 7.6% of GNP in 1983. This growth is dominated by social security, which grew at a rate more than three times as fast as GNP over this period. Unemployment compensation outlays, which vary with the unemployment rate, have fluctuated widely both in absolute amounts and as a percent of GNP, but in general have not increased. Other income security outlays, which have risen at a rate roughly three times as fast as GNP in the past, will decline as a percent of GNP in 1983.

INCOME SECURITY OUTLAYS AS A PERCENT OF GROSS NATIONAL PRODUCT

	1957 actual	1962 actual	1967 actual	1972 actual	1977 actual	1983 estimate
Social security	1.5	2.6	2.8	3.5	4.5	5.1
Unemployment compensation	.4	.7	.3	.6	.8	.7
All other	.7	.9	.9	1.5	2.1	1.9
Total	**2.7**	**4.1**	**4.0**	**5.7**	**7.4**	**7.6**

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Increases in the cost of income security programs come largely from automatic cost-of-living adjustments and growth in the number of beneficiaries. Most of the benefits are paid under entitlement standards established in law. Last year, the administration proposed and the Congress enacted some entitlement qualifications and made a number of other legislative changes to income security programs through the Omnibus Budget Reconciliation Act of 1981. These changes include:

- Elimination of inappropriate social security payments to adult students, nondependent survivors, and disabled workers receiving more in public disability payments than they earned before their disability.
- Concentration of extended unemployment benefits on workers in states that are experiencing high levels of unemployment.
- Decreases in trade adjustment assistance benefits and increases in training efforts to focus the program more clearly on helping claimants become employed again.
- Reductions in the food stamp and other nutrition programs to reduce waste and fraud and to target this assistance on the most needy recipients.
- Reforms in aid to families with dependent children that eliminate families with substantial income from the rolls, create new work opportunities for those recipients who should be self-supporting, correct inequities that failed to focus assistance on those in greatest need, and streamline administration.
- Reduction in the eligibility ceiling for subsidized housing with the introduction of a requirement that 90% of new tenants have incomes below 50% of the median income for their area, and an increase in the maximum rent contribution from 25% to 30% of income that can be charged tenants in subsidized housing.
- Provision of automatic increases in Federal employee retirement programs once per year rather than twice per year.

These reforms of the Omnibus Budget Reconciliation Act significantly improved the Federal entitlement programs. In addition, a separate law provided for the eventual solvency of the black lung disability trust fund by raising taxes on coal and by requiring better evidence of disability caused by black lung disease before benefits can be paid.

Additional proposals included in this budget will improve further the focus and administration of the entitlement programs. The basic principles of the entitlement reforms proposed in this budget are:

- *Restoring the focus of social welfare programs on the people who need them the most.*—Eligibility for these programs will

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be further restricted to those with the most need, and overlapping benefits will be eliminated.

- *Reforming Federal retirement programs.*—Future benefit increases will be adjusted so that retirees are not better off than those now working in their old jobs.
- *Preventing overcompensation of benefits.*—Benefits will not be provided for periods before the applicant is actually eligible.

The major proposals in income security entitlement programs include:

- *Aid to families with dependent children (AFDC).*—Requirements for work as a condition of eligibility will be strengthened, the allowance for shelter and utilities of AFDC families living in larger households will be reduced to reflect economies in shared living expenses, and energy assistance will be counted as income. Federal sharing in the costs of erroneous payments will be phased out.
- *Child support enforcement.*—Federal matching for State and local administrative costs of establishing paternity and collecting support from legally liable absent parents will be restructured. States will be encouraged to increase collections and to operate more cost-effective programs.
- *Supplementary security income.*—The disability criteria will be based on long-term medical prognosis for recovery.
- *Food stamps.*—Benefits will be reduced 35% for increases in income, instead of 30%. Federal payments for benefits issued erroneously will be phased out.
- *Railroad retirement.*—The rail industry's pension will be restored to the private sector, and the Department of Health and Human Services will provide social security benefits directly to former rail employees and their families.
- *Federal civil service.*—Excessive cost-of-living increases in retired pay will be eliminated.
- *Combined welfare administration.*—Payments to States for the administrative expenses of food stamps, medicaid, and AFDC will be combined into a single payment with reduced Federal requirements.

Under the administration's federalism initiative, responsibility for the AFDC and food stamp programs would be assumed by the State governments in exchange for the Federal Government assuming the responsibility for the medicaid program. This proposed exchange would begin in 1984. In addition, the responsibility for the low income home energy assistance program is proposed to be assumed by the States. This initiative is discussed in more detail in Part 3 of the Budget along with revenues to support it.

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NATIONAL NEED: PROVIDING INCOME SECURITY

(Functional code 600; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	132,950	150,128	161,981	176,076	200,893
Proposed legislation			6,593	14,506	11,100
Railroad retirement:					
Existing law	4,675	5,500	5,843	6,125	6,419
Proposed legislation			−5,493	−5,775	−6,069
Benefits for disabled coal miners	1,778	1,873	1,780	1,786	1,781
Other	28	31	37	44	53
Subtotal, general retirement and disability insurance	139,431	157,531	170,741	192,762	214,176
Federal employee retirement and disability:					
Retirement and disability programs:					
Existing law	28,498	33,222	34,664	36,853	38,782
Proposed legislation			−8	−212	−477
Federal employees workers' compensation:					
Existing law	279	345	394	418	472
Proposed legislation			−58	−46	−22
Subtotal, Federal employee retirement and disability	28,777	33,567	34,992	37,013	38,755
Unemployment compensation:					
Existing law	19,048	21,006	22,392	21,719	21,349
Proposed legislation			−143	−112	−95
Subtotal, unemployment compensation	19,048	21,006	22,249	21,607	21,254
Housing assistance:					
Subsidized housing	24,840	5,217	−5,221	−3,478	890
Other housing assistance	1,265	1,432	1,367	1,313	1,223
Subtotal: housing assistance	26,105	6,649	−3,854	−2,164	2,113
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	11,470	11,559	12,650	12,970	13,374
Proposed legislation		−273	−2,294	−2,407	−2,541
Child nutrition and other programs:					
Existing law	5,103	4,498	3,747	3,950	4,198
Proposed legislation			−319	−398	−473
Subtotal, food and nutrition assistance	16,573	15,785	13,784	14,115	14,557
Other income security:					
Supplemental security income:					
Existing law	7,227	7,878	9,177	8,270	9,330
Proposed legislation		−101	−286	−489	−708
AFDC and related assistance:					
Existing law	8,485	6,303	7,163	7,230	7,370
Proposed legislation		−201	−1,300	−1,217	−1,274
Combined welfare administration:					
Existing law			1,914	2,028	2,184
Proposed legislation			−259	−373	−529
Earned income tax credit	1,318	1,254	1,180	1,100	1,004
Refugee assistance	902	670	532	468	395
Energy and emergency assistance	1,850	1,752	1,300	1,300	1,300
Other	204	230	243	243	243

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Subtotal, other income security	19,985	17,784	19,664	18,559	19,315
Total, budget authority	**249,918**	**252,322**	**257,576**	**281,891**	**310,170**
OUTLAYS					
General retirement and disability insurance:					
Social security (OASDI):					
Existing law	137,970	154,643	169,928	174,363	185,779
Proposed legislation			3,608	14,120	16,473
Railroad retirement:					
Existing law	5,294	5,707	6,072	6,417	6,684
Proposed legislation			−5,722	−6,067	−6,334
Benefits for disabled coal miners	1,773	1,957	1,781	1,786	1,781
Other	−13	−39	−16	−5	1
Subtotal, general retirement and disability insurance	145,024	162,268	175,650	190,614	204,384
Federal employee retirement and disability:					
Retirement and disability program:					
Existing law	17,309	19,116	21,215	23,193	25,066
Proposed legislation		−24	−489	−1,099	−1,458
Federal employees workers' compensation:					
Existing law	238	269	394	418	472
Proposed legislation			−58	−46	−22
Subtotal, Federal employee retirement and disability	17,547	19,361	21,062	22,466	24,058
Unemployment compensation:					
Existing law	19,664	25,245	22,747	19,954	18,114
Proposed legislation		−32	−149	−145	−125
Subtotal, unemployment compensation	19,664	25,213	22,598	19,809	17,989
Housing assistance:					
Subsidized housing	5,747	6,726	7,352	7,831	8,401
Other housing assistance	1,195	1,521	1,532	1,533	1,548
Subtotal: housing assistance	6,942	8,247	8,884	9,364	9,949
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	11,253	11,517	12,600	12,933	13,330
Proposed legislation		−273	−2,258	−2,375	−2,502
Child nutrition and other programs:					
Existing law	4,949	4,325	3,695	3,768	4,004
Proposed legislation			−265	−348	−420
Subtotal, food and nutrition assistance	16,202	15,569	13,772	13,977	14,411
Other income security:					
Supplemental security income:					
Existing law	7,192	8,000	9,188	8,268	9,326
Proposed legislation		−100	−286	−489	−708
AFDC and related assistance:					
Existing law	8,504	8,322	7,163	7,230	7,370
Proposed legislation		−201	−1,300	−1,217	−1,274
Combined welfare administration:					
Existing law			1,914	2,028	2,184
Proposed legislation			−259	−373	−529

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NATIONAL NEED: PROVIDING INCOME SECURITY—Continued

(Functional code 600; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Earned income tax credit	1,318	1,254	1,180	1,100	1,094
Refugee assistance	726	849	633	485	415
Energy and emergency assistance	1,780	1,865	1,300	1,300	1,300
Other	202	223	237	248	243
Subtotal, other income security	19,721	20,213	19,770	18,579	19,331
Total, outlays	**225,099**	**250,870**	**261,736**	**274,808**	**290,122**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Housing assistance:					
Budget authority	822	1,261	1,026	1,485	.....
Outlays	810	1,224	969	1,417	−96

These reforms will restore the original mission of Federal programs to ensure some income security for those who, through no fault of their own, need assistance from society.

General retirement and disability insurance.—Seventy-five percent of income security outlays goes to retirement and disability insurance programs. Except for benefits to disabled coal miners, the beneficiaries during their working years have paid to help support these programs. On the average, however, benefits are substantially higher, even after allowing for inflation, than the amounts the beneficiaries paid into the program. Outlays for general retirement and disability insurance are estimated to increase from $162 billion in 1982 to $176 billion in 1983 because of:

- automatic increases in benefits tied to the Consumer Price Index;
- an increase in the number of aged and disabled persons eligible for benefits; and
- increases in individual earnings histories upon which the benefits are based.

Social security.—Old age, survivors, and disability insurance (OASDI) touches the lives of virtually every American through benefits received or through payroll taxes deducted from earnings to finance the program. In 1983, 20.9 million people age 62 or over, and 3.6 million of their dependents will be eligible for social security retirement benefits. About 7.5 million people under 65 will receive benefits because they are survivors of deceased workers, and 4.3 million more because they are disabled workers or dependents of disabled workers. Outlays for social security are estimated to be $155 billion in 1982 and $174 billion in 1983.

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Significant reforms to the social security system achieved in the Omnibus Budget Reconciliation Act of 1981 include:

- elimination of benefits for new adult students and phase out of benefits to current adult students over the next 4 years;
- payment of lump-sum death benefits only to eligible survivors and not directly to estates or funeral homes; and
- integration of disability insurance benefits with other public disability payments, and limitation of total public disability benefits to a worker's pre-disability take-home pay, adjusted for inflation.

Despite these reforms, the social security system faces serious financial problems. This financial crisis has been developing over the last decade. It results from weaker economic growth than anticipated and increases in prices relative to wages. Weaker economic growth reduces the amount of payroll taxes collected, and the more rapid increases in prices relative to wages result in larger increases in benefits than in the payroll tax revenues that finance them. The reserves of the Old Age and Survivors Insurance (OASI) trust fund, including the current interfund borrowing authority to use funds from the Disability (DI) and Hospital Insurance (HI) trust funds through December 1982 are sufficient to finance full OASI benefit payments only through September, 1983. There is estimated to be adequate funds in the OASI, DI, and HI trust funds on a combined basis to finance benefits in subsequent years. The amount of additional budget authority that will be needed to fund OASI benefits and the associated outlays are displayed under proposed legislation. The proposed legislation also reflects the effects of the proposal to restore the railroad industry's pension to the private sector, which is discussed in detail in the Railroad Retirement section below.

Long-term financing of the entire social security system looms as a major problem requiring a future restructuring of social security. The longer a solution is postponed the more severe the remedies will have to be.

The President seeks to develop a bipartisan consensus to resolve the problems threatening the financial stability of social security. A bipartisan National Commission on Social Security Reform has been established to address these issues and report its recommendations by January 1983.

Railroad retirement.—The Railroad Retirement Board (RRB), currently a Federal agency, administers industry pensions funded by the rail sector, windfall payments fully subsidized by the American taxpayer, and the basic social security benefit. Estimated outlays of $5.7 billion in 1982 will go to 988,000 retired and disabled railroad employees, their dependents, and survivors.

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The administration proposes to defederalize railroad retirement, restoring the rail industry's pension to the private sector at the end of 1982. Social security benefits would be directly administered by the Department of Health and Human Services rather than by the Railroad Retirement Board, which would be eliminated as a Federal agency.

Rail workers, like all other private sector workers, would be entitled to social insurance benefits and protections. Retirees' benefits and workers' rights would be unchanged due to the reorganization. Rail workers would become eligible for higher unemployment insurance benefits typically available under the normal State unemployment insurance systems. The rail industry pension plan would be administered like other multi-employer private pension plans. Employee Retirement Income Security Act (ERISA) protections would apply to newly negotiated benefits. Ownership of the assets of the railroad retirement trust fund would be transferred to the new private corporation chartered to run the rail industry pension.

For almost five decades, rail labor and management have collectively bargained the terms and conditions of rail pensions. Restoring the rail industry pension to the private sector frees rail labor and management from the need to petition the Congress to enact legislation to change the rail pension system to conform to labor contracts.

The budget includes $350 million in estimated outlays and proposed budget authority for the Federal windfall subsidy for railroad retirement. In the Omnibus Budget Reconciliation Act of 1981, Congress enacted the rail sector's negotiated agreement, which substantially restructured windfall benefits in order to realize future savings. The savings associated with the restructuring are reflected in the budget and require an annual windfall subsidy appropriation not in excess of $350 million to be fully realized.

Benefits for disabled coal miners.—Benefits are provided to coal miners disabled from pneumoconiosis (commonly known as "black lung disease") and to their dependents and survivors. Under the Black Lung Benefits Act, if a miner suffers from a chronic dust disease of the lungs meeting specified medical criteria, it is presumed that the miner is totally disabled due to black lung disease and is entitled to benefits. Total outlays for benefits for disabled coal miners are estimated to be $1.8 billion in 1983. These benefits, are increased automatically when there are increases in the GS–2 Federal salary levels.

The Department of Health and Human Services (HHS) pays benefits from general revenues that are paid to disabled coal miners and their dependents and survivors who filed for benefits from 1970 through 1973.

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The Department of Labor receives black lung claims filed after 1973 and reviews all claims denied by HHS for possible approval under new eligibility criteria. Benefits are to be paid by the mine operator found responsible for the disability. Benefit payments for eligible miners and survivors where no mine operator can be assigned responsibility, or where mine employment terminated before 1970, are paid from the black lung disability trust fund.

This trust fund was intended to be financed by an excise tax on coal. However, through 1981 benefit payments and expenses greatly exceeded the tax revenues, and the trust fund deficit has been financed by advances from the general fund. The trust fund is expected to be $1.7 billion in debt at the end of 1982.

Recently enacted legislation will gradually eliminate the Federal Treasury advances to the black lung disability trust fund. Excise taxes on coal were temporarily doubled, beginning on January 1, 1982. This increase will expire at the end of 1995 or when the debt is totally retired, whichever is sooner. In addition, eligibility and benefit criteria were adjusted to require better evidence of disability due to black lung disease for claims filed on or after January 1, 1982. However, the liability for claims that were denied prior to the 1977 amendments, subsequently reopened and ultimately approved as the result of these amendments, was transferred from individual mine operators to the trust fund. The new Act will eliminate the need for new general fund advances by 1985, and the trust fund will begin to repay outstanding advances in that year.

Federal employee retirement and disability.—Federal employee retirement and disability programs include a number of Federal employee retirement programs in the legislative, judicial, and executive branches. The largest program is the civil service retirement and disability program. In addition, Federal employees workers' compensation is included in this category. Outlays for Federal employee retirement and disability are estimated to increase from $19.4 billion in 1982 to $21.1 billion in 1983.

Retirement and disability programs.—Federal employee retirement systems have been unique among pension plans in the generosity of their adjustments to annuities to reflect increases in the cost of living. Civil service annuities are required by current law to be adjusted by the full amount of any increase in the CPI, and in the past even greater adjustments were required.

As a result, Federal retirees have found their standards of living remaining level or even improving, while active Federal employees have found their pay rising more slowly than the CPI. With annuities rising so much faster than pay, new Federal retirees are finding their annuities much lower than the annuities of those who

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retired several years ago, even when their service history is identical.

In order to deal with this problem, legislation is proposed to adjust future civil service retirement annuities by the lesser of the increase in the CPI or the increase in General Schedule pay for Federal employees. In addition, in order to rectify excessively generous adjustments granted to certain annuitants in the past, the proposal would hold down future adjustments to these annuitants until their annuities are once again drawn into a reasonable relationship with the annuities that new retirees with comparable service receive. Retirees whose retired pay is between 100% and 120% of current retired pay scales would receive three-fourths of the full cost-of-living adjustment. For those whose retired pay is 120% or more of current retired pay, there would be no cost-of-living increase.

The proposal will also address another problem. The civil service retirement system contains obsolete or unnecessary provisions that are wasteful and inconsistent with a sound staff retirement system. There are also a number of provisions that hinder efficient administration of the system. These provisions will be deleted or modified. Included are:

- the elimination of adult student benefits to conform to changes in social security;
- the limitation of retirement service credit for leave without pay;
- a requirement for deposits or redeposits with reasonable interest to ensure that only paid service will be credited for retirement purposes; and
- the expansion of enforcement authority to reduce waste, fraud, and abuse.

Federal employees workers' compensation.—The Department of Labor provides tax-free cash and medical benefits to federal employees or their survivors for job-related injuries, illnesses, or deaths. Federal agencies subsequently reimburse the Department of Labor for payments made on behalf of their employees. About 49,000 workers with long-term disabilities, or their survivors, received monthly payments in 1982. In 1983, this number is estimated to remain the same, primarily because of increased efforts to return recipients to work and to remove those no longer eligible from the rolls. After reimbursements from other agencies, outlays are estimated to increase from $269 million in 1982 to $336 million in 1983.

There is evidence that the Federal employees workers' compensation program is being abused. Consequently, legislation is proposed to amend the Federal Employees Compensation Act to (1) remove incentives to file questionable claims; (2) encourage injured workers

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to return to work when they are medically able; (3) remove inequities in compensation, which now permit higher paid workers to receive more in compensation than they took home in pay when working; and (4) encourage both employees and employers to participate fully in the restoration of injured workers to gainful employment as soon as medically possible. In addition future cost-of-living adjustments will be limited to the lesser of the increase in the CPI or the increase in General Schedule pay for Federal employees. The proposed legislation produces estimated outlay savings of $58 million in 1983.

Unemployment compensation.—About 97% of wage and salaried employment in the United States is covered by unemployment compensation that supports individuals who are temporarily out of work and are searching for jobs. Regular benefits (usually up to 26 weeks) are financed by a State tax on employers. State and Federal administrative costs are financed by a Federal tax on employers. Based on the economic assumptions described in Part 2, an estimated average of 4.2 million workers per week will receive unemployment benefits during 1982 and 3.6 million in 1983. Outlays are estimated to decrease from $25.2 billion in 1982 to $22.6 billion in 1983 as a result of a decline in the projected average unemployment rate from 8.9% in fiscal year 1982 to 8.1% in 1983 and the proposed legislation described below.

Through 1982, the number of weeks an unemployed worker can receive unemployment insurance is increased by 50%, to a maximum of 39 weeks, in any State where the unemployment rate of covered individuals is 4% or more for 13 consecutive weeks and at least 120% of the rate in the corresponding period in each of the previous 2 years. States may also provide these extended benefits when their insured unemployment rate reaches 5% for a 13-week period regardless of the rate in prior years. Extended benefits are financed one-half from State taxes on employers and one-half from the Federal tax on employers.

The Omnibus Budget Reconciliation Act of 1981 made two changes in extended benefits beginning with 1983 in order to concentrate the additional 13 weeks of benefits on workers in States experiencing high levels of unemployment who held jobs for a reasonable period. As of 1983, extended benefits will be payable in States with 13-week insured unemployment rates of 5% or more (rather than 4%), if that rate is at least 120% of the rate for the comparable period of each of the prior 2 years or, at State option, when the 13-week insured unemployment rate reaches 6% (rather than 5%), regardless of the rate in prior years. Also, beginning with 1983, in order to be eligible for extended benefits a worker must have worked the equivalent of at least 20 weeks during the

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year-long period used to determine eligibility for unemployment benefits.

Legislation is proposed to correct an inequity that has arisen in administering the program of unemployment compensation for ex-military personnel as amended by the Omnibus Budget Reconciliation Act of 1981. The proposed legislation would provide benefits only to those involuntarily discharged under honorable conditions because of demobilization, reduction in force, or disability incurred while in the service. Thus those who are not given an opportunity to re-enlist because of a record of indiscipline or failure to maintain skill proficiency would no longer be eligible for benefits. Outlays are estimated at $90 million in 1982 and $50 million in 1983. The legislation, effective for those discharged on or after July 1, 1982, would reduce outlays by $5 million in 1982 and by $30 million in 1983.

As part of the general reform of entitlement programs, legislation is proposed to round the weekly unemployment benefit amount down to the next lower whole dollar. To provide time for States to enact necessary legislation to carry out this reform, this change would be effective for new claims beginning July 1, 1983.

In addition to the regular unemployment compensation programs, special extra unemployment benefits are available to certain workers under specific circumstances. Legislation is proposed to eliminate most of the extraordinary cash benefits under two of these programs. This legislation is part of a reform aimed at providing, to all eligible workers who have lost their jobs through no fault of their own, the equitable benefits available under the regular unemployment compensation programs. First, under proposed legislation, benefits under the program for workers in the Redwood National Park area would be limited to workers who became unemployed within 9 months of the Federal land acquisition. Redwood Park outlays are estimated to be $12 million in 1982 and $10 million in 1983. The legislation would reduce outlays by $1 million in 1982 and $5 million in 1983. Second, entitlements to weekly cash benefits under the trade adjustment assistance (TAA) program would cease, effective July 1, 1982, except for those in approved training on that date. Special training and employment services would continue to be available for workers under TAA. Under current law, outlays for TAA cash benefits are estimated to be $144 million in 1982 and $118 million in 1983. The proposed legislation would reduce them by $26 million in 1982 and $108 million in 1983.

Housing assistance.—The Federal Government subsidizes housing for low-income families and individuals through several programs in the Department of Housing and Urban Development and the Department of Agriculture. Budget authority for these programs is proposed to decline from $6.6 billion in 1982 to —$3.9 billion in

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1983. Despite this dramatic decline, outlays are estimated to increase from $8.2 billion in 1982 to $8.9 billion in 1983 due to commitments from prior years.

Subsidized housing.—Currently, there are 3.4 million households living in housing subsidized by the Department of Housing and Urban Development (HUD). Commitments to build about 700,000 more units of public housing and housing subsidized under HUD's section 8 lower income rental assistance program were made by the end of 1981. This full inventory of 4.1 million housing units would require Federal subsidies of about $240 billion over the next 30 to 40 years. This estimate excludes operating subsidies for the 1.2 million units of public housing included in this total inventory. Rent ceilings now range as high as $1,500 per unit per month for some privately developed, newly constructed subsidized housing projects. Typically, about 75% of the rent for newly constructed units is paid by the Federal Government. Under the present subsidy program, the Federal Government is assisting about one-third of the eligible low-income renter household population with income at or below 50% of median family income.

Legislation proposing major reform of the structure of Federal housing assistance is reflected in the 1983 budget. This type of change has been endorsed by the President's Housing Commission in its interim report issued in October 1981, and draws upon studies conducted by HUD under the experimental housing allowance program. The reform would build upon the current section 8 existing rental housing assistance program. This program, as it currently operates, enables eligible low-income households to find their own rental housing and receive rental subsidy payments, provided that the housing unit meets housing quality standards and does not rent for more than a fixed amount. The Federal subsidy equals the difference between the tenant rent contribution and the actual rent charged by the landlord. Tenants cannot contribute more than 30% of their income for rent, and most current tenants now pay 26% or less of their income for rent.

The principal modification proposed for the section 8 existing rental housing program would be to set the Federal rental subsidy payment (certificate) per participating household at a fixed amount, which will not change over the proposed 5-year contract period, and to remove any ceiling on the amount of rent charged to units occupied by subsidized tenants. Participating households will be free to shop for any unit of their choice—provided that the unit continues to meet minimum quality standards—with the understanding that any rent charges above the fixed section 8 rent subsidy must be paid by the tenant. The initial level of the annual Federal subsidy payment is estimated to average $2,000 per house-

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hold. Actual amounts will be based on the difference between local market rent levels and an assumed tenant rent contribution.

This modified section 8 certificate program would also replace the current section 8 moderate rehabilitation program. A new rental rehabilitation grant program (see community and regional development function) will be used to upgrade housing units in conjunction with a portion of the modified section 8 certificate program, beginning in 1983.

In 1983, the administration is providing for new construction of rental housing for low-income households under two programs: (1) section 8 subsidized units built for elderly and handicapped households with permanent financing made available by the HUD section 202 housing for the elderly and handicapped loan program, and (2) multifamily housing supported by subsidized loans from the Farmers Home Administration (FmHA). However, many of the 700,000 new construction units currently under contractual commitment are not financially viable, and will therefore not be constructed. In addition, the modified section 8 certificate program will substitute for a substantial portion of the 700,000 new construction units currently under contract. In the case of public housing, a portion of the funding that becomes available from cancellations of new construction projects will be made available to public housing authorities to modernize units. Under these assumptions, it is expected that the HUD subsidized housing inventory will continue to grow to 3.8 million units by 1985.

Increases in rents for units currently operated by public housing authorities or subsidized by the HUD section 8 or other rental subsidy programs were authorized in the Omnibus Budget Reconciliation Act of 1981. The ceiling on rents was raised from 25% to 30% of income, with the requirement that rents may not increase by more than 10% per year. Legislation is proposed to change this limitation on the annual rate of rent increases to 20%. Legislation is also proposed to count food stamps as income for purposes of calculating rent charges beginning in 1983, thus increasing the amount of rent that can be charged. Finally, while the recently authorized 30% of income limitation on rent charges in HUD subsidized housing will be phased in at a rate of 1% of income per year, beginning in 1982 for current occupants, all new tenants moving into subsidized housing will have their rent set at 30% of income upon occupancy.

For 1982, the budget proposes that $9.4 billion in budget authority appropriated for the HUD subsidized housing programs be rescinded. Similarly, for 1983, $2.4 billion in budget authority already provided by the Congress is proposed for rescission as cancellations of construction contracts occur. Nevertheless, outlays are estimated to continue to rise for HUD subsidized housing programs from $6.7

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billion in 1982 to $7.4 billion in 1983 as units already under construction are completed and occupied.

Other housing assistance.—The two major programs in other housing assistance are payments for operation of low-income housing projects (public housing operating subsidies) and rural rental assistance payments. Estimated outlays for these two programs in 1983 are $1.1 billion and $0.2 billion, respectively.

With the availability of increased rental incomes, and with emphasis upon modernizing the existing public housing inventory—rather than adding to it—in order to make it more energy efficient and less costly to operate, the requirement for separate operating subsidies from the Federal Government should be reduced.

For 1983, this budget includes outlays of $204 million for housing programs administered by the Department of Agriculture in this function. The rental assistance program provides subsidies to low-income households living in FmHA financed units. The Department of Agriculture also assists farmers to construct housing for farm laborers and individuals to build their own homes.

Other major forms of Federal support for the housing sector are tax expenditures and housing credit programs. The housing credit programs and the tax expenditures for housing in general are discussed under the commerce and housing credit function.

Food and nutrition assistance.—Needy families and individuals receive food and nutrition assistance through a number of federally-supported programs. The largest programs are food stamps and the school lunch program. The administration requests $13.8 billion in budget authority for food and nutrition assistance for 1983.

Food stamps and aid to Puerto Rico.—Food stamps help lower income Americans maintain a nutritious diet. Monthly allotments of stamps based on income and household size are issued to help finance food purchases. These benefits are entirely federally-financed; administrative costs are shared equally by the States and the Federal Government. This budget assumes food stamp participation will average 18.6 million people each month in 1983. Estimated Federal outlays for food stamps and aid to Puerto Rico is $10.3 billion in 1983, a decrease of $902 million from 1982.

The Omnibus Budget Reconciliation Act of 1981 included several changes designed to focus food stamps on the most needy recipients, to reduce wasteful or fraudulent use of food stamps, and to improve program administration. Specifically, a gross income limit on eligibility was established at 130% of the national poverty level. Elderly or disabled people are exempted from this gross income eligibility limit and can qualify if their net income is below the poverty line after allowable deductions are subtracted. Benefits

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issued in the first month of eligibility were prorated from the application date rather than from the beginning of the month. Tighter limits were placed on the income disregards that help to establish benefit levels, and income accounting procedures were revised to assure use of actual income in determining current need rather than estimating future income to establish eligibility and benefit levels.

The Reconciliation Act also established a nutrition assistance block grant for Puerto Rico as a replacement for food stamps in the Commonwealth. This change will give Puerto Rico the flexibility to target nutrition assistance to its most needy residents and to use the grant as a mechanism to promote economic growth and greater self-sufficiency. The 1983 budget reflects proposed legislation to consolidate nutrition assistance to other insular areas (Virgin Islands, Guam, American Somoa, and Northern Marianas). This change will allow these areas to provide adequate nutrition for needy residents without the constraints of inappropriate Federal regulatory and program requirements.

New food stamp reforms are proposed for 1983. These reforms include additional changes to direct food stamp benefits only to those who cannot secure adequate food without them. The growth of food stamp costs will be restrained by enactment of proposed legislation to:

- reduce benefits by 35% of additional income rather than by 30%;
- count all types of cash assistance for energy consumption as income;
- establish a $10 per month minimum for food stamp benefits;
- remove special disregards for earnings so that all income is treated the same;
- establish combined funding for State administration of food stamps, medicaid and aid to families with dependent children, as discussed below under combined welfare administration; and
- phase out by 1986 Federal sharing in the costs of erroneous payments made by States.

These proposals are estimated to reduce outlays $0.3 billion in 1982 and $2.3 billion in 1983.

As part of the administration's federalism initiative, financial responsibility for food stamps and AFDC (including child support enforcement) will be given to the States beginning in 1984. In return, the Federal Government will assume financial responsibility for medicaid.

Child nutrition and other programs.—Estimated outlays for child nutrition and other problems in 1983 are $3.4 billion. The Federal Government subsidizes meals for students in schools, child care

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centers, and other institutional settings. Approximately 23.2 million young Americans will receive federally subsidized meals in 1983, with estimated outlays of $3.0 billion.

Major changes in these subsidized meal programs were made in the Omnibus Budget Reconciliation Act of 1981. Subsidies for non-needy students, were reduced. Unneeded grants for new food service equipment purchases were eliminated. The duplicative special milk program was removed from schools that participate in other Federal meal subsidy programs. Procedural changes were made to discourage fraudulent claims for meals and to establish eligibility for Federal subsidies more accurately. The summer meal program, long ridden with fraud and abuse, was limited by the Congress to government sponsors only in areas with high concentrations of lower income households. These changes were made to focus assistance to needy youngsters, to reduce duplication in subsidies, and to restrain the growth in Federal costs.

Additional changes are proposed in this budget to continue the reforms begun in 1981. The special milk program, which subsidizes milk consumption mainly for 1.4 million non-needy students, and the inefficient and duplicative summer feeding program are proposed to be eliminated. Legislation is also proposed to convert the unconstrained entitlement for child care and breakfast subsidies to a grant to States. This will reduce costly and unnecessary Federal regulation and maximize State flexibility in providing nutrition assistance to pre-school children.

Special supplemental food programs finance food supplements for women and their young children. These programs have grown rapidly since the mid-1970's, with outlays rising from $14 million in 1974 to an estimated $917 million in 1982.

The women, infants, and children (WIC) program and the smaller commodity supplemental food program make nutritious foods such as milk, cheese, eggs, and juices available as an adjunct to health care. These foods are intended to help reduce or prevent health problems associated with pregnancy, child birth, and infancy.

This budget reflects proposed legislation to consolidate WIC into a new service for women, infants and children block grant which is described in more detail in the health function. Currently, WIC and the maternal and child health block grant are nearly identical in intent and in the populations served. This consolidation will help accomplish several objectives. It will fully integrate food supplementation into the provision of health services by the States for women and children. Complicated and burdensome regulations associated with the current WIC program will be reduced. Each State will be able to determine the most appropriate mix of health services that should be available to meet the specific health needs

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of its women and children. Finally, this consolidation will help eliminate duplicative administrative structures in the Federal Government.

Distribution of surplus food on Indian reservations and in the Pacific Trust Territory will continue unchanged. These foods will help improve the diets of needy Indian and Micronesian households at a cost of $54 million in estimated outlays in 1983.

Other income security.—There are a number of other income security programs that assist the poor. Estimated outlays for these programs are $19.8 billion in 1983, a 2 percent decrease from 1982.

Supplemental security income.—The supplemental security income (SSI) program, administered and financed by the Federal Government, makes cash payments to needy aged, blind, or disabled individuals. The basic Federal grant is supplemented by State payments in some States.

The number of Federal and State recipients was 4.1 million in 1981 and is expected to remain at that level through 1983. Federal outlays in 1983 are estimated to reach $8.9 billion, compared to the 1982 level of $7.9 billion.

While automatic cost-of-living increases in benefits account for some of this increase in outlays, the 1983 outlays reflect 13 months of benefit payments because the October 1983 payment date falls on a weekend, and therefore will be paid in 1983.

High error rates experienced in 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 the records of other benefit programs. The Congress adopted the administration's retrospective monthly accounting proposal in the Omnibus Budget Reconciliation Act of 1981 as a means of further reducing errors in benefit payments without sacrificing equity or incurring substantial administrative costs.

When SSI began, the Federal Government provided some States with hold-harmless payments, which should have been phased out several years ago under the original legislation. Subsequent legislation indexed these subsidies to inflation. In 1983, these payments are expected to go only to Wisconsin and will be phased out over 3 years.

The administration is proposing the following legislative changes to improve the focus and administration of the SSI program:

- Prorate the first month's SSI benefit based upon date of application or date of eligibility (in the case of aged persons).
- Define permanent disability based on a prognosis of at least 24 months of disability.
- Ensure that the definition of permanent disability is based on a preponderance of medical factors.

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- Eliminate the initial $20 monthly supplemental security income disregard starting with new recipients.

Outlay savings from these proposals are estimated to be $286 million in 1983 and $489 million in 1984.

AFDC and related assistance.—The aid to families with dependent children (AFDC) program helps State and local governments finance cash assistance to needy families. States determine the levels of AFDC eligibility and benefits within broad Federal guidelines, and administer their own programs. The Federal Government reimburses States, on average, for slightly more than half of their expenses. Child support enforcement (CSE) helps finance a share of State and local administrative expenses for establishing paternity and collecting support from legally liable absent parents. These collections offset AFDC costs. Federal outlays for AFDC and CSE are estimated to be $5.9 billion in 1983, compared to $8.1 billion in 1982. These estimates include proposed legislation discussed below. About 3.7 million families are expected to receive AFDC benefits in 1983 under current law.

Reforms enacted in the Omnibus Budget Reconciliation Act of 1981 refocus AFDC on its original goal: to serve as an aid for dependent children in families where the resources for complete self-support do not exist. These reforms create new opportunities for work and work experience, correct inequities that have provided higher benefits from welfare than from work, and eliminate families who should not receive government aid from the rolls. Combined Federal, State, and local savings from these reforms are estimated to be about $1.5 billion in 1982, and over $2 billion in 1983.

Legislation is proposed for 1983 to establish new community work experience programs in all States, which would require those who are able to work to do so as a condition of AFDC eligibility. The work incentive (WIN) program, classified in the education, training, employment, and social services function would be eliminated. Legislation is also proposed that would include income and other resources that have not previously been counted in determining AFDC benefits. Other changes would eliminate program overlaps and streamline administration as discussed below. Legislation is proposed to phase out over 4 years Federal payments to the States for costs of erroneous benefit payments made by States in AFDC, medicaid and food stamps. New incentives for State and local performance in collecting child support payments are also proposed. These reforms will save an estimated $1.3 billion in Federal outlays in 1983 and about an equal amount in State and local costs.

As part of the administration's Federalism initiative, financial responsibility for AFDC (including child support enforcement) and

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food stamps will be given to the States beginning in 1984. In return, the Federal Government will assume financial responsibility for medicaid.

Combined welfare administration.—The Federal Government currently reimburses States for 50% of their administrative expenses for the food stamp, medicaid, and AFDC programs on an open-ended basis. Some administrative expenses, such as those for anti-fraud activities and management information systems, receive a higher Federal match. Although these three programs are often jointly administered, and there is a large overlap among beneficiaries, States work with a different set of cost allocation and reporting requirements for each program.

Legislation is being proposed to consolidate payments to States for most of these administrative expenses into a single payment with no State match required. Federal administrative requirements will be reduced or eliminated, giving States added flexibility to design efficient public assistance programs. In certain areas where the Federal Government supports anti-fraud and abuse activities at a matching share greater than 50%, such as food stamps and medicaid fraud control, the current open-ended Federal match will continue.

Combined welfare administration will be funded at 95% of the current estimate of ongoing 1982 administrative expenses for food stamps, medicaid, and AFDC. In 1983, outlays are estimated to be $1.7 billion ($800 million of which is the medicaid share and was previously shown in the health function). An additional $526 million in outlays for the food stamp share will continue to be appropriated to the food stamp program. Outlays for combined welfare administration in 1983 are estimated to be $259 million less than if open-ended funding remained available.

Earned income tax credit.—Since 1975, the Federal Government has provided a tax credit for low-income workers that reduces their income tax liabilities. Where the credit amounts to more than the income taxes owed, the worker receives the difference. Beginning in 1979, provision was made for the credit to be received in advance through additions to wages. In 1983, total outlays for these payments are estimated to be $1.2 billion.

Refugee assistance.—The refugee assistance programs reimburse States for refugee/entrant cash and medical assistance, social services, State administrative costs, and child welfare services. This interim assistance includes employment training and services to help refugees and entrants achieve self sufficiency. In recent years, the number of refugees coming to this country has increased dramatically. From 1975 to 1983 more than 700,000 Indochinese and

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190,000 Soviet and other refugees will have been resettled in the United States. This budget assumes the resettlement in 1983 of up to 72,000 Asian refugees and 31,500 others, most of whom will come from the Soviet Union and Eastern Europe.

Total outlays for the refugee assistance and related programs are estimated to be $849 million in 1982 and $633 million in 1983. The Federal share of costs for refugees participating in regular assistance programs such as AFDC, medicaid, and food stamps is included in the budget request for each of those programs. Estimated outlays for such costs are $250 million in 1982 and $300 million in 1983.

In 1982, the Office of Refugee Resettlement initiated a more restrictive refugee cash and medical assistance reimbursement policy. After an 18-month period of special transitional assistance—which formerly was a 3-year period—assistance is available to a refugee on the same basis as a non-refugee. This policy change supports the administration's effort to reduce the likelihood of unnecessary welfare dependency. This change also reduces the special treatment given to refugees, which is different from the treatment given to other low-income groups. Additional funding for refugee assistance is discussed in the international affairs section of Part 5.

Since April 1980, over 135,000 Cubans and about 40,000 Haitians have been allowed to remain in the United States. Although they are not refugees, the Congress authorized their eligibility for AFDC, medicaid, food stamps, and other special assistance for an interim period. For 1983, $17 million in budget authority is requested for their welfare and social services. Cuban and Haitian entrants receive the same 18-month transitional assistance as refugees. After this 18-month period, assistance to Cuban and Haitian entrants will be available on the same basis as non-entrants. For those few entrants remaining in Federal custody, the Department of Justice will administer a program of care and maintenance for 1983.

Energy and emergency assistance.—To moderate the impact of rising energy costs on low-income families, $1.3 billion in budget authority is requested for energy and emergency assistance in 1983.

This program is a grant to States for aid to their needy citizens. This aid can be in the form of direct cash assistance to needy households, direct payments to fuel vendors on behalf of the needy, or payments to public housing building operators.

The administration proposed consolidating low-income energy assistance with the emergency assistance program as a block grant for 1982. The Congress reauthorized this program as a partial block grant without the emergency assistance in the Omnibus Budget Reconciliation Act of 1981. For 1983, the administration is request-

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ing consolidated low-income energy assistance and emergency assistance funding. This will eliminate unnecessary regulatory burdens on States. The administration will also propose concentrating this program for the winter months by adjusting the grant formula to target funds to States most in need of heating assistance.

Tax expenditures.—A variety of income exclusions, tax deferrals, and credits assist the unemployed, aged, retired, and disabled. Unemployment compensation benefits received by people with an annual income, including unemployment compensation, of under $20,000 (single persons) or under $25,000 (married couples) are excluded from taxable income. This results in an outlay equivalent estimate of $2.3 billion in 1983. The exclusion from income subject to tax of all social security (including benefits for dependents and survivors) and most railroad retirement benefits without regard to an individual's income from other sources results in outlay equivalent estimates of $12.5 billion and $375 million, respectively, in 1983. The exclusion of workmen's compensation benefits and the exclusion from income of benefits for the disabled result in outlay equivalent estimates of $3.5 billion and $1.0 billion, respectively, in 1983. The exclusion of disability pay from income taxes will result in an outlay equivalent estimate of $170 million. The outlay equivalent estimates resulting from the extra personal exemption for those over 64 and the blind, and from tax credits for the elderly are $2.4 billion, $30 million, and $135 million, respectively, in 1983.

Tax expenditures also provide incentives for employers to provide their workers with pensions and other benefits such as life, accident, and disability insurance and supplemental unemployment compensation. Excluding the cost of these benefits from personal income results in outlay equivalent tax expenditure estimates of $37.9 billion, $2.5 billion, $130 million, and $20 million, respectively, in 1983.

The Economic Recovery Tax Act of 1981 provided a new itemized deduction for up to $1,500 of expenses for adoption of children with special needs which make them difficult to adopt. This provision results in an outlay equivalent estimate of $15 million in 1983. In addition, the act also expanded the availability of IRA and Keogh Plans and increased the level of tax deductible contributions. The equivalent outlay cost of all self-employed retirement plans and the IRA and Keogh Plans is $5.8 billion in 1983.

Tax expenditures for income security total $72.9 billion in 1983.

Related programs.—A number of other programs are related to income security but have as their primary purpose meeting other national needs and servicing other major missions. The following table lists these income security-related programs that support other missions.

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FEDERAL OUTLAYS FOR INCOME SECURITY-RELATED BENEFITS SUPPORTING OTHER MAJOR MISSIONS

(In millions of dollars)

Department, agency, and program	Benefit outlays		
	1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services:			
Medicare	42,489	49,552	55,352
Medicaid	16,948	17,888	17,076
Indian Health	626	628	621
Health care services	1,246	1,358	1,799
Public Health Service officers retirement	80	100	83
Total, Department of Health and Human Services	61,389	69,526	74,931
Veterans Administration:			
Service-connected compensation	8,426	9,487	10,170
Veterans pensions	3,755	3,940	4,014
Readjustment benefits	2,332	1,994	1,681
Medical care	6,320	6,945	7,369
Other	208	145	141
Total, Veterans Administration	21,041	22,511	23,375
Department of Defense—Military:			
Military retirement	13,729	15,000	16,471
Foundation for Education Assistance:			
Student assistance	3,906	3,490	3,137
Student loans	2,404	2,686	2,602
Total, Foundation for Education Assistance	6,310	6,176	5,739
Department of Transportation:			
Coast Guard retirement	239	279	336
Total, outlays	**102,708**	**113,492**	**120,853**

Credit programs.—Most of the credit activities in this function finances for public housing operation and construction. For 1983, direct loan obligations in this function are proposed to be $2.0 billion and guaranteed loan commitments are proposed to be $18.7 billion. As shown in the table, a portion of the guaranteed loans for public housing operation and construction are financed as off-budget direct loans by the Federal Financing Bank.

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CREDIT PROGRAMS—INCOME SECURITY

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Low rent public housing[1]	2,196	1,500	1,000	19,343	18,293	19,771
Other income security	2	5	5	.....	.....	.....
Off-budget Federal entity: [2]						
Federal Financing Bank:						
Low-rent public housing	822	1,261	1,026	.....	.....	.....
Subtotal, gross	3,020	2,766	2,031	19,343	18,293	19,771
Less:						
Guaranteed loans held as direct loans by the FFB:						
Low-rent public housing	.....	.....	.....	−822	−1,261	−1,026
Total, income security	**3,020**	**2,766**	**2,031**	**18,520**	**17,032**	**18,745**

[1] Includes guarantees of direct loans made by the FFB as shown below.

[2] The FFB is a mechanism to finance direct loans sold or guaranteed by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

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VETERANS BENEFITS AND SERVICES

National Needs Statement:

- Meet the Nation's obligation to veterans of military service.

The Federal Role in Meeting the Need:

- Compensate veterans disabled while in military service for the degree to which average earnings are impaired.
- Provide medical care to veterans for disabilities incurred while in military service; and, within available resources, to needy and aged veterans.
- 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.
- 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.
- Provide psychological readjustment services and expanded training opportunities to Vietnam-era veterans with special needs.
- Provide financial assistance to needy veterans and their survivors.

The benefits and services provided to veterans recognize the special needs of veterans and their survivors that result from sacrifices made in military service. 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 assist needy veterans of wartime service and their survivors. Outlays for veterans benefits and services are estimated at $24.2 billion in 1982 and $24.4 billon in 1983.

During 1981, the President signed into law several bills that enlarge benefits to veterans:

- *Medical care for veterans with disabilities resulting from exposure to agent orange and low-level ionizing radiation.* The law assures that any veterans with disabilities arising from these sources will be provided outpatient care in Veterans Administration (VA) medical facilities with priority second only to that given to veterans seeking care for service-related disabilities. Hospital care also will be provided, as necessary.
- *Cost-of-living increases for veterans being compensated for service-connected disabilities.* The law provided veterans receiving compensation with a cost-of-living increase averaging

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11.2% effective October 1, 1981. This is identical to the increase provided automatically to veteran pensioners effective in July 1981.

- *Two-year extension of eligibility for GI bill training for educationally disadvantaged Vietnam veterans.* This law extended from 10 to 12 years the period of entitlement to vocational training or education necessary to complete requirements for a high school diploma or for on-the-job training.

This budget reflects a legislative proposal for an 8.1% cost-of-living increase in compensation benefits for veterans with service-related disabilities to be effective in October 1982.

Funds are included for health care for the growing number of elderly veterans. During the 1980's, the number of veterans over age 65 is expected to more than double as virtually all of the 12 million veterans of World War II turn 65. In anticipation of this change, VA's medical care and research activities are devoting more attention to the problems of aging veterans by increasing the availability of long-term and geriatric care and devoting more research to the illnesses and disabilities of the aged.

This budget provides construction funds to maintain, renovate, modernize, and systematically replace aging VA medical structures in order to prevent deterioration of the physical facilities housing VA medical services. VA construction projects will focus especially on activities necessary to correct fire and safety deficiencies, and to minimize potential risks from earthquakes.

Several legislative proposals, which are described below, would help offset part of the costs of the proposed improvements in veterans programs.

Income security for veterans.—In addition to Federal income security programs for the general population, such as social security, unemployment insurance, housing and energy assistance programs, food stamps, and medicare and medicaid, several VA 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 $14.1 billion in 1982 to $14.8 billion in 1983.

Service-connected compensation.—Monthly compensation payments are provided to veterans whose disabilities 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, payments are made to survivors of veterans who die from service-connected injuries. Legislation effective in October 1981 increased compensation benefits by an average of 11.2%. The administration proposes legislation to provide an

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES

(Functional code 700; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	8,530	9,604	9,522	9,661	9,706
Proposed legislation			624	1,007	1,521
Non-service-connected pensions:					
Existing law	3,794	4,048	3,981	4,181	4,290
Proposed legislation			−66	−60	−57
Burial and other benefits	208	147	141	147	151
Insurance programs:					
National service life insurance trust fund	1,104	1,162	1,256	1,281	1,226
U.S. Government life insurance trust fund	34	32	30	28	26
All other insurance programs	5	8	6	6	6
Insurance program receipts	−465	−476	−470	−461	−394
Subtotal, income security for veterans	13,210	14,524	15,024	15,789	16,473
Veterans education, training, and rehabilitation:					
Existing law	2,351	1,945	1,691	1,402	1,178
Proposed legislation			−25	−25	−23
Subtotal, veterans education, training, and rehabilitation	2,351	1,945	1,666	1,377	1,156
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	6,339	6,966	7,496	7,684	7,897
Proposed legislation			5	5	5
Construction	386	490	630	630	680
Medical administration, research, and other	194	184	194	204	210
Subtotal, hospital and medical care for veterans	6,919	7,640	8,324	8,522	8,791
Veterans housing:					
Housing program receipts (proposed legislation)			−95	−105	−110
Other veterans benefits and services:					
Cemeteries, undistributed VA overhead, and other:					
Existing law	656	648	704	693	701
Proposed legislation		*	−*	−*	−*
Non-VA support programs	34	35	39	39	41
Subtotal, other veterans benefits and services	690	683	743	732	742
Deductions for offsetting receipts	−3	−3	−3	−3	−3
Total, budget authority	**23,167**	**24,789**	**25,660**	**26,310**	**27,048**

*$500 thousand or less.

8.1% cost-of-living increase in compensation benefits, effective in October 1982; estimates for subsequent years assume annual cost-of-living increases based on projected increases in the Consumer Price Index.

This budget contains several legislative proposals to limit excessively liberal compensation benefits. One would eliminate (effective

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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES—Continued

(Functional code 700; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation:					
Existing law	8,426	9,488	9,609	9,656	9,702
Proposed legislation		−1	561	951	1,477
Non-service-connected pensions:					
Existing law	3,755	3,940	4,077	4,166	4,271
Proposed legislation			−62	−60	−58
Burial and other benefits	208	145	141	146	151
Insurance programs:					
National service life insurance trust fund	965	979	991	1,049	1,076
U.S. Government life insurance trust fund	70	62	60	59	55
All other insurance programs	−50	−67	−63	−67	−35
Insurance program receipts	−465	−476	−470	−461	−394
Subtotal, incomes security for veterans	12,909	14,070	14,843	15,439	16,244
Veterans education, training, and rehabilitation:					
Existing law	2,254	1,883	1,582	1,287	1,065
Proposed legislation			−25	−25	−23
Subtotal, veterans education, training and rehabilitation	2,254	1,883	1,557	1,262	1,043
Hospital and medical care for veterans:					
Medical care and hospital services:					
Existing law	6,320	6,945	7,364	7,552	7,765
Proposed legislation			5	5	5
Construction	412	444	524	668	823
Medical administration, research, and other	233	206	216	215	216
Subtotal, hospital and medical care for veterans	6,965	7,594	8,108	8,440	8,809
Veterans housing:					
Loan guaranty revolving fund	278	13	−573	−85	234
Direct loan revolving fund	−128	−68	−183	−85	2
Other (HUD participation sales trust fund)	51	−14	−13	−8	−8
Housing program receipts (proposed legislation)			−95	−105	−110
Subtotal, veterans housing	201	−68	−863	−283	117
Other veterans benefits and services:					
Cemeteries, undistributed VA overhead, and other:					
Existing law	629	645	702	690	698
Proposed legislation		*	−*	−*	−*
Non-VA support programs	33	35	39	39	41
Subtotal, other veterans benefits and services	662	680	741	730	738
Deductions for offsetting receipts	−3	−3	−3	−3	−3
Total, outlays	**22,988**	**24,155**	**24,383**	**25,584**	**26,948**

*$500 thousand or less.

October 1, 1983) the payment of compensation at the 100% rate to veterans who are 60% to 90% disabled and deemed unemployable, if those veterans are also collecting social security disability, sup-

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plemental security income, or Federal retirement payments. These veterans would continue to receive their base compensation benefit. A second would cease the payment of dependents' allowances to veterans with 30% or 40% disability ratings. Finally, the budget contains a proposal to make compensation disability rating changes effective in the month the change is determined, rather than waiting until the anniversary date of the current rating. Estimated outlay savings from these proposals are $146 million in 1983.

An estimated 2.6 million veterans and their survivors are expected to receive compensation benefits in each of the years 1982 through 1985. Outlays for this mission are estimated to increase from $9.5 billion in 1982 to $10.2 billion in 1983.

Non-service-connected pensions.—Pensions are provided to needy wartime-service veterans who are age 65 or older or who have become disabled subsequent to their military service. Survivors of wartime-service veterans also may qualify for pension benefits based on financial need. Under current law automatic cost-of-living increases are provided each July.

Legislation is proposed to eliminate adult student benefits in the pension program, comparable to the recently enacted change in the social security program.

The administration also proposes legislation that would make compensation and pension benefits payable starting in the first full month of entitlement and would round monthly pension benefit payments down to the nearest full dollar amount. These rules currently are applied to social security benefits and are also being proposed for application to other Federal benefits.

Even though the number of veterans age 65 and over is expected to double during the 1980's, the number of pension recipients will decline from 2.0 million in 1981, to 1.9 million in 1982, and to 1.8 million in 1983. This is due to the Veterans and Survivors Pension Improvement Act of 1978, which sharpened the focus of veterans pension benefits upon needy, non-service disabled veterans. Despite this decline, outlays for veterans pensions are estimated to rise from $3.9 billion in 1982 to $4.0 billion in 1983, as a result of an automatic cost-of-living increase estimated to be 8.1% in July 1982.

Burial and other benefits.—Families of deceased veterans who received pension or compensation benefits and who are to be buried in private cemeteries may receive allowances to apply toward the purchase of burial plots. Families of deceased veterans also receive burial benefits to assist in defraying funeral expenses. Outlays for burial and other allowances are estimated to decrease from $145 million in 1982 to $141 million in 1983.

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Insurance programs.—The budget assumes that life insurance programs for veterans and their survivors will provide an estimated $30 billion of coverage on 4.4 million policies in 1983. Policy loans against life insurance reserves declined during 1981 as a result of new regulations tying interest rates more closely to market interest rates. Direct loan obligations in 1983 are expected to be $152 million, 29% higher than the $118 million estimated for 1982.

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 assisting them to 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.

Individuals who enter military service after 1976 are eligible for the post-Vietnam-era education program, which allows them to set aside $25 to $100 from their monthly pay to finance future education. These amounts are matched by the government on a two-for-one basis and returned to these individuals in education payments after they are discharged. This program was funded by the Veterans Administration through December 31, 1981. The Veterans Administration continues to administer the program, but it is currently funded by the Department of Defense and is classified in the national defense function.

More than 65% of all Vietnam-era veterans have utilized GI bill benefits. In 1983, nearly 812,000 GI bill trainees are expected to participate in the program, compared with 970,000 in 1982. The number of GI bill trainees (including dependents) will continue to drop in the future as the number of eligible veterans becomes smaller. Thus, outlays for this mission are estimated to decline from $1.9 billion in 1982 to $1.6 billion in 1983, and to $1.0 billion by 1985.

The Omnibus Budget Reconciliation Act of 1981 eliminated flight training under the GI bill, and reduced the matching rate for correspondence training from 70% to 55%. Correspondence training has had a poor record of readying veterans for full-time employment in related occupations This budget, therefore, proposes legislation providing for total elimination of eligibility for correspondence training, with estimated 1983 outlay savings of $6 million. Legislation is also proposed to eliminate the payment of certain dependents' allowances to veterans in vocational training programs who also are receiving dependency allowances under the compensation program.

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Hospital and medical care for veterans.—The Veterans Administration provides hospital and medical care to veterans by operating a nationwide medical care system. In 1983 it is expected to accommodate over 18 million outpatient medical and dental visits, and to treat nearly 1.3 million patients in 172 hospitals, 228 outpatient clinics, 102 nursing homes, and 16 domiciliary facilities. Outlays for medical programs are estimated to be $7.6 billion in 1982 and $8.1 billion in 1983.

Medical care and hospital services.—In 1982 and 1983 the VA plans to continue to reorder its program of health care services to provide the most appropriate types of care and to accommodate the anticipated influx of World War II veterans. Almost all of this group of about 12 million veterans (40% of all veterans) will reach age 65 during the decade beginning in 1980. This milestone is especially significant because veterans reaching age 65 become eligible for a wide variety of medical benefits without regard to financial status, and the VA anticipates a rapid increase in the number of veterans seeking long-term and geriatric care.

The VA's medical care system will continue to place the needs of service-disabled veterans before all other demands for medical care, and many efforts to improve the quality of medical care will be continued. It is assumed that increases in the cost of VA health care will be moderated through greater efficiency.

Under the budget proposals, the research programs of the VA medical system will grow from $128 million in estimated outlays in 1982 to $138 million in 1983. Training of health care professionals will continue, primarily through the affiliation of 137 VA hospitals with medical schools.

The Veterans Administration Health Care Amendments of 1981 require that VA medical facilities provide care for veterans whose disabilities result from exposure to agent orange and low-level ionizing radiation. These cases will receive outpatient priority second only to veterans being treated for service-connected disabilities. The VA estimates that this provision will generate 612,000 outpatient visits and 17,000 hospital admissions in 1983.

Construction of hospital and extended care facilities.—Budget authority of $612 million is requested for VA medical construction in 1983, $137 million more than for 1982. The 1983 request recognizes the critical need for renovation and modification of many of the aging facilities in which medical services are provided. Funding is included for new nursing homes, projects to remedy health and safety deficiencies, and for construction funds for a replacement hospital in Albuquerque, New Mexico. Budget authority of $18 million is requested for 1983, compared to $16 million enacted for

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1982, for grants to States for construction of extended care facilities, permitting the establishment or repair of State veterans homes for the care of aging veterans.

Veterans housing.—VA mortgage loan guarantee and direct loan programs are expected to assist 325,000 veterans obtain mortgage loans in 1983. Guaranteed loan commitments and direct loan obligations for mortgage loans in 1983 are estimated at $22.5 billion and $0.8 billion, respectively. Sales of housing assets (VA mortgages), estimated at $968 million in 1983, will more than offset the direct cost of these programs. Legislation is proposed to charge a 0.5% loan origination fee to veterans receiving VA mortgage guarantees. This will offset the direct cost of VA housing programs by an additional $95 million in 1983.

Other veterans benefits and services.—The Veterans Administration oversees a national cemetery system for burial of eligible veterans, servicemen, and their survivors. New regional cemeteries are under construction in 4 of the 10 Federal regions (I, II, III, and IX) and existing cemeteries have been designated as National Cemeteries in 4 other regions (VI, VII, VIII, and X). In 1982, construction will begin on the National Cemetery at Fort Custer, Michigan (Region V). The budget includes construction funds for expansion of a cemetery in Region IV and $2.5 million in 1983 budget authority for matching grants to States for the construction of State veterans cemeteries. Other expenditures include the cost of non-medical program administration, both in VA headquarters and in field units.

Outlays for these programs are estimated to be $680 million in 1982 and $741 million in 1983.

Tax expenditures.—In addition to direct Federal funding, a number of tax expenditures provide assistance to veterans. Disability compensation and pension benefits for veterans are excluded from taxable income. The outlay equivalent estimates for these exclusions in 1983 are $1.4 billion and $90 million, respectively. GI bill benefits also are excluded from taxable income, which results in estimated 1983 equivalent outlays of $150 million. Tax expenditures for veterans total $1.7 billion for 1983.

Credit programs.—Loans against VA-administered life insurance in the income security area are expected to increase direct loan obligations from $118 million in 1982 to $152 million in 1983, as veterans take advantage of the projected decline in market interest rates. For the same reason, an increase in demand for mortgage insurance and other housing programs is expected to increase guaranteed loan commitments from $19.5 billion in 1982 to $22.5 billion in 1983.

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CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Income security	241	118	152	.....	.....	.....
Education programs	7	2	2	.....	.....	.....
Mortgage insurance and other housing programs	738	757	781	11,719	19,542	22,451
Total, veterans benefits and services	**987**	**878**	**936**	**11,719**	**19,542**	**22,451**

Related programs.—In addition to the assistance provided specifically for veterans by the VA, many veterans receive assistance from other income security, health, housing, education, training, employment, and social service programs supported by the Federal Government and available to the general population. Some of these programs have components specifically intended to assist veterans. Recent legislation created the position of Assistant Secretary for Veterans Affairs in the Department of Labor and upgraded the status of the 2,000 State employment service staff designated by the legislation to assist disabled veterans to find jobs. Qualified veterans are also eligible to participate fully in the training and related services available under programs run by the Department of Labor. 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.

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ADMINISTRATION OF JUSTICE

National Needs Statement:

- Promote the safety of persons and protection of their property through law enforcement.
- Provide judicial services to adjudicate both criminal and civil disputes.
- Operate detention facilities for those charged with crimes and correctional facilities for those convicted of crimes.

The Federal Role in Meeting the Need:

- Enforce Federal law through the investigation, prosecution, adjudication, and punishment of those violating Federal statutes.
- Represent the United States in civil cases.
- Provide Federal courts to resolve disputes.
- Assist in the improvement of State and local justice systems through training, research, and collection and dissemination of criminal justice statistics.

Our body of laws is a formal means to deter criminal conduct; to resolve disputes peacefully; to facilitate voluntary arrangements, such as contracts; and to reinforce basic moral concepts. The order and predictability that the law and its institutions bring to our lives are the foundation of civil society. Recognizing their importance, the Federal Government will spend an estimated $4.6 billion in outlays to maintain the justice system in 1983. Although the Federal Government plays a central role in the administration of justice, its resources are only a small portion of the overall effort: State and local governments are expected to continue spending nearly eight times the amount the Federal Government spends for administration of justice activities.

An important theme in the administration of justice in 1983 is for the Federal Government to improve the Nation's law enforcement—not through the past practice of financial assistance to State and local governments—but through the more direct approach of Federal law enforcement agencies cooperating closely with their State and local counterparts.

A second theme reflected in this budget is to focus the Federal Government's law enforcement efforts on violent crime—to the extent Federal jurisdiction will permit—by adding it to the Government's other high-priority target areas of organized crime, white collar crime, major drug offenses, and foreign counterintelligence.

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A third theme is to protect the Federal Government against waste, fraud, and abuse through early involvement by the Justice Department in cases uncovered by the Inspectors General located in the major departments and agencies.

Federal law enforcement activities.—Over half of the resources of Federal administration of justice are associated with law enforcement activities. While no increases in personnel are proposed, Federal law enforcement outlays in 1983 are estimated to grow to $2.6 billion, or 7% above 1982 levels, in order to maintain current activities.

General investigation (FBI).—The Federal Bureau of Investigation (FBI) enforces a broad range of Federal criminal statutes, and works with State and local authorities both to support FBI missions and to assist them in performing their activities through training, dissemination of information, and other assistance. Federal law enforcement funds are used primarily for investigating those cases that are purely Federal, multi-jurisdictional, or too complex for State and local authorities to handle.

The budget request for the FBI will emphasize investigations of violent crime, organized crime, white collar crime, and foreign counterintelligence activities. It will also reinstitute fingerprint identification services for non-Federal criminal justice agencies and for institutions that are not responsible for law enforcement, such as banks and State and local licensing agencies. Fingerprint services for these groups were suspended in 1982 to reduce the backlog and the processing time of fingerprint cards for criminals. Services will resume on a reimbursable basis.

Outlays for the FBI are estimated to increase from $739 million in 1982 to $798 million in 1983.

Narcotics violation investigation (DEA).—The Drug Enforcement Administration (DEA) was established in 1973 to provide leadership in the suppression of narcotics and dangerous drugs nationally and internationally. Efforts will increase in 1983 to strengthen enforcement and to disrupt trafficking in the most dangerous drugs. The DEA will expand the number of drug-related investigations carried out jointly with the FBI. Legislative initiatives enacted in 1981 will also improve enforcement of the anti-drug laws, such as *posse commitatus* provisions to gain access to military assistance for drug enforcement, and the repeal of restrictions against the destruction of opium-producing poppies and other drug-producing crops. Outlays for the DEA are estimated to increase from $227 million in 1982 to $242 million in 1983.

Alcohol, tobacco, and firearms investigation (ATF).—The Bureau of Alcohol, Tobacco, and Firearms is responsible for the enforce-

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NATIONAL NEED: ADMINISTRATION OF JUSTICE

(Functional code 750; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Federal law enforcement activities:					
General investigation (FBI)	675	740	799	799	799
Narcotics violation investigation (DEA)	215	231	247	247	247
Alcohol, tobacco, and firearms investigation (ATF)	150	79	.....	.....	.....
Border enforcement activities (Customs and INS)	864	938	1,055	1,055	996
Protection and other activities (Secret Service)	186	232	303	335	310
Other enforcement	259	260	266	264	264
Subtotal, Federal law enforcement activities	2,350	2,479	2,671	2,701	2,617
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation	506	521	576	576	576
Federal judicial activities	658	747	850	882	914
Representation of indigents in civil cases	321	120	.....	.....	.....
Subtotal, Federal litigative and judicial activities	1,485	1,388	1,427	1,458	1,490
Federal correctional activities	352	367	383	383	383
Criminal justice assistance	169	140	67	63	61
Deductions for offsetting receipts	−13	−35	−23	−23	−23
Total, budget authority	**4,343**	**4,339**	**4,525**	**4,583**	**4,530**
OUTLAYS					
Federal law enforcement activities:					
General investigation (FBI)	691	739	798	799	799
Narcotics violation investigation (DEA)	217	227	242	242	247
Alcohol, tobacco, and firearms investigation (ATF)	147	82	.....	.....	.....
Border enforcement activities (Customs and INS)	890	924	1,041	1,041	986
Protection and other activities (Secret Service)	189	230	298	329	304
Other enforcement	251	266	265	265	265
Subtotal, Federal law enforcement activities	2,384	2,468	2,643	2,675	2,601
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation	517	502	570	576	576
Federal judicial activities	651	743	840	869	900
Representation of indigents in civil cases	324	148	13	.....	.....
Subtotal, Federal litigative and judicial activities	1,493	1,393	1,423	1,445	1,476
Federal correctional activities	361	376	386	386	383
Criminal justice assistance	473	318	162	88	62
Deductions for offsetting receipts	−13	−35	−23	−23	−23
Total, outlays	**4,698**	**4,521**	**4,592**	**4,571**	**4,500**

ment of laws and the regulation of activities relating to alcohol, tobacco, firearms, and explosives. In 1982, the functions of the Bureau of Alcohol, Tobacco and Firearms will be transferred to the U.S. Secret Service and the U.S. Customs Service. Statutory firearms and explosives enforcement activities will be transferred to the U.S. Secret Service. Regulatory and revenue collection activities will be transferred to the Customs Service. The reorganization

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of the Bureau of Alcohol, Tobacco, and Firearms will not occur before March 30, 1982.

Border enforcement activities (Customs and INS).—The United States Customs Service collects revenue from imports and enforces customs and related laws. It administers the Tariff Act of 1930, as amended, as well as numerous other laws. Some of the specific activities Customs is responsible for include: assessing and collecting customs duties, excise taxes, fees and penalties on imported merchandise; interdicting and seizing contraband; and processing persons, carriers, cargo, and mail into and out of the United States.

The Immigration and Naturalization Service (INS) administers laws related to the admission, exclusion, deportation, and naturalization of aliens. The 1983 budget proposals for INS reflect the administration's commitment to a strong and cohesive immigration policy with special emphasis on improving enforcement, management, and service to those seeking adjustments in their legal status. An additional $58 million in budget authority is requested in 1983 to cover expenses under Section 501(c) of the Refugee Education Assistance Act of 1980 associated with the processing, care, maintenance, transportation, return, and resettlement of Cuban and Haitian entrants.

In 1981 the administration introduced omnibus immigration legislation that presents a comprehensive and integrated approach to immigration policy. The legislative proposals are designed to reduce illegal immigration through programs that increase opportunities to work lawfully in the United States, while prohibiting the employment of illegal aliens outside of these programs. Other provisions in the legislation create legal authority to deal with the Cuban and Haitian arrivals of 1980 and avert future migrations of undocumented aliens. The legislation also increases the opportunities for legal immigration from our immediate neighbors, Canada and Mexico.

Outlays for border enforcement activities are estimated to increase from $924 million in 1982 to $1,041 million in 1983.

Federal litigative and judicial activities.—The Department of Justice litigates all of the Federal Government's criminal cases and most of its civil cases. The Department's concentration on more complex crimes has reduced the number of Federal criminal cases 24% between 1976 and 1980. The civil caseload, on the other hand, has increased 55% during the same period.

Approximately one-third of all resources for the administration of justice are for Federal litigative and judicial activities. Outlays in 1983 are estimated to be $1.4 billion, an increase of 2% over the level estimated for 1982.

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Civil and criminal prosecution and representation.—Outlays for civil and criminal prosecution and representation are estimated to rise from $502 million in 1982 to $570 million in 1983.

In recognition of the central role Federal prosecutors play in criminal law enforcement, the administration is directing each of the 94 U.S. attorneys to create law enforcement coordinating committees in their districts. The committees, composed of Federal, State, and local law enforcement officials, will formulate local law enforcement cooperation plans. These plans will identify law enforcement needs and priorities within the district and pinpoint areas where improved Federal, State, and local cooperation is likely to produce the greatest public benefit.

The administration also supports:

- an active role in civil litigation on the part of the executive branch, to carry out administration policies and to protect the Government's financial interests in court;
- improved management of the court preparation process in the executive branch, including better case control and computerization of evidence; and
- special emphasis on litigation to collect approximately $3 billion in debts owed to the Federal Government.

Federal judicial activities.—Budget estimates from the judiciary are included in the budget without modification by the executive branch. The U.S. Courts have estimated outlays of $840 million in 1983 for all judicial branch activities, a 13% increase over the 1982 level.

Representation of indigents in civil cases.—The Legal Services Corporation (LSC) funds State and local agencies that provide free civil legal assistance to the poor. The Corporation is a private nonprofit organization that acts independently of related Federal social and community services programs. Grantees are currently involved both in cases for individual clients and in broader "law reform" activities.

The administration proposes that the Corporation not be reauthorized, and that no further separate Federal funding be provided. The administration's social and community services block grants include adequate authority to fund legal services activities that States wish to provide for their citizens. In addition, private attorneys are expected to increase free services to the indigent in accordance with the legal profession's ethical obligations.

Federal correctional activities.—The Federal Government is responsible for the care and custody of prisoners charged with or convicted of violating Federal laws.

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The Federal Government generally uses its own facilities to house its convicted prisoners and uses State or local jails to house Federal detainees awaiting trial, sentencing, or transfer to another institution. In some areas, however, either because of the volume of Federal detainees or the unavailability of local facilities, the Federal Government must have its own facilities for detention. In 1982, a new Federal jail opened in Tucson, Arizona to meet the need for additional Federal facilities.

The Federal prison population in 1982 is expected to be 12% larger than originally estimated. This unanticipated increase occurred because of the use of prison facilities for many of the Cubans who arrived in 1980, vigorous Federal prosecution in 1981, and use by State offenders paid through reimbursements. These factors should keep the prisoner population at the same level throughout 1983. Because of insufficient housing for prisoners, additional housing will be made available by the end of 1983 through renovations and construction now under way.

Outlays for correctional activities in 1983 are estimated to be $386 million, 3% above the level estimated for 1982.

Criminal justice assistance.—Public safety is primarily a State and local responsibility. This administration does not believe that providing criminal justice assistance in the form of grants or contracts is an appropriate or effective use of Federal funds. For this reason, budget authority is not requested in the 1983 budget for the juvenile justice and delinquency prevention program, or for any other general law enforcement assistance programs for States and local governments. However, the Federal Government will continue to provide certain types of specialized training and technical assistance to State and local governments, including training for local prison and jail staff and forensic laboratory services. In these areas the Federal Government has a unique capability to meet a nationwide need.

The collection and dissemination of criminal justice statistics and research on criminal or civil matters also are appropriate activities for the Federal Government and are included in the budget proposals for 1983. Budget authority of $37 million is requested for the National Institute of Justice and the Bureau of Justice Statistics, slightly above the 1982 level. Projects involving the evaluation and redesign of two of the most important information sources for national crime statistics—the Uniform Crime Reports and the National Crime Survey—will continue as scheduled.

Outlays for criminal justice assistance are estimated to decrease from the 1982 level of $318 million to $162 million in 1983, primarily because of grant program reductions begun under prior administrations and continued under this administration.

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Related programs.—A number of programs described 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 Departments of Agriculture and Labor, the Environmental Protection Agency, and most independent regulatory commissions, have some litigation authority independent of the Department of Justice.

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GENERAL GOVERNMENT

National Needs Statement:

- Provide central policy formulation and management that responds effectively and efficiently to the needs of the Nation.

The Federal Role in Meeting the Need:

- Provide a legislative system responsive to the Nation's people.
- Provide national executive leadership and set policy and management for the Federal agencies.
- Ensure efficiency and accountability in the use of Federal finances, property, and personnel.
- Conduct efficient central services, such as tax and fiscal operations and property and personnel management, for the Federal Government.

The general government function includes the central management and policy responsibilities of the Federal Government. The goals of the President, his staff, the Congress, and other personnel in this function are to address the needs of the Nation and to improve the management and efficiency of Federal finances, property, and personnel. This function includes leadership, policy formulation and managerial oversight by the President and his executive staff, and the setting of overall policy pursuant to statutes enacted by the Congress. Central services include tax collection, fiscal operations, personnel management, property control, and records management.

Outlays for general government are estimated to be $5.0 billion in 1983. This compares with estimated outlays of $5.1 billion in 1982 and $4.6 billion in 1981. Major objectives of this administration are fiscal restraint, greater productivity, and concentration of available resources on the most essential needs. To achieve these, the 1983 budget includes proposals to:

- enhance efforts to identify and collect unpaid taxes;
- dispose of excess property; and
- improve productivity in the Federal Government.

Legislative functions.—By law, budget estimates for the legislative branch are included in the President's budget without change as submitted by Congress. The legislative branch estimates $1.2 billion in outlays in 1983 for the operation of the Congress, the General Accounting Office, the Library of Congress, and similar activities. This is about the same as the 1982 level.

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NATIONAL NEED: GENERAL GOVERNMENT

(Functional code 800; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Legislative functions	1,031	1,194	1,217	1,330	1,291
Executive direction and management	108	92	104	104	107
Central fiscal operations:					
Collection of taxes	2,480	2,589	2,917	2,987	3,002
Federal Financing Bank	−210	−158	−192	−251	−343
Other fiscal operations	410	424	428	425	428
Subtotal, central fiscal operations	2,679	2,855	3,154	3,162	3,087
General property and records management:					
Real property					
Personal property	175	20	38	23	23
Records management	89	75	85	85	85
Other	313	273	239	229	229
Subtotal, general property and records management	577	369	362	337	337
Central personnel management	162	136	139	139	139
Other general government:					
Territories	172	188	134	146	138
Indian affairs	145	11	14	16	16
Treasury claims	504	506	506	506	506
Other	−58	3	6	35	−15
Subtotal, other general government	763	707	660	703	645
Deductions for offsetting receipts:					
Existing law	−195	−200	−361	−359	−380
Proposed legislation			−16	−16	−16
Subtotal, deductions for offsetting receipts	−195	−200	−377	−375	−396
Total, budget authority	**5,125**	**5,152**	**5,259**	**5,400**	**5,210**

Executive direction and management.—Outlays in 1983 for the White House, other components of the Executive Office of the President, and related activities are estimated to be $101 million—an increase of $7 million over 1982.

Central fiscal operations.—The mission of central fiscal operations is to collect taxes, administer the public debt, and carry out certain other financial operations of the Federal Government. Outlays are estimated to be $3.1 billion in 1983, a 10% increase over the 1982 level.

Collection of taxes.—The funds supporting this mission are for the Internal Revenue Service (IRS). IRS plans to continue efforts to improve compliance and to ensure that all taxpayers pay their share of the tax burden. Compliance by taxpayers should be enhanced by the Economic Recovery Act, which increased the inter-

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NATIONAL NEED: GENERAL GOVERNMENT—Continued

(Functional code 800; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
OUTLAYS					
Legislative functions	1,036	1,200	1,204	1,252	1,272
Executive direction and management	99	94	101	102	105
Central fiscal operations:					
Collection of taxes	2,429	2,537	2,860	2,927	2,941
Federal Financing Bank	−210	−158	−192	−251	−343
Other fiscal operations	382	423	424	421	423
Subtotal, central fiscal operations	2,600	2,802	3,092	3,097	3,022
General property and records management:					
Real property	−142	2	−171	−191	−238
Personal property	−33	65	35	22	22
Records management	84	73	84	84	83
Other	260	288	244	234	234
Subtotal, general property and records management	169	428	192	150	102
Central personnel management	159	136	140	139	139
Other general government:					
Territories	197	188	169	188	166
Indian affairs	150	12	14	16	16
Treasury claims	504	506	506	506	506
Other	−105	−20	−33	136	−46
Subtotal, other general government	745	687	656	846	642
Deductions for offsetting receipts:					
Existing law	−195	−200	−361	−359	−380
Proposed legislation			−16	−16	−16
Subtotal, deductions for offsetting receipts	−195	−200	−377	−375	−396
Total, outlays	**4,614**	**5,146**	**5,008**	**5,210**	**4,886**
ADDENDUM					
Off-budget Federal entity:					
Federal Financing Bank:					
Federal buildings fund:					
Budget authority	14	35			
Outlays	13	28	−8	−8	−9
Territories:					
Budget authority		30			
Outlays	*	30	−1	−1	−1
Other:					
Budget authority	79				
Outlays	79				

*$500 thousand or less.

est rate paid on underpayments or overpayments of taxes. It provides for adjustments, each January, to make the interest rate equal 100% of the prime interest rate in effect the previous September. Under prior law, the rate was adjusted every alternate year to 90% of the prime rate. Beginning in February of 1982, the

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statutory rate will be 20%, as contrasted with 12% in the previous 2 years.

In addition, IRS will increase its emphasis on identification and collection of unpaid taxes. First, IRS will allocate a greater portion of its existing resources to these efforts. Second, the 1983 budget reflects an initiative to improve tax administration and increase receipts by increasing resources dedicated to collecting receipts and by automating collection procedures. These initiatives are estimated to produce additional receipts of $2.3 billion in 1983.

Federal Financing Bank (FFB).—The Federal Financing Bank (FFB) is an off-budget Federal entity under the supervision of the Treasury Department. It was created with the objectives of reducing the cost of Federal and federally-assisted borrowing from the public and ensuring that such borrowing takes place with the least disruption to financial markets. The FFB neither initiates nor reviews Federal credit programs; it is solely a financing vehicle. Prior to the creation of the FFB, the frequency of non-Treasury government borrowing, the small size of many issues, and the lack of investor familiarity caused higher yields on these securities than on Treasury issues of similar maturity. The Bank was meant to replace the market as a source of funds for these securities, thereby reducing the number of government-backed securities going to market and lowering the financing costs to the Federal Government.

The FFB has become the major vehicle to finance Federal programs involving the sale or placement of credit market instruments. Net lending by the FFB to purchase loan assets and disburse direct loans with agency guarantees have grown from $0.6 billion in 1974 (the first year of operation) to $20.9 billion in 1981, decreasing to an estimated $12.1 billion in 1983. The amount of these loans outstanding held by the FFB is expected to grow from $0.6 billion at the end of 1974 to an estimated $111 billion in 1983.

The activities of the FFB are determined by the level of activity of the agencies using the Bank. The administration's actions to limit the size of Federal credit programs through the credit budget will slow expansion of the FFB, since all FFB lending is included in the credit budget.

The FFB receives interest on the loans it makes higher than the interest rate at which it borrows from the Treasury. It uses a portion of these funds for administrative expenses; the surplus monies are shown as offsetting collections to central fiscal operations. They are estimated to be $192 million in 1983.

Further discussion of the Federal Financing Bank is in Part 5 (the introduction) and Part 6 of the Budget, in Special Analysis E, "Borrowing and Debt," and in Special Analysis F, "Federal Credit Programs." These sources also summarize the distribution of FFB

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activity according to the agencies that it assists. (The special analyses are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.) The national needs tables in each function, which show budget authority and outlays, also display off-budget activity of the FFB.

Other fiscal operations.—Other fiscal operations include primarily the manufacture of coins by the Bureau of the Mint and of currency by the Bureau of Engraving and Printing. The Mint plans to increase its production capacity by 6.5 billion coins per year through a 5-year program to expand and improve existing facilities. This will help meet the demand for coins, which has doubled in the last 10 years. Estimated outlays for 1983 for other fiscal operations are $424 million, which are above estimated outlays of $423 million in 1982 and $382 million in 1981.

General property and records management.—The General Services Administration (GSA) is the government's builder and landlord, wholesaler and retailer of supplies, and historian and records keeper. These housekeeping services support the activities of other Federal agencies.

Real property.—New Federal building construction was curtailed sharply in 1981 and 1982. In 1983, the administration is requesting $68 million in new obligational authority for a moderate level of new construction. Large projects proposed are new Federal courthouses in Birmingham, Alabama, and Youngstown, Ohio.

A new office building is planned for Washington, D.C. to complete the Federal Triangle project. The 1983 budget requests funds for preliminary design of this building, with requests for construction funds to come in subsequent years. The Federal Triangle building will replace some leased space now used as offices for numerous Federal employees. The total amount of federally leased space is expected to decline along with the projected decline in the number of Federal employees.

Central personnel management.—Personnel management functions are carried out by the Office of Personnel Management (OPM), the Federal Labor Relations Authority and the Merit Systems Protection Board. Estimated outlays for 1983 are $140 million, an increase of $4 million over 1982 levels.

As the central personnel management agency of the executive branch, OPM will direct its attention to developing and operating a personnel program that will improve the effectiveness of the Federal Government's operations. Previously, OPM had decentralized its responsibility for ensuring that executive agencies' personnel management and operations are based on standards of merit in the hiring, promotion, and other personnel actions of Federal employ-

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ees. OPM is moving to recentralize its delegation of authority in these areas and is reemphasizing its traditional personnel management role.

Several issues continue to face the Federal Government, as employer of approximately 2 million civilians, in the area of personnel compensation. The administration is committed to providing a structure of employee pay and benefits that is fair to both the employee and the taxpayer, while ensuring that the Government is able to attract and retain a qualified workforce. As a result, the administration will initiate a study of Federal civilian pay, which is discussed further in the allowances section of the budget. In addition, proposals to modify the civil service retirement system will help ensure that there is more equitable treatment between active and retired Federal employees in protection from inflation. Additional information on employee-related issues is also contained in the health and income security sections of this part of the budget.

Other general government.—Other activities 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 decrease from $745 million in 1981 to $656 million in 1983.

Territories.—Budget authority of $58 million is proposed for 1983 for continued support of the U.S. territories of Guam, American Samoa, the Virgin Islands, and the Northern Marianas. The decrease of $32 million in budget authority from 1982 is caused primarily by the completion of a major hospital construction project in the Virgin Islands. In addition, the administration proposes up to $8 million in Federal loan guarantees of private sector financing for new power generation facilities in American Samoa.

Budget authority of $76 million is requested for the Trust Territory of the Pacific Islands for operations and construction, including $8 million to assist the three Micronesian governments to build new capitols. To increase self-government, the U.S. seeks to terminate the trusteeship (begun shortly after World War II) upon final agreement on a compact of free association with the governments of Palau, the Federated States of Micronesia, and the Marshall Islands. The administration is also seeking a 1982 supplemental appropriation of $21 million for the resettlement of Bikini Islanders (displaced from their homes by U.S. nuclear testing in the 1940's and 1950's) to Kili and Ejit Islands in the Marshalls until such time that Bikini is safe for return.

In addition to these programs funded by the Department of the Interior, the territories and the Trust Territory receive grants and payments from other federal agencies.

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Indian Affairs.—Budget authority was exceptionally high—$145 million—in 1981 for Indian affairs, mostly to provide final payments to settle land claims in Alaska and Maine, as authorized by law. No similar funding involving Indian land claims is projected for 1983. Budget authority for the Navajo and Hopi Indian Relocation Commission is proposed at $14 million in 1983. These funds would continue the relocation of those Indians required to move because of a Federal court determination of the boundary line between the reservations of the two tribes. Funds would cover moving expenses and the cost of replacement housing for relocated families. It will also aid in the selection and transfer of ownership of 250,000 acres of federally owned land to the Navajo Tribe for permanent resettlement. Additional assistance to Indian tribes is classified in a number of functions—health; natural resources and environment; community and regional development; and education, training, employment and social services.

Offsetting receipts.—The administration is proposing to eliminate all transfers of excess real property at discounted prices to other Federal agencies and to end all donations of real property to State and local governments. Federal agencies will be required to pay 100% of fair market value; State and local governments will be permitted first right of refusal but will also be required to pay the full market price. The only exception will be real property donations to State and local governments for use as correctional facilities. These measures alone should increase receipts from 1983 to 1987 by approximately $200 million annually. Other new initiatives of the administration to identify and sell excess Federal property are discussed in the undistributed offsetting receipts section of this budget.

The General Services Administration (GSA) is proposing to use private sector auditing firms to identify overcharges on transport contracts. The GSA will recover and deposit increased receipts from recovered overcharges into miscellaneous receipts of the Treasury. This is expected to save 16 million in 1983.

Credit programs.—This function contains credit programs financed as off-budget direct loans by the Federal Financing Bank (FFB). These include Interior Department guaranteed loans for capital improvement projects in U.S. territories as well as General Services Administration guaranteed loans originated for lease-purchase agreements on some Federal buildings. The accompanying table shows the level of operation of these two programs.

Tax expenditures.—In addition to direct Federal funds for general government, the tax code permits individuals to claim a 50% tax credit on political contributions of up to $100 ($200 for joint re-

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CREDIT PROGRAMS—GENERAL GOVERNMENT

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Loans to U.S. territories and other [1]					30	8
Federal buildings fund [1]				14	35	
Off-budget Federal entities:						
Federal Financing Bank: [2]						
Loans to U.S. territories		30				
Federal buildings fund	14	35				
Subtotal, gross	14	65		14	65	8
Less:						
Guaranteed loans held as direct loans by the FFB:						
Loans to U.S. territories					−30	
Federal buildings fund				−14	−35	
Total, general government	**14**	**65**				**8**

[1] Includes guarantees of direct loans originated by the FFB as shown below.
[2] The FFB is a mechanism to finance loan asset sales or loan guarantees made by other Federal agencies. The deductions below eliminate overlap with transactions shown above in this table. See the introduction to Part 5 for further explanation.

turns). The outlay equivalent estimate for this provision is $80 million in 1983.

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GENERAL PURPOSE FISCAL ASSISTANCE

National Needs Statement:

- Reduce the size and influence of the Federal Government, and return to State and local governments increased discretion in the use of Federal assistance.

The Federal Role in Meeting the Need:

- Provide State and local governments with general purpose revenues and with responsibilities that have been preempted by the Federal Government.
- Replace some portion of Federal funding with a transfer of revenue sources from the Federal Government to State and local governments.

General purpose fiscal assistance provides financial aid to State and local governments without major restrictions or matching requirements. This assistance can be used to provide local services, build infrastructure, retire debt, and for other purposes of general government. Programs in this category include general revenue sharing, payments and loans to the District of Columbia, Forest Service receipts paid to the States, payments in lieu of taxes, and payments to territories and Puerto Rico.

Consistent with the President's new federalism initiative, which is discussed in Part 3 of this document, the administration intends to turn over to the States the responsibility for, and the resources to finance, many Federal programs. A federalism trust fund will be established to finance them during the period 1984–87. Over a 4-year transition period beginning in 1988, Federal excise taxes will decline each year with States free to substitute their own taxes or to reduce program costs.

Outlays for this function are estimated to be $6.7 billion in 1983, compared to $6.4 billion in 1982.

General revenue sharing.—Outlays for the general revenue sharing program are estimated to decline from $5.1 billion in 1981 to $4.6 billion in 1983. This decrease is caused by termination of State participation in the program beginning 1981.

General revenue sharing currently provides funds to approximately 39,000 jurisdictions. Federal controls are minimal, and are primarily designed to ensure public participation in spending decisions. Governments that receive $25,000 or more in any one year must undergo a full audit of financial accounts every 3 years.

Revenue sharing funds are first divided among the States on the basis of total population, urban population, personal and per capita

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NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

(Functional code 850; in millions of dollars)

Major missions and programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
General revenue sharing:					
General revenue sharing payments	4,567	4,567	4,567	4,567	4,567
Administration	7	6	7	7	7
Subtotal, general revenue sharing	4,573	4,573	4,573	4,573	4,573
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	489	489	551	553	550
New York City loan guarantees (administrative expenses)	1	1	*	*	
Other payments:					
Payments to States from Forest Service receipts	241	242	342	489	588
Payments to States and counties from Federal land management activities	453	606	763	848	1,043
Payments in-lieu-of taxes:					
Existing law	103	96			
Proposed legislation			45	45	45
Payments to territories and Puerto Rico	385	407	416	430	440
Other	5	5	6	6	6
Subtotal, other general purpose fiscal assistance	1,678	1,846	2,123	2,371	2,672
Total, budget authority	**6,251**	**6,419**	**6,696**	**6,944**	**7,245**
OUTLAYS					
General revenue sharing:					
General revenue sharing payments	5,134	4,570	4,567	4,567	4,567
Administration	7	6	6	6	6
Subtotal, general revenue sharing	5,140	4,576	4,573	4,573	4,573
Other general purpose fiscal assistance:					
Payments and loans to the District of Columbia	492	479	541	398	395
New York City loan guarantees (administrative expenses)	1	1	*	*	*
Other payments:					
Payments to States from Forest Service receipts	241	242	342	489	588
Payments to States and counties from Federal land management activities	450	605	763	848	1,043
Payments in-lieu-of taxes:					
Existing law	104	96			
Proposed legislation			45	45	45
Payments to territories and Puerto Rico	423	411	416	430	440
Other	5	7	5	6	6
Subtotal, other general purpose fiscal assistance	1,716	1,841	2,113	2,215	2,516
Total, outlays	**6,856**	**6,417**	**6,686**	**6,788**	**7,090**

*$500 thousand or less.

income, Federal and State income, tax collections, and general tax effort. Local governments' shares of the allocation are in turn

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based primarily on population, per capita income, and tax effort. The formula helps target assistance to governments with fiscal problems.

The program, which originally included allocations for use by State governments, was first passed in 1972 to:

- raise funds from what at that time was a relatively more productive and more equitable Federal tax system;
- redistribute funds to reduce disparities in State and local fiscal capacities; and
- reduce red tape and increase State and local control over the expenditure of Federal aid.

Since then, the revenue-generating ability of State and local tax systems, in the aggregate, has grown. State and local tax systems are now less regressive, and Federal taxes relative to both State and local taxes and the gross national product are declining as a result of the administration's 3-year tax reduction package.

These changes in the revenue generating ability of State and local governments are consistent with the goal of reducing the size and influence of the Federal Government and turning over decision making and financing for many domestic programs to State and local governments. These changes have increased the ability of State and local governments to finance their local needs. General revenue sharing outlays to local governments are estimated at $4.6 billion in 1983. General revenue sharing is part of the federalism initiative described in Part 3 of this Budget.

Other general purpose fiscal assistance.—Several other programs provide funds with minimal restrictions to States and localities. Outlays for these programs are estimated to be $1.8 billion in 1982 and $2.1 billion in 1983.

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 presence. The administration requests $551 million in budget authority for the District of Columbia in 1983, of which $425 million is for Federal payments. Included in the Federal payment request is $52 million for the annual Federal contribution to the retirement funds for the District's police officers, firefighters, teachers, and judges as required under the pension reform legislation enacted in 1979.

In anticipation of the District of Columbia's entry into the private capital market, the administration will seek legislation to discontinue the City's authority to borrow interest-free short-term funds from the U.S. Treasury. The 1983 estimates anticipate that the City will begin to exercise its authority to borrow in the private market for short term, cash management purposes. For long-term

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funding purposes, the 1983 budget requests budget authority of $155 million for Federal loans to fund capital improvements in the District. However, it is expected that the District will make significant progress in developing the capability to finance long-term borrowing in the private market, so that long-term loans from the Federal Government can eventually be phased out.

Outlays for the payments and loans to the District of Columbia are estimated to increase from $479 million in 1982 to $541 million in 1983.

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 $1.6 billion of New York City obligations. The remaining guarantee authority is $300 million. The authority to make new loan guarantees ends on June 30, 1982.

These guarantees depend on the City's meeting a number of conditions including: sale of the obligations to City or State employee pension funds, balancing of the City's budget by June 30, 1982, and payment of an annual guarantee fee of 0.5% on the outstanding balance. The loan guarantees are not included in the budget totals because they are not expected to result in Federal outlays, but the related administrative costs are included.

Other payments.—Some jurisdictions receive payments from the Federal Government based on a percentage of receipts generated from the sale of timber, mineral leases, grazing permits, and other activities on Federal property.

Payments to States from Forest Service receipts will return an estimated $242 million in outlays in 1982 and $342 million in 1983 to States for distribution to counties in which National forests are located. These funds are to be used for schools and roads.

Payments to States and counties from Federal land management activities are estimated to be $605 million in 1982 and $763 million in 1983 for shared revenues from oil and gas, coal, timber, and grazing activities on Federal lands.

Payments in lieu of taxes provide fees to local governments for some Federal lands located within their jurisdictions. They resulted in cash outlays of $104 million in 1981. Revised legislation has been proposed for this program to correct fiscal inequities among the recipients. Upon enactment of acceptable legislation, budget authority of $45 million for 1983 will be requested for payments in lieu of taxes.

Payments to territories and Puerto Rico are made because the Federal Government collects some taxes levied by the territories and Puerto Rico and returns these taxes to them. These payments comprise (1) annual advance payments of certain income tax withholding and excise tax collections involving Guam and the Virgin

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Islands, and (2) excise tax withholding involving Puerto Rico. Outlays are estimated at $411 million in 1982 and $416 million in 1983.

Credit programs.—The three major credit programs in this function, direct loans to the District of Columbia, short term advances to the District's general fund, and loan guarantees to New York City, are described in the text above. Their expected levels of new activity are shown in the accompanying table.

CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

(In millions of dollars)

Program	Direct loan obligations			Guaranteed loan commitments		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Loans to the District of Columbia	134	145	155			
Repayable advances to D.C. general fund	80	80				
Guarantees of New York City loans				300	300	
Total, general purpose fiscal assistance	**214**	**225**	**145**	**300**	**300**	

Tax expenditures.—Interest on State and local government debt is excluded from Federal taxation. Both corporations (mainly commercial banks) and individuals receive this tax-exempt income. As a result, State and local governments can sell debt obligations at a lower interest cost than would be possible if such interest were subject to tax. Only the effect of excluding interest on general purpose obligations and revenue bonds for public purposes such as toll roads is included in this function. The exclusion of interest on State and local government securities issued to finance pollution control facilities, other industrial development bonds, and housing bonds is classified elsewhere. The outlay equivalent estimate for the exclusion of interest on general purpose State and local debt is $7.7 billion in 1983.

The deductibility of nonbusiness State and local taxes gives indirect assistance to these governments of $21.7 billion in 1983. This outlay equivalent estimate is primarily for the deductibility of State and local income and sales taxes. The deductibility of property taxes on owner-occupied homes is classified in the commerce and housing credit function. Under certain conditions, U.S. corporations receiving income from sources in a U.S. possession can claim a special tax credit equal to the U.S. tax, but only on income from such sources. For 1983, the outlay equivalent estimate for this provision amounts to $2.4 billion. Tax expenditures for general purpose fiscal assistance total $32.1 billion in 1983.

Related programs.—In addition to general purpose fiscal assistance, the Federal Government provides States and localities with assistance through a variety of Federal grant-in-aid programs. These programs, which range from relatively narrow categorical programs to broader grant programs, are more restrictive than

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general purpose fiscal assistance, and 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 do provide, when taken together, a large source of State and local revenues. Total grant-in-aid outlays to States and localities are estimated to decrease from an estimated $91.2 billion in 1982 to an estimated $81.4 billion in 1983.

A major objective of this administration is to simplify the grants-in-aid system, which now contains hundreds of small categorical programs that have high administrative costs and are very restrictive in the use of the funds. There are now so many grant programs that they have become a confusing tangle of minor programs that overlap, conflict, and overregulate.

In the Omnibus Budget Reconciliation Act of 1981, 57 categorical grants were consolidated into 9 block grants. This consolidation carries out the administration's objectives of simplifying grants and increasing State and local discretion over the use of Federal funds.

In 1983 the administration proposes to combine 41 additional categorical grants into 7 new block grants for vocational and adult education, education for the handicapped, rehabilitation services, training and employment, combined welfare administration, child welfare, and rehabilitation of rental housing. In addition, the administration proposes to combine four other health programs into two existing health block grants and to consolidate the energy and emergency assistance program with the existing low income home energy assistance block grant.

As is noted above, through its federalism initiative the administration proposes to shift dramatically the responsibility for and the resources to finance a major portion of the Federal grant programs during an 8-year transition period from 1984-91.

Grants are discussed in more detail in "Special Analysis H, Federal Aid to State and Local Governments" which is available from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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FEDERAL GRANT-IN-AID OUTLAYS BY FUNCTION

(In millions of dollars)

Function	1981 actual	1982 estimate	1983 estimate
National defense	75	82	106
Energy	617	679	409
Natural resources and environment	4,944	5,110	4,166
Agriculture	829	896	859
Commerce and housing credit	4	5	2
Transportation	13,462	12,534	11,889
Community and regional development	6,124	5,933	5,010
Education, training, employment, and social services	21,146	17,310	12,281
Health	18,895	20,122	19,469
Income security	21,341	21,718	20,331
Veterans benefits and services	74	66	65
Administration of justice	333	257	118
General government	208	190	163
General purpose fiscal assistance [1]	6,710	6,319	6,549
Total grant outlays	**94,762**	**91,220**	**81,418**

[1] These numbers differ slightly from total outlays for this function, because they exclude administrative expenses.

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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 1982 and 1983 interest outlays are estimated to grow substantially, rising by $16.6 billion and $13.4 billion, respectively. By 1983, outlays for the interest function are estimated to be $112.5 billion.

INTEREST

(Functional code 900; in millions of dollars)

Programs	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Interest on the public debt:					
Existing law	95,503	115,700	133,229	141,391	147,458
Proposed legislation			−329	−691	−858
Subtotal, interest on the public debt	95,503	115,700	132,900	140,700	146,600
Other interest:					
Interest on refunds of tax collections	1,046	1,712	1,937	1,567	1,456
Interest on loans to the Federal Financing Bank	−8,570	−11,885	−15,171	−17,526	−19,121
Other:					
Existing law	−5,442	−6,432	−7,146	−8,209	−8,667
Proposed legislation			16	−347	−541
Subtotal, other interest	−12,966	−16,606	−20,364	−24,515	−26,874
Total, budget authority	**82,537**	**99,094**	**112,536**	**116,185**	**119,726**
OUTLAYS					
Interest on the public debt:					
Existing law	95,503	115,700	133,229	141,391	147,458
Proposed legislation			−329	−691	−858
Subtotal, interest on the public debt	95,503	115,700	132,900	140,700	146,600
Other interest:					
Interest on refunds of tax collections	1,046	1,712	1,937	1,567	1,456
Interest on loans to the Federal Financing Bank	−8,570	−11,885	−15,171	−17,526	−19,121
Other:					
Existing law	−5,443	−6,431	−7,146	−8,209	−8,667
Proposed legislation			16	−347	−541
Subtotal, other interest	−12,967	−16,605	−20,364	−24,515	−26,874
Total, outlays	**82,537**	**99,095**	**112,536**	**116,185**	**119,726**

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 to trust, revolving, and deposit funds within the Federal Government.

Estimates of interest on the public debt are highly sensitive to assumptions about interest rates. For purposes of developing budget estimates, interest rates are assumed—by convention—to

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fall as inflation declines. Under this convention, it is assumed that the 91-day bill rate will decline from an average of 14.0% in calendar year 1981 to 11.7% in 1982, 10.5% in 1983, 9.5% in 1984, and 8.5% in 1985.

Interest on the public debt is estimated to grow by $20.2 billion in 1982 due to the combined effects of higher average interest rates on Treasury securities and higher Treasury debt outstanding. The 1983 increase is projected to be $17.2 billion and is due primarily to an increase in the amount of Treasury debt outstanding.

The estimates of interest on the public debt reflect proposed legislation to modernize the savings bond program. The proposal would establish a new interest rate for savings bonds held at least 5 years. The rate would be 85% of the average market yield on 5-year Treasury securities during the holding period. The new rate would also apply to outstanding bonds if held another 5 years. This proposal is estimated to reduce interest outlays by $0.3 billion in 1983.

Other interest.—This subfunction includes interest payments on tax refunds and, as an offset, interest collections from Federal agencies and the public.

Interest on refunds of tax collections.—Interest payments by the Treasury on tax refunds are estimated to be $1.9 billion in 1983, an increase of $0.2 billion from 1982. The Omnibus Budget Reconciliation Act of 1981 included a provision to set at the prime rate the interest rates charged on delinquent tax returns and on refunds of tax collections. This makes these payments much more sensitive to interest rates and increases the 1982 and 1983 estimated payments for interest on refunds of tax collections. As projected interest rates decline for later years, these outlays are also expected to decline.

Interest on loans to the Federal Financing Bank (FFB).—The largest item of offsetting interest collections is from the off-budget Federal Financing Bank, which is estimated to provide $15.2 billion in offsetting receipts in 1983. 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 these funds to purchase debt and financial assets guaranteed by various Government programs. It then pays interest to the Treasury on this borrowing.

Other.—Offsetting interest collections other than from the FFB are estimated at $7.1 billion in 1983. These come from two basic sources: interest charges by Treasury to Federal agency revolving funds, which is by far the largest source, and interest collected from the public outside of revolving funds. Revolving funds borrow from the Treasury primarily to finance direct loans to the public.

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Other interest collections are from loans made by non-revolving funds to the public and interest paid by banks holding deposits of Federal tax collections.

Net interest.—A substantial portion of interest outlays is paid to Federal trust funds on securities held by these funds. Since this payment of interest is not made to the public, but rather consists of offsetting transactions within the budget itself, these amounts are deducted from both budget authority and outlays before arriving at the budget totals. As shown in the following table, net interest outlays—the interest function minus the interest received by trust funds—are projected to be $96.4 billion in 1983.

Net interest in 1983 is projected to continue its recent rapid growth as a percent of budget outlays. Net interest outlays are estimated to be 12.7% of budget outlays in 1983, compared to 10.5% in 1981. In subsequent years this percent is expected to decline. During most of the 1970's, net interest outlays were in the 7–8% range.

In addition, the Federal Reserve Banks hold Government securities as part of their monetary function. The Federal Reserve Banks return most of the interest they receive on these securities back to the Treasury as miscellaneous budget receipts. This deposit of earnings is projected to be $15.8 billion in 1983. Deducting these receipts from net interest results in a net impact on the budget of $80.6 billion in 1983. 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)

	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Outlays for the interest function	82,537	99,095	112,536	116,185	119,726
Interest received by trust funds	−13,810	−16,080	−16,122	−17,502	−18,934
Net interest outlays	**68,727**	**83,015**	**96,414**	**98,683**	**100,792**
Deposit of earnings by the Federal Reserve System [1]	−12,834	−14,974	−15,809	−16,155	−16,170
Net impact [2]	**55,893**	**68,041**	**80,605**	**82,528**	**84,622**

[1] Shown as budget receipts.
[2] Net amount of interest to be paid from receipts, borrowing, or other means of financing.

Tax expenditures.—A tax expenditure arises from the optional deferral of interest income on U.S. savings bonds. Interest is normally taxed each year as it is earned, but the holder of savings bonds may defer paying tax until the bond is redeemed. The outlay equivalent estimate for this provision is $710 million in 1983.

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ALLOWANCES

Allowances cover certain forms of budgetary transactions that are not reflected in the programmatic detail shown in the preceeding functions. When these transactions actually take place, they will be reported as part of the agency and functional outlays or receipts, rather than as allowances. For this reason the allowances for the year just completed—in this case, 1981—are always zero. The allowances included in the current budget fall into three groupings—allowances for civilian agency pay increases, allowances for contingencies, and allowances for anticipated budgetary savings resulting from the administration's actions to achieve more efficient management.

ALLOWANCES

(Functional code 920; in millions of dollars)

Program	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Civilian agency pay raises		392	757	1,853	3,393
Allowances for contingencies:					
Relatively uncontrollable programs					
Other requirements					
Allowances for more efficient management:					
Federal employment reduction					−700
Fraud, waste, and abuse		−1,000	−1,000	−1,000	−1,000
Undistributed debt collection			−1,000	−1,000	−2,000
Subtotal, more efficient management		−1,000	−2,000	−2,000	−3,700
Total, budget authority		**−608**	**−1,243**	**−147**	**−307**
OUTLAYS					
Civilian agency pay raises		376	743	1,809	3,331
Allowances for contingencies:					
Relatively uncontrollable programs					
Other requirements					
Allowances for more efficient management:					
Federal employment reduction					−700
Fraud, waste, and abuse		−1,000	−1,000	−1,000	−1,000
Undistributed debt collection			−1,000	−1,000	−2,000
Subtotal, more efficient management		−1,000	−2,000	−2,000	−3,700
Total, outlays		**−624**	**−1,257**	**−191**	**−369**

Civilian agency pay raises.—The allowance for civilian agency pay raises is designed to include in the budget amounts sufficient to cover the add-on costs of future pay raises. In addition to this allowance, two pay raise allowances are included in the functional detail and, hence, are not included here. An allowance for Department of Defense civilian and military pay increases is separately included in the budget totals for the Defense Department and for

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the national defense function. In addition, the Coast Guard military pay allowance is included in the Transportation Department and in the transportation function. The undistributed pay allowance included in this section is for all other employees of civilian agencies.

This administration has endorsed the principle of comparability in setting Federal compensation, which has been tested and accepted over time. However, the procedures under current law used to implement this principle have several shortcomings. For example, the law provides for pay comparability only, thus ignoring benefits that now amount to nearly 40% of compensation. Further, pay surveys of the non-Federal labor force exclude the 12 million positions in State and local governments, many of which compare closely with Federal jobs.

In February 1981, the administration submitted a legislative proposal to the Congress to correct these shortcomings and others in setting Federal pay. The Congress, in response, did limit the 1982 pay increase to the amount (4.8%) that would have resulted from enactment of the proposed legislation. However, the Congress did not act on the specific legislative proposal.

In order to consider certain objections that the Congress raised about the administration's proposals, as well as to consider other proposals that have since been made, the administration plans to withdraw its current legislative proposal and initiate a new review of Federal civilian compensation. This review will recommend revised procedures for setting Federal civilian employees' pay and revised benefit structures, both designed to serve the Government's long-term needs. It is anticipated that the review's recommendations will be available in time to permit a new legislative proposal to be submitted to the Congress with the 1984 budget.

As part of the overall effort to reduce Government spending in support of the President's economic recovery program, this budget anticipates an October 1982 pay increase for the white collar workforce of 5.0%, and a blue collar pay increase of the same amount. The final decision on the level of the fiscal year 1983 pay increase will be made in the late summer, as the law provides, after Presidential review of the recommendations of the President's Pay Agent, the Federal Employees Pay Council and the Advisory Committee on Federal Pay, and after a review of the economic conditions prevailing then.

For 1982, there is an allowance for the unabsorbed costs of the civilian agency pay raises. Normal practice is to transmit requests for current pay requirements with the budget. This year the requests will be transmitted later because of the late enactment of regular appropriations; this did not provide adequate time to review agency needs carefully. In subsequent years, the 1982 pay

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increases are allocated to the agencies' and functional budgets. For 1983, the allowance for civilian agency pay raises covers funds required for the pay raises effective in 1983.

Allowances for contingencies.—The Congressional Budget Act requires the budget to include two allowances—one for unanticipated additional spending or savings in relatively uncontrollable programs (such as social security), that would occur under current law without any new appropriations, and the other for estimated additional spending or reductions in discretionary programs, which would require appropriations for the coming year. The estimates for each of these contingency allowances are zero in this budget. The contingency allowance for relatively uncontrollable programs is estimated to be zero because the chances of these outlays being lower than the estimates are as great as the chances of their being higher. Any increase in discretionary program costs above the levels reflected in this budget are expected to be offset by further program reductions. Hence, the contingency allowance for other requirements is also zero.

Allowances for more efficient management.—The administration is proposing efficiencies in several areas that would permit substantial budget savings. These savings are expected to decrease estimated outlays by $2.0 billion in 1983 and more in later years.

Federal employment reduction.—The detailed budget estimates for agencies and functions assume that Federal employment levels stay constant beyond 1984. The allowance for Federal employment reduction shows the savings that would occur from a reduction of 75 thousand civilian agency employees from 1985 through 1987. Such action would lower Federal outlays by an estimated $0.7 billion in 1985, $1.5 billion in 1986, and $2.3 billion in 1987.

Fraud, waste, and abuse.—Budget savings of an estimated $1.0 billion annually are expected from the Inspector General's vigorous program to save Federal money and property that otherwise would be lost through mismanagement in the executive departments and agencies. Comprehensive audits are expected to recover money and property already misallocated because of fraud, waste, and abuse, and to achieve savings by questioning and disallowing prospective abuses, such as inappropriate contracting proposals.

Debt collection.—The administration is initiating an aggressive program to collect at least $1.0 billion annually in 1983 and 1984 and $2.0 billion in each subsequent year, by reducing the backlog of delinquent debts to the Federal Government and by preventing unnecessary new delinquencies from occurring. (Other savings from improved debt collection are distributed into the accounts of

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executive departments and agencies. All of these savings are displayed in the Debt Collection section of *Major Themes and Additional Budget Details.*) Actions available under current law should recover $0.5 billion annually, while pending legislation should allow collection of another $0.5 billion annually. Specific efforts under current law will include: increasing the effectiveness of collection officials in the Federal agencies; instituting speedier and more effective litigation against delinquent debtors who are able but refuse to repay; utilizing new techniques, such as greater automation of recordkeeping, billing, and other related functions; and use of private debt collection agencies.

In addition, legislation proposed by the administration and now pending before the Congress would provide incentives for debtors to repay promptly. The pending legislation would allow agencies to:

—require credit applicants to supply their social security numbers to ensure identity of the prospective debtor;

—contract for use of private debt collection agencies where not currently allowed by law;

—assess interest and other penalties on non-tax debts; and

—refer credit information on delinquent debtors to credit bureaus.

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UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts are generally deducted from outlays and budget authority at the function, subfunction, or agency level. In four instances, however, such payments are deducted from the budget totals as undistributed offsetting receipts. Deductions for the payments that each agency makes as its share of employee retirement costs and for interest received by trust funds are included as undistributed offsetting receipts to eliminate double counting of budget authority and outlays and thereby measure properly the transactions of the Government with the public. Payments for rents and royalties on the Outer Continental Shelf are extremely large, and their inclusion in a particular function would distort the display of Federal program costs. Federal surplus property disposition is included as an undistributed offsetting receipt because all properties to be sold have not been identified and therefore receipts cannot be allocated among specific programs or functions. Undistributed offsetting receipts are estimated to be $43.5 billion in 1983, $12.0 billion greater than in 1982. Details of all offsetting receipts are shown in table 11 in Part 9 of this *Budget.*

UNDISTRIBUTED OFFSETTING RECEIPTS

(Functional code 950; in millions of dollars)

Offsetting Receipts	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY AND OUTLAYS					
Employer share, employee retirement:					
Existing law	−6,371	−7,560	−7,734	−7,899	−8,176
Proposed legislation			−619	−844	−933
Subtotal, employer share, employee retirement	−6,371	−7,560	−8,353	−8,743	−9,109
Interest received by trust funds:					
Existing law	−13,810	−16,053	−16,062	−18,000	−20,948
Proposed legislation		−27	−59	498	2,014
Subtotal, interest received by trust funds	−13,810	−16,080	−16,122	−17,502	−18,934
Rents and royalties on the Outer Continental Shelf	−10,138	−7,861	−18,000	−18,000	−18,000
Federal surplus property disposition			−1,000	−4,000	−4,000
Total	**−30,320**	**−31,502**	**−43,474**	**−48,245**	**−50,043**

Employer share, employee retirement.—The payments by Federal agencies to various employee retirement funds are counted as outlays of the agencies and as receipts of the respective retirement funds. Nearly two-thirds of these payments are to the civil service retirement fund. Most of the remainder is paid to the social security trust funds.

The administration is proposing legislation to cover Federal employees under medicare. This involves the collection of employee

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contributions (governmental receipts) and matching employer contributions (offsetting collections) at rates equal to those paid by all other participants. Federal employing agency payments for this purpose are estimated to be $619 million in 1983.

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 and are deducted here as undistributed offsetting receipts to avoid double counting. Nearly half of these interest collections is received by the civil service retirement and disability fund, and almost one-third is received by social security and medicare. Several of the proposed legislation items discussed in the other functions such as proposals for medicare and social security trust funds, affect trust fund payments or receipts and thereby affect trust fund balances and interest earnings. On a net basis, these proposals increase interest received by trust funds.

Rent and royalities from the Outer Continental Shelf (OCS).—These estimates include cash bonuses received from the new leasing of OCS lands that have the promise of containing oil and gas. Also included are annual rents on existing leases, based on a percentage share of profits, and royalties, based on a percentage of the value of production. OCS collections from lands immediately adjoining State lands or from disputed lands are recorded in deposit funds rather than as offsetting receipts. Such funds are now usually invested in public debt securities. On September 30, 1981, such deposit funds held $4.1 billion of debt securities.

The proposed 5-year OCS leasing program significantly accelerates leasing by offering larger areas and by streamlining leasing procedures. The current estimates assume that eight OCS sales will be conducted in 1982 and eight sales in 1983. Seven sales are currently scheduled for 1984. 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.

Federal surplus property disposition.—The General Services Administration (GSA) manages 36 million acres of property, much of which is developed and is owned to carry out Federal programs. The Departments of the Interior and Agriculture manage about 650 million acres of public lands, much of which is undeveloped and some of which has been set aside to protect its unique characteristics and national value. These protected areas include national parks, monuments, historic sites, refuges, and wilderness areas.

The administration will establish a White House/Cabinet level Real Property Review Board to review Federal asset management policies and practices and to identify unneeded Federal properties

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for disposal. These surplus assets would include those that are excess to the needs of the agencies holding them, properties not utilized at highest and best uses, public lands too small or widely scattered to be efficiently managed, and public lands hindering local growth and economic development. Property integral to agency operations or of unique national value would not be sold. Receipts from surplus property disposition are estimated to be $1.0 billion in 1983 and $4.0 billion for 1984 and 1985.

The purposes of improving Federal asset management, including disposal of surplus properties, are to reduce Federal property management costs, to promote highest and best uses of property, to increase receipts and thereby to lower the budget deficit, and to encourage local economic development.

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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 to interpret the budget totals and to place the budget in perspective:

- the relationship of budget authority to outlays;
- fiscal activities outside the Federal budget:
  - —outlays of off-budget Federal entities,
  - —Government-sponsored enterprises,
  - —loan guarantees, and
  - —tax expenditures;
- Federal debt and the relationship of budget funds to changes in Federal debt;
- the difference between the initial 1981 budget estimate and the actual outcome for:
  - —total outlays,
  - —outlays of relatively uncontrollable programs, and
  - —total receipts;
- reductions in consulting services and travel during 1982; and
- the allocation of windfall profit tax receipts.

RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must usually provide budget authority, generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1983, $801.9 billion of new budget authority is proposed for those Federal agencies included in the budget. In addition, $28.8 billion in new budget authority is proposed for those Federal entities that are excluded from the budget.[1]

Of the total new budget authority proposed for budget agencies in 1983, $461.1 billion will require congressional action. New budget authority of $475.8 billion will be available through permanent appropriations under existing law. This consists mainly of trust fund receipts, which in most trust fund 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. Offsetting the gross new budget authority is $135.0 billion of deductions for offsetting receipts, which consist of transactions within the Government and proprietary receipts from the public. Almost all of the budget

[1] Budget authority is discussed further in Part 7 of this volume.

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BUDGET AUTHORITY

(In billions of dollars)

Description	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Available through current action by the Congress:					
Enacted and pending appropriations	437.8	441.9			
Proposed in this budget: [1]					
Appropriations			462.6	489.3	542.4
Supplemental requests		11.7			
Rescission proposals		−10.7			
To be requested separately:					
Upon enactment of proposed legislation		−0.9	−4.5	−8.0	−12.2
Allowances:					
Civilian agencies [2]		−0.6	−1.2	−0.1	−0.3
Department of Defense—Military [3]		5.4	4.2	8.7	12.6
Subtotal, available through current action by the Congress	437.8	446.9	461.1	489.8	542.5
Available without current action by the Congress (permanent appropriations): [4]					
Trust funds (existing law)	260.5	295.6	319.9	343.7	379.7
Interest on the public debt	95.6	115.7	133.2	141.4	147.5
Other	23.3	23.6	22.7	30.2	28.1
Subtotal, available without current action by the Congress	379.4	435.0	475.8	515.2	555.3
Deductions for offsetting receipts	−98.9	−116.4	−135.0	−147.1	−154.4
Total, budget authority	**718.4**	**765.5**	**801.9**	**858.0**	**943.5**
ADDENDUM					
Budget authority for off-budget Federal entities:					
Available through current action by the Congress	*	3.7	2.1	1.9	2.4
Available without current action by the Congress	30.7	28.9	26.7	29.6	17.8
Total, off-budget Federal entities	30.7	32.6	28.8	31.6	20.4
Total, budget authority including off-budget Federal entities	749.1	798.1	830.7	889.6	963.9

* $50 million or less.
[1] Amounts for 1984 and 1985 are tentative planning targets.
[2] Includes allowances for civilian agency pay raises; contingencies; fraud, waste, and abuse; and undistributed debt collections.
[3] Includes allowances for civilian and military pay raises for Department of Defense.
[4] Allowances for relatively uncontrollable programs with permanent appropriations are estimated at zero.

authority proposed for off-budget Federal entities will be available under existing law.

Not all of the new budget authority for 1983 will be obligated or spent in that year: [2]

[2] This subject is discussed more fully in a separate OMB report, "Balances of Budget Authority," which can be purchased from the National Technical Information Service (NTIS) shortly after the budget is transmitted.

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- Budget authority for most trust funds comes from the authority of these funds to spend their receipts from special taxes and contributions and from Federal fund payments. Any balances arising from these receipts remain available to these trust funds indefinitely in order to finance benefits and other purposes specified by law.
- Budget authority for most major construction and procurement projects covers the entire cost estimated when the projects are initiated, even though costs will be incurred and outlays made over a period extending beyond the year for which the budget authority is enacted. An exception to this policy is made for water resource programs.
- 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 estimated maximum contractual obligation to pay subsidies under contracts, which may extend for periods of up to 40 years.
- Budget authority for most other long-term contracts also covers the estimated maximum obligation of the Government. For example, budget authority for many direct loan programs provides financing for a number of years; budget authority for many insurance and loan guarantee 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 small part may never be obligated or spent, because it is primarily for contingencies that do not occur or reserves that never have to be used.

As shown in the chart on the next page, $125.7 billion of the outlays in 1983, 17% of the total, will be made from budget authority enacted in previous years. At the same time, $169.9 billion of the new budget authority proposed for 1983, which is 21% of the total amount proposed, will not lead to outlays until future years. Thus, the total budget authority for a particular year is not useful for the analysis of that year's outlays, since it combines various types of budget authority that have different short-term and long-term implications for budget obligations and outlays. 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)

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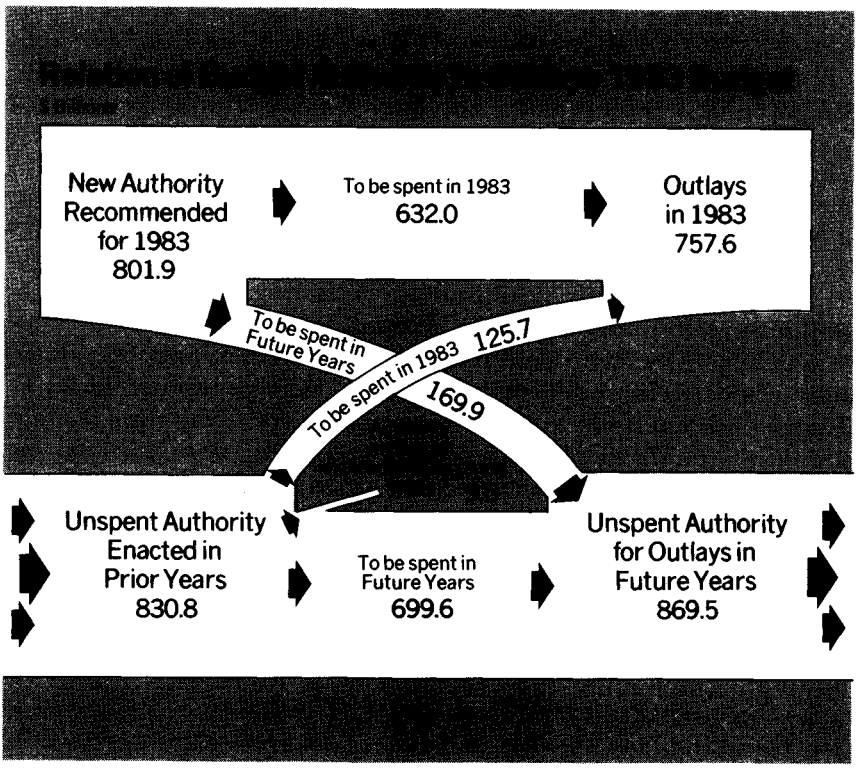

must be reported to the Congress in rescission or deferral messages. The Congress may require these funds to be released by overturning the deferral of budget authority or by not taking action on the proposed rescission.

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. These activities, nevertheless, channel economic resources toward particular uses in ways that are analogous to the effects of budget spending.

The outlays of off-budget Federal entities are a major exclusion from the budget. These are discussed in some detail below. This is followed by a description of the Government-sponsored enterprises, which are outside the budget because of their private ownership. Loan guarantees, which are discussed next, allocate economic resources toward particular uses by providing credit to borrowers at more favorable terms than would otherwise be available in the private market. Taxation and tax expenditures, which also have significant allocative effects on the economy, are discussed subsequently.

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The regulation of economic activity can also have economic effects similar to budget spending by requiring the private sector to make expenditures for specified purposes such as safety, pollution control, and accessibility for the handicapped. The effects of this spending are very important, but many of them have not been quantified satisfactorily and therefore cannot be clearly related to the budget. The economic effects of regulation and the Administration's proposals for regulatory reform are discussed in chapter 6 of the *Economic Report of the President* for 1982.

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.[3] 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 6-24, the outlays of the off-budget Federal entities are added to the budget deficit to derive the total Government deficit, which has to be financed by borrowing from the public or by other means. When off-budget outlays are financed by Treasury borrowing, as is usual, the additional debt is subject to the statutory debt limitation; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt.

Since the 1969 budget, the Federal Government has used the unified budget concept as the foundation for its budgetary analysis and presentation. This concept measures the Government's cash payments to and from the public. The first departure from the unified budget concept occurred in August 1971, when the Export-Import Bank was excluded by statute from the budget. Further departures followed in the next few years under various statutes. 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 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 it was initially classified as a deposit fund instead of an off-budget Federal entity.[4] [5]

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[3] Financial statements for these entities are published in the *Appendix, Budget of the United States Government, Fiscal Year 1983.* See Part IV, "Off-Budget Federal Entities."

[4] The Exchange Stabilization Fund conducts a cycle of operations similar to revolving funds. Consequently, its initial classification as a deposit fund was contrary to the normal meaning of a deposit fund, as defined in Part 7 of this volume.

[5] 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.

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In the past few years the trend toward steadily increasing the number of off-budget Federal entities has been altered. The Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation were put on-budget by statute in different years. The administrative expenses, interest collections, and actual profits and losses realized from foreign exchange transactions of the Exchange Stabilization Fund were put on-budget in a series of legislative and administrative actions.[6] Whenever a former off-budget entity was put on-budget, the budget outlays and deficits of previous years were revised to include the entity to the extent feasible so that the historical series measuring budget transactions would be as accurate and consistent as possible. Most of the transactions of the U.S. Railway Association have also been brought into the budget. Legislation several years ago required that its purchases of Conrail securities be included in the budget, and these purchases have comprised most of its recent activity.

In the past two years, however, two new off-budget Federal entities have been established that carry out energy programs. The Synthetic Fuels Corporation was created outside of the budget in 1980 as a means of helping private industry finance the development of oil substitutes. Although the Corporation is itself off-budget, the system of financing was devised so that its funding is included in the budget totals. The funds for carrying out the Corporation's activities come from appropriations to the Secretary of the Treasury. The Treasury makes these funds available to the Corporation by purchasing the Corporation's notes. These payments are shown as Treasury outlays and are included in the budget totals. These budget outlays count as income to the Corporation and, consequently, as an offset to the Corporation's off-budget outlays. Since the Corporation acquires funds only as needed, its net off-budget outlays are approximately zero.[7] The Treasury outlays are included in the energy function and discussed in the energy section of Part 5.

The strategic petroleum reserve is a program created several years ago to offset partially the effects of potential disruptions in the supply of imported oil to the United States. It does this by building a stockpile of petroleum that can be made available if the need arises. The Congress stipulated in the Omnibus Budget Reconciliation Act of 1981 that budget authority and outlays for purchasing oil for the reserve were not to be included in the budget totals. This budget adheres to the requirements of this Act by not counting budget authority and outlays for strategic petroleum reserve oil

[6] Because it is not practicable to forecast transactions in gold, foreign currency, and foreign investments, profits and losses from foreign exchange transactions are not estimated for the current and future years.

[7] Any receipts of the Corporation are also offsets to its outlays and thus reduce its need to borrow from the Treasury.

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purchases in the budget totals beginning in 1982. The costs of operations, maintenance, construction, and administration, however, remain in the budget.

Conrail was created by the Federal Government to own and operate the facilities of several railroads in the northeast and midwest. As the result of a settlement in 1980 with the Penn Central Railroad, the Government now owns about four-fifths of Conrail's common stock and series B preferred stock. The Government's financial assistance to Conrail and its payment to Penn Central have been included in the budget totals. However, Conrail is not currently included in the budget nor is it classified as an off-budget Federal entity.

Despite the exclusion of the off-budget entities from the budget, some of the outlays related to their operations are nonetheless included in the budget totals. The budget totals include the funding of the Synthetic Fuels Corporation, the operating costs and certain other expenses of the strategic petroleum reserve, the payment made to the Postal Service fund, and the administrative expenses of the Rural Electrification 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.

Even though the exclusion of off-budget Federal entities from the budget results from provisions of law, the executive and the Congress have on several occasions expressed concern about this practice and have taken actions to control off-budget spending. This Administration has been very concerned about the effects of the off-budget direct loans in allocating credit toward particular uses and about the necessity of financing these loans by additional Federal borrowing from the public. It has used the credit budget process, discussed in Parts 3 and 7 of this volume, to reduce off-budget direct loans from $20.9 billion in 1981 to an estimated $12.3 billion in 1983 and still lower levels in later years. Within Congress, the House Budget Committee held hearings on off-budget entities in 1976 and subsequently recommended that they all be included in the budget.[8] The congressional budget resolutions for 1980 recommended that the congressional budget process should accurately relate the off-budget outlays to the budget. Following

[8] House of Representatives, Committee on the Budget, *Off-Budget Activities of the Federal Government*, Report No. 94-1740 (1976); *First Concurrent Resolution on the Budget—Fiscal Year 1978*, Report No. 95-189 (1977), pp. 11-12 and 135; and *First Concurrent Resolution on the Budget—Fiscal Year 1979*, Report No. 95-1055 (1978), p. 23.

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this procedural recommendation, the budget resolutions for 1981 and 1982 recommended specific aggregate limits on obligations for new direct loans made by the off-budget entities as well as by the budget agencies. The resolutions for 1982 also recommended that the President take administrative action to limit FFB activities to specified amounts.

The off-budget Federal entities, except for the strategic petroleum reserve account and the Postal Service, incur their outlays in order to carry out loan programs. These programs have the same general characteristics as the direct loan programs in the budget. The outlays of the off-budget loan programs are approximately equal to the difference between the new loans disbursed and the repayments of principal. For example, during 1983 the new loans disbursed by the off-budget programs are estimated to be $25.9 billion and repayments $13.6 billion, for an increase in loans outstanding of $12.3 billion. This is about the same as the estimated outlays of $12.2 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 off-budget entities are designed to allocate economic resources toward particular purposes. 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	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Federal Financing Bank	21.0	16.2	12.1	11.0	7.8
Rural Electrification and Telephone revolving fund	*				
Rural Telephone Bank	.1	.2	.2	.2	.2
Strategic Petroleum Reserve account		2.8	2.8	2.3	2.2
Postal Service fund	.1	.6	.7	.9	.8
U.S. Railway Association	−.3	−.1	−*		
Synthetic Fuels Corporation					
Total	**21.0**	**19.7**	**15.7**	**14.3**	**11.0**

*$50 million or less.

As the table above shows, the Federal Financing Bank (FFB) accounts for most of the off-budget outlays and for more than the entire decline estimated in off-budget outlays from 1981 to 1985. Among the other off-budget Federal entities, only the strategic petroleum reserve account and, in some years, the Postal Service fund have comparatively large outlays. Even these are of a smaller magnitude. The outlays of the Postal Service fund are calculated with an offset for the payment it receives that is included in the

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budget. This payment, which is estimated to be $0.5 billion in 1983, is mostly for public service costs and for revenue forgone from carrying certain mail at free or reduced rates.

The FFB's outlays do not come from programs that the FFB operates itself. Rather, the FFB finances other programs within the Government by purchasing their debt securities or purchasing obligations that they have guaranteed. The operation of these programs remains both legally and administratively with the agencies that borrow from the FFB or provide the guarantees. The outlays of the FFB include its purchase of guaranteed obligations but not its purchase of Federal agency debt securities. An agency's outlays increase when it spends the proceeds of borrowing from the FFB, so FFB outlays must exclude this borrowing transaction in order to prevent double counting.

The FFB buys two types of guaranteed obligations, newly originated guaranteed loans and guaranteed loan assets. Newly originated guaranteed loans are loans that the FFB makes directly itself. This is done upon agency request, with the repayment of the loan to the FFB being guaranteed by the requesting agency. Thus, the Federal Government makes a direct loan outside the budget.

Loan assets are loans that an agency has made and for which repayments are still owed. According to law, the category of loan assets also includes certificates of beneficial ownership issued by the Farmers Home Administration and the Rural Electrification and Telephone revolving fund. These certificates are securities backed by loans that the agency continues to hold and service.[9] Loan asset sales are offsets to the outlays of the agency that sells them. Therefore, if the selling agency is in the budget, the budget outlays caused by its direct loans are offset by its sales of loan assets. When the FFB buys loan assets, it in effect converts direct loans that have already been made by another agency into off-budget direct loans of the FFB.

In order to present the implications of the FFB's transactions for different programs, the budget documents distribute the FFB outlays that are made on behalf of an agency to that agency itself. The table on the next page summarizes this distribution. It shows the outlays that arise from the FFB making direct loans to the public (guaranteed by another Federal agency) and to other agencies or programs (by purchasing loan assets). FFB outlays distributed to an agency or program equal gross FFB loans (of either type) less repayments. The remainder of FFB outlays consists of administrative expenses, the payment of surplus income to the general

[9] The President's Commission on Budget Concepts recommended that the sale of such securities (also known as participation certificates) be treated as borrowing, since as a means of financing outlays there is no difference between an agency selling securities labeled "certificates of beneficial ownership," the same agency selling securities labeled "debt," and the Treasury selling securities labeled "debt." See *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), pp. 8, 47–48, and 54–55.

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fund, and interest paid on borrowings from Treasury, offset by interest received on its own holdings of loans and debt. This category is zero beginning in 1982, because it is planned that all net interest (less administrative expenses) will be paid to the general fund. The distribution of FFB outlays by function is shown as an addendum to the tables throughout Part 5, and a complete listing is given in Part 8 in the section that displays the off-budget entities.

DISTRIBUTION OF FEDERAL FINANCING BANK OUTLAYS

(In millions of dollars)

Description	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Outlays from direct loans, by agency or program:					
Farmers Home Administration: certificates of beneficial ownership	10,860	5,352	1,149	174	160
Rural Electrification and Telephone revolving fund:					
Certificates of beneficial ownership	683	623	525	404	466
New originations	3,918	4,309	4,129	3,599	3,330
Foreign military sales credit	1,945	2,670	3,715	4,250	2,963
Commerce: Alternative fuels production	.....	470	915	987	795
Housing and Urban Development:					
Section 108 loan guarantees	35	96	83	46	−18
Low-rent public housing	810	1,224	969	1,417	−96
Transportation: Railroad programs	250	64	19	−83	−21
Student Loan Marketing Association	1,955	700	.....	.....	.....
National Aeronautics and Space Administration	111	206	112	−196	−219
Small Business Administration	119	224	179	174	169
Tennessee Valley Authority: Seven States Energy Corporation	237	198	278	236	252
Other	33	100	−4	−27	−30
Subtotal, outlays from direct loans	20,956	16,239	12,071	10,982	7,751
Interest, administrative expenses, and payment of surplus income	79	.....	.....	.....	.....
Total, FFB outlays	**21,035**	**16,239**	**12,071**	**10,982**	**7,751**

As shown in this table, FFB finances a wide variety of programs. In past years and until now, the largest part of its outlays has been for the net purchase of certificates of beneficial ownership from the Farmers Home Administration. These are estimated to decline greatly in the next few years, as FFB's purchase of new certificates decreases and the repayment of old certificates rises. Direct loans to the public guaranteed by the Rural Electrification and Telephone revolving fund and the foreign military sales credit program come to account for most of FFB's outlays. FFB outlays as a whole are estimated to decrease by almost two-thirds from 1981 to 1985 due to restraint on the credit programs that FFB finances, less use

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of the FFB by some of these programs, and a rise in the repayment of past loans.

Since the Farmers Home Administration is on-budget, FFB's purchases of its certificates of beneficial ownership reduce total budget outlays as well as Farmers Home outlays. The purchase of certificates of beneficial ownership from the off-budget Rural Electrification and Telephone revolving fund explains the small size of this fund's outlays in the previous table on the outlays of off-budget entities. The purchases by FFB offset this fund's outlays and augment the outlays of the FFB by an equal amount.

The table on the next page compares the outlays of the off-budget Federal entities with budget outlays.[10] The outlays of the entities that are now off-budget were negligible in 1973 but grew rapidly afterwards, particularly due to the creation and subsequent rapid expansion of the Federal Financing Bank. The outlays of the off-budget Federal entities equalled 3.2% of budget outlays in 1981 but are estimated to decrease substantially to 2.1% in 1983 and 1.3% in 1985.

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. In time, however, 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 basically 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.[11] [12]

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

[10] The historical data for budget outlays include Federal entities that are now off-budget for any period when they were in the budget, and include Government-sponsored enterprises for periods when they had any Government ownership. The outlays of former off-budget entities are included in the budget totals for all years to the extent practicable.

[11] *Report of the President's Commission on Budget Concepts*, pp. 29-30.

[12] Financial statements for the Government-sponsored enterprises are published in the Appendix, Part VI, "Government-Sponsored Enterprises." Their borrowing and lending are discussed in sections of separate OMB publications, "Special Analysis E, Borrowing and Debt," and "Special Analysis F, Federal Credit Programs."

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COMPARISON OF OUTLAYS FOR THE BUDGET, OFF-BUDGET FEDERAL ENTITIES, AND GOVERNMENT-SPONSORED ENTERPRISES

(In billions of dollars)

Fiscal year	Outlays			
	Federal Government [1]			Government-sponsored enterprises [2]
	Budget	Off-budget Federal entities	Total	
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	157.6		157.6	−2.9
1968	178.1		178.1	1.7
1969	183.6		183.6	4.3
1970	195.7		195.7	9.6
1971	210.2		210.2	*
1972	230.7		230.7	4.4
1973	245.6	0.1	245.7	11.4
1974	267.9	1.4	269.4	14.5
1975	324.2	8.1	332.3	7.0
1976	364.5	7.3	371.8	4.6
TQ	94.2	1.8	96.0	2.3
1977	400.5	8.7	409.2	9.7
1978	448.4	10.4	458.7	24.5
1979	491.0	12.5	503.5	25.9
1980	576.7	14.2	590.9	25.3
1981	657.2	21.0	678.2	33.4
1982 estimate	725.3	19.7	745.0	49.6
1983 estimate	757.6	15.7	773.3	52.9
1984 estimate	805.9	14.3	820.2	([3])
1985 estimate	868.5	11.0	879.4	([3])

*$50 million or less.

[1] The 1972–80 data have been revised to include the Export-Import Bank, the Housing for the Elderly or Handicapped fund, and the Pension Benefit Guaranty Corporation 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, and the actual profits and losses realized from foreign exchange transactions are included beginning in 1979. Earlier data for the ESF are not available on a comparable basis.

[2] 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.

[3] Not available.

late in calendar year 1968 and were accordingly removed from the budget for all later periods. The Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association were later established with full private ownership. The Federal Home Loan Mortgage Corporation is not privately operated, however, because its board of directors consists entirely of members of the Federal Home Loan Bank Board, who are Federal Government officials appointed by the President.

The Government-sponsored enterprises were all created to carry out loan programs, either lending their funds directly for specifical-

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ly authorized purposes, or buying loans originated by the private groups that they were established to assist. The loans of these enterprises primarily support housing, but also support agriculture and higher education. As shown in the previous table, their outlays have grown considerably—from relatively small amounts in the 1960's to $24.5 billion in 1978 and $33.4 billion in 1981.

The operations of the Government-sponsored enterprises are not subject to the normal Federal budget review process, and the economic assumptions on which their estimates are based are not necessarily the same as the Administration's economic forecast shown in Part 2. These enterprises estimate that they will increase their spending to $52.9 billion in 1983, which equals 7.0% of budget outlays in that year. The following table shows the total amounts of Government-sponsored loans outstanding and net loans (i.e., the change in loans outstanding) during 1981–83, in billions of dollars: [13]

	1981 actual	*1982 estimate*	*1983 estimate*
Loans outstanding, end of year	182.3	232.4	285.5
Net loans	32.4	50.1	53.1

Loan guarantees.—Government-guaranteed loans are loans for which the Government guarantees the payment of the principal and the interest in whole or in part. Loan guarantees are contingent liabilities of the Federal Government. They generally do not result in budget outlays except in case of default.

Loan guarantees are designed to allocate economic resources to particular uses by providing credit at more favorable terms than would otherwise be available in the private market. If loan guarantee recipients would not have been sufficiently creditworthy to borrow without Federal assistance, the guarantee reallocates credit toward federally selected uses, increasing the total volume of credit channeled into these uses. This leaves a smaller supply of credit to be allocated to those potential borrowers who do not receive assistance. However, the guarantee does not always change the allocation of credit. Some beneficiaries of loan guarantee programs would have been able to secure the funds privately, without Government support. For example, guaranteed mortgage credit might be used to finance, at a lower cost, a house that would have been purchased anyway. In such a case, the guarantee does not alter the allocation of credit resources.

[13] In order to prevent double counting in adding Government-sponsored loans to Federal direct loans and guaranteed loans, this table excludes loans from one Government-sponsored enterprise to another, loans from the Federal Government, and guaranteed loans acquired.

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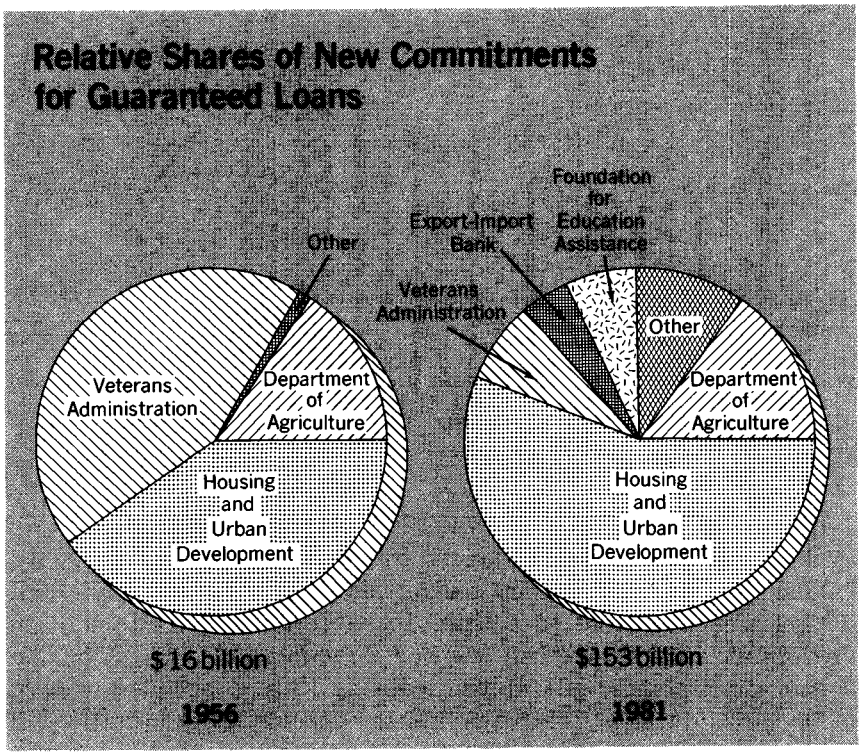
Most of the guarantee programs operated by the Federal Government began in efforts to revive the economy during the depression. The Reconstruction Finance Corporation, created in 1932, was the forerunner of the Export-Import Bank, the Small Business Administration, and other credit programs. The Nation's single largest credit program, the Federal Housing Administration's (FHA) home mortgage insurance program, was created in 1934 to stimulate housing construction.

During the 1950s and 1960s housing credit dominated Federal credit activities. The home mortgage programs of the FHA and Veterans Administration, which comprised most of these agencies' guarantees, accounted for 81% of the total volume of new commitments for guaranteed loans in 1956. As the chart below shows, the range of activities financed with Federal guarantees has widened since that time. Guarantees are now offered for business, agriculture, energy, and education, though housing continues to dominate. In 1981, total guaranteed loans outstanding were $309.1 billion, and they are expected to rise to $399.3 billion in 1983.



Guaranteed loans may be made to many types of borrowers: individuals, businesses, State and local governments, and foreign governments. The guarantees may be full or partial, and in some programs, such as the guaranteed student loan program, they are supplemented by explicit subsidies or other forms of assistance. Most guaranteed loans are made by banks or other private institu-

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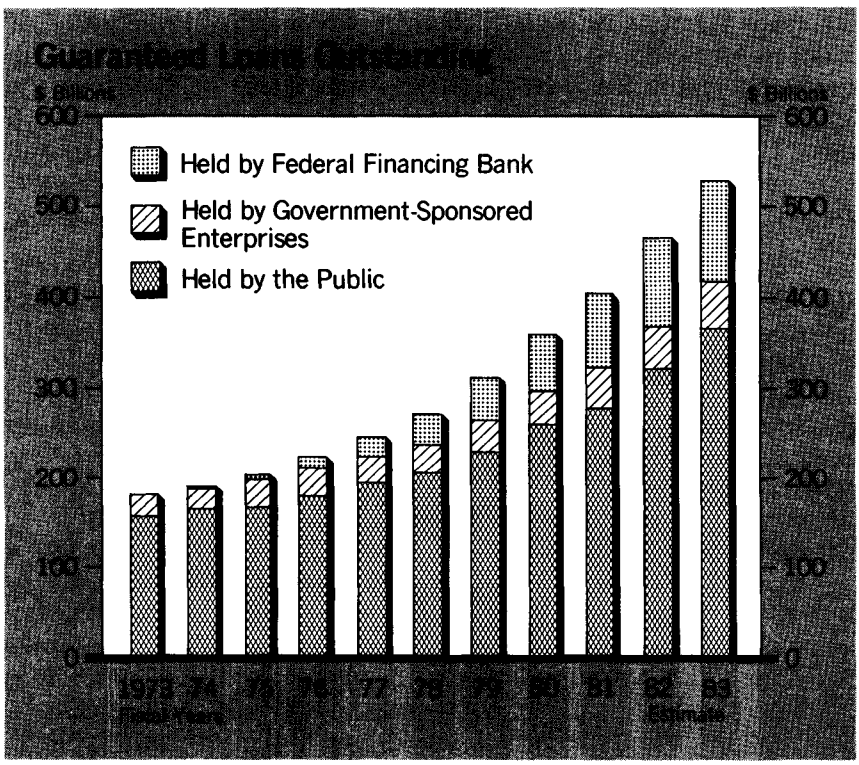
tional lenders, and may take the form of mortgages or bank loans. Others are sold in securities markets. An increasing portion of guaranteed loans is disbursed by the Federal Financing Bank (FFB), which is described above on pages 6–9 through 6–12. Since the FFB is an off-budget Federal entity, these disbursements are off-budget direct loans. An additional amount of guaranteed loans originally made by private institutions is purchased and held by privately owned, Government-sponsored enterprises, as the chart below shows.



Because loan guarantees are not included in the outlay totals or, usually, in the budget authority totals, they were formerly excluded as well from normal budget discipline. In 1980 the credit budget was instituted to subject guaranteed and direct loans to greater scrutiny throughout the budget process. The credit budget covers all direct and guaranteed loans by Federal agencies, whether on- or off-budget. Control is effected through appropriation bill limitations, which cover 58% of all new loan guarantee commitments to be extended in 1983. (See Part 3 of this document for a presentation of credit budget totals for 1981 through 1983, Part 5 for a discussion of credit programs by function, and Part 7 for a more complete description of the credit budget and credit control system.)

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Taxation and tax expenditures.—Taxation affects the economy not only by providing the Government with receipts but also by changing 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 magnitude of each tax. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays.

Some features of the tax structure have been defined as "tax expenditures" and are required to receive special attention in the budget. Tax expenditures are defined for purposes of the Congressional Budget Act as "revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability." For a tax provision to cause a tax expenditure under this definition, two conditions are necessary: the provision must be "special" in that it applies to a narrow class of transactions or transactors; and there must be a "general" provision to which the special provision is a clear exception.

Tax expenditures are so designated because they are one means by which the Federal Government pursues its objectives, and because in many respects they can be regarded as an alternative means of achieving the same objectives as direct expenditures. They can also be regarded as an alternative means of achieving the same objectives as other instruments of Government policy, such as off-budget outlays, loan guarantees, regulations, and provisions of the tax law other than those that give rise to tax expenditures. There are numerous examples of the similarity in objectives between tax expenditures and direct outlays. For instance, direct expenditures and tax expenditures both reduce the cost of ship acquisition by shipping companies; and direct interest subsidies and the use of tax-exempt bonds both lower the mortgage interest cost for eligible borrowers. Similarly, State and local governments benefit both from direct grants and from the ability to borrow funds at tax-exempt rates; individuals benefit both from direct medicare payments and from the income tax deductibility of medical expenses; and individuals also benefit both from social security payments and from the tax exemption of these payments.

Tax expenditures ordinarily result from permanent legislation and therefore are not submitted to the Congress each year and do not routinely receive a formal and systematic annual review. Many tax expenditures and other provisions of tax law were, nonetheless, reviewed by the Administration and the Congress during the work that led to the Economic Recovery Tax Act of 1981. The Congress

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may also review tax law generally as the result of a reconciliation directive in a congressional budget resolution that calls on various committees to increase receipts or decrease outlays by specified amounts. This procedure was used in the Omnibus Reconciliation Act of 1980, which changed tax expenditures and other provisions of tax law as well as outlays. In addition, the Treasury Department and the Office of Management and Budget reviewed a number of tax expenditure provisions in connection with the preparation of this budget.

The Congressional Budget Act requires that the estimated levels of tax expenditures be presented each year in the budget that the President transmits to the Congress and in the reports of the Senate and House Budget Committees 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 likewise have major effects on the allocation of resources and the distribution of income. However, these other provisions do not receive the annual, systematic presentation of the kind mandated for tax expenditures; nor do taxes other than the individual and corporation income taxes receive such a presentation. Tax expenditures, other provisions of the income tax, and other tax laws are, nevertheless, generally reviewed whenever fiscal policy decisions are considered regarding the overall level of tax receipts.

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 reference tax structure are deemed to cause tax expenditures. The reference standard used for the individual income tax includes those provisions that exist under current law for graduated rate schedules, personal exemptions, zero-bracket amounts (standard deductions), and basic accounting rules. Thus, under current definition, these characteristics of the tax structure do not generate tax expenditures.

The reference standard was not defined explicitly in previous budgets. This year the definition of tax expenditures has been sharpened by using as a reference structure the general provisions of the Internal Revenue Code. As a result, a number of items included in previous lists are no longer deemed to be tax expenditures, such as the exclusion from taxable income of public assistance benefits and the graduated rates of the corporation income tax.

The explicit use of the general provisions of the Internal Revenue Code as the reference tax structure makes it clear that listing an item as a tax expenditure does not imply that it is either a desirable or an undesirable provision. If the general provisions of

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the Code were different, the list of tax expenditures and the estimated amounts for particular provisions would also be different. Alternative lists of tax expenditures would be derived if a different reference tax structure were adopted. A different standard might exclude personal exemptions and the zero-bracket amount and thus classify these provisions as resulting in tax expenditures. A different standard might be based upon a normative judgment about an "ideal" income tax base. Such a standard might, for example, adjust incomes for inflation, or it might integrate the individual and corporation income taxes rather than regarding the separate tax treatment of individuals and corporations as part of the reference tax structure. Whatever reference tax structure is adopted, the provisions of tax law that are not defined as resulting in tax expenditures deserve as much scrutiny as the provisions that are, since they also have important allocation and income distribution effects.

Tax expenditures are presented at two places in the budget. Part 5, "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," analyzes the concept and measurement of tax expenditures, explains the changes from last year's budget, and presents a complete list of tax expenditure estimates for 1981–83.[14] [15]

The figures shown for tax expenditures in previous budgets were estimates of revenue losses, for past years as well as future ones, for they compared actual or estimated tax receipts with estimates of what tax receipts would have been if the tax law had been different. It was assumed that only the tax provision in question was removed and that taxpayer behavior and all other characteristics of the tax system remained the same. If removing a tax provision would have increased taxable income, for example, the tax expenditure was estimated as the increase in taxable income multiplied by the tax rate that would have been paid on the additional income.

In this year's budget the concept of tax expenditures has been changed in order to make tax expenditures more comparable with direct budget outlays. This is done by measuring the tax expenditure as the amount of outlays that would be required to provide an equal after-tax income to the taxpayer (and thereby an equal incentive). In most cases more budget outlays would be required by a

[14] "Special Analysis G" is a separate OMB publication. The presentation of tax expenditure estimates in this special analysis meets requirements in the Congressional Budget Act that tax expenditures be set forth in the budget.

[15] The role of certain tax expenditures as a form of credit assistance is discussed in a separate OMB publication, "Special Analysis F, Federal Credit Programs."

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special tax provision, because taxpayers would have to pay taxes on the higher income derived from budget outlays. For example, one tax expenditure provision is the exclusion from taxable income of the value of housing and meals provided military personnel. If the Government were to repeal this tax exclusion and instead pay higher salaries, the increase in salaries would be taxed. Therefore, if the Government were to use direct expenditures rather than tax expenditures and were to provide the same total after-tax compensation (and thereby the same incentive to engage in work), the increase in direct outlays for higher salaries would have to be greater than the revenue loss under the special tax provision. The Federal deficit would be the same in either case, however, because the higher outlays would be required only to the extent that tax receipts were higher.

In order to make the tax expenditure equivalent to a direct outlay, the revenue loss is adjusted where appropriate so that the taxpayer's after-tax income is the same regardless of whether the Government uses a direct outlay or a tax expenditure provision to achieve its objectives. For some tax expenditure provisions, though, the revenue loss is equivalent to a direct outlay without any adjustment. The new concept is explained more fully in the introduction to Part 5 as well as in "Special Analysis G, Tax Expenditures." [16] This special analysis presents estimates of tax expenditures according to the old concept as well as the revised one, but for program analysis throughout Part 5 only the outlay equivalent estimates are used.

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 reductions in the income tax rate schedule enacted in 1981, as an example, automatically decrease many tax expenditures below what they otherwise would have been. A tax rate reduction decreases the amount of receipts that would be gained by repealing deductions and exclusions, because lower tax rates are applied to the increase in taxable income.

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

[16] The new measurement concept was used on a limited and supplementary basis in last year's budget. See Special Analysis G, "Tax Expenditures," in *Special Analyses, Budget of the United States Government, Fiscal Year 1982*, pp. 234-38.

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some taxpayers would switch to the zero-bracket amount (standard deduction). Consequently, adding together separate tax expenditures would usually be misleading, and they are not added together in this budget except for specially computed totals by functional category.

Even if the interaction effects could be properly taken into account, the total amount of all tax expenditures added together would have a restricted meaning. This amount would be defined only with respect to the particular reference tax structure from which it was measured. If a different reference tax structure were used than the general provisions of the Internal Revenue Code, the total amount would be different.

The Government's budget receipts would not ordinarily be raised by the total amount of a group of tax expenditures if all the tax expenditure provisions in that group were removed together. The interaction effects would have to be taken into account; and, in accordance with the new concept of outlay equivalence, the tax expenditure is larger than the revenue loss for most special tax provisions. Furthermore, tax expenditures and other provisions of law have frequently been changed together or viewed as substitutes for one another. A direct outlay may also be substituted for a tax expenditure. Thus, even for aggregations of tax expenditures that were measured as revenue losses and that did take interaction into account, the total amount would simply indicate the total resources available for some combination of cutting tax rates, increasing outlays, and reducing the deficit. If a group of tax expenditure provisions were removed, the overall effects on budget receipts and on resource allocation and income distribution would therefore depend on the particular decisions made as to which changes in tax rates and outlays—out of a limitless number of alternatives—were used to compensate for their removal.

As discussed in Part 4 of this volume, "Budget Receipts," the principal tax change enacted last year was the Economic Recovery Tax Act of 1981. This act reduced individual and corporation income taxes substantially. The major reductions were caused by decreases in the individual income tax rates and by adoption of the accelerated cost recovery system as the method for depreciating assets. Neither the rate schedule nor the accelerated cost recovery system is a tax expenditure provision. The individual tax rate schedule has always been considered part of the reference standard, and the accelerated cost recovery system is the general rule governing the recovery of the cost of depreciable property rather than a special method. These reductions are estimated to have major economic effects including increased incentives to work, save, and invest.

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The reductions in the individual income tax rate schedules will, for the reasons stated above, decrease the tax expenditures for deductions and exclusions. The Economic Recovery Tax Act also affects many tax expenditure provisions directly. The incentive to invest is enhanced by liberalizing the rules under which firms that have no tax liability may use leasing transactions to transfer unused investment tax credits and depreciation deductions on new investments to profitable firms. It is also enhanced by several other tax expenditure provisions, including an increase in the investment tax credit for equipment with short lives. The incentive to save is enhanced by the tax exemption of interest on certain one-year savings certificates issued by savings and loan associations and other financial institutions. These provisions, which are comparatively small except for leasing, affect the form in which investment and saving occur and supplement the changes in law that increase the incentives to invest and save but that do not give rise to tax expenditures. Other increases in tax expenditures arise from several provisions, including a tax credit for research and experimentation, a change in the taxation of income earned abroad, and a deduction for charitable contributions given by taxpayers who do not itemize.

The Administration is proposing a number of tax changes to end abuses and remove obsolete incentives. Some of these changes would eliminate or modify tax expenditure provisions. For example, the use of tax-exempt bonds for private activities would be restricted, and the business energy tax credits would be repealed. The corporate minimum tax would reduce tax expenditures generally for corporations. The Administration is also proposing a new tax expenditure provision that would provide incentives for the redevelopment of depressed areas designated as "enterprise zones."

BUDGET FUNDS AND THE FEDERAL DEBT

The budget consists of two major groups of funds: Federal funds and trust funds.[17]

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.

The budget includes the receipts and outlays of both the Federal funds and the trust funds and, as shown in the following table, deducts the various transactions that occur between them. The budget totals for receipts and outlays therefore generally display

[17] Data for Federal funds and trust funds are presented in "Special Analysis C, Funds in the Budget," which is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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BUDGET TOTALS BY FUND GROUP

(In billions of dollars)

	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Budget receipts:					
Federal funds	410.4	412.8	433.7	470.4	513.2
Trust funds	239.4	274.7	296.6	318.6	352.3
Interfund transactions	−50.6	−60.8	−64.2	−66.1	−69.0
Total, budget receipts	599.3	626.8	666.1	723.0	796.6
Budget outlays:					
Federal funds	475.2	523.9	540.6	571.3	616.4
Trust funds	232.6	262.2	281.2	300.7	321.1
Interfund transactions	−50.6	−60.8	−64.2	−66.1	−69.0
Total, budget outlays	657.2	725.3	757.6	805.9	868.5
Budget surplus or deficit (−):					
Federal funds	−64.7	−111.1	−106.9	−100.8	−103.2
Trust funds	6.8	12.5	15.4	17.9	31.3
Total, budget surplus or deficit (−)	**−57.9**	**−98.6**	**−91.5**	**−82.9**	**−71.9**
Addendum:					
Deficit (−), off-budget Federal entities[1]	−21.0	−19.7	−15.7	−14.3	−11.0
Total, surplus or deficit (−) including off-budget Federal entities	**−78.9**	**−118.3**	**−107.2**	**−97.2**	**−82.8**

[1] No off-budget Federal entities collect governmental receipts. Hence, no adjustments are made to receipts when on and off-budget totals are consolidated. The off-budget outlays would be classified as Federal funds outlays if they were included in the budget.

the net transactions of the Federal Government with the public. The budget does not, however, include the transactions of the Federal Financing Bank and the other off-budget Federal entities, which have been excluded from the budget under provisions of law. Were they to be included in the budget, all of their transactions would be classified in the Federal funds group.

Thus, as shown in the table on the next page, the combined deficit or surplus of the budget and the off-budget entities is the principal determinant of the change in the Federal debt held by the public.[18] The budget and off-budget deficits, together with the other factors noted in this table, are estimated to increase the Federal debt held by the public from $794.4 billion at the end of 1981 to $1,021.4 billion at the end of 1983, with the increase in 1983 being a little smaller than in 1982. Borrowing beyond the budget year is projected consistently with the economic assumptions that are explained in Part 2 of this volume. The projected change in debt held by the public in 1984 and 1985 continues to be large each year but to decline as the total Government deficit gradually diminishes.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, which includes such invest-

[18] Table 9 in Part 9 of this *Budget* contains more detail on budget financing through 1983 and shows the levels of debt from 1980 to 1983. Federal debt is discussed further in a separate OMB publication, "Special Analysis E, Borrowing and Debt," which is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING [1]

(In billions of dollars)

Description	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Budget surplus or deficit (−)	**−57.9**	**−98.6**	**−91.5**	**−82.9**	**−71.9**
Deficit (−) of off-budget Federal entities	**−21.0**	**−19.7**	**−15.7**	**−14.3**	**−11.0**
Total, surplus or deficit (−)	−78.9	−118.3	−107.2	−97.2	−82.8
Means of financing other than borrowing from the public:					
Decrease or increase (−) in cash and other monetary assets	−1.7	3.7			
Increase or decrease (−) in liabilities for:					
Checks outstanding, etc	−1.3	.3	.3		
Deposit fund balances	2.1	−1.7	−1.6		
Seigniorage on coins	.5	.6	.5	.7	.8
Total, means of financing other than borrowing from the public	−.4	2.9	−.8	.7	.8
Total, requirements for borrowing from the public	−79.3	−115.4	−108.0	−96.5	−82.0
Transfer of debt holdings [2]		−3.6			
Change in debt held by the public	**79.3**	**119.0**	**108.0**	**96.5**	**82.0**
Change in Federal agency investments in Federal debt:					
Federal funds	−.4	.8	2.0		
Trust funds [2] [3]	9.4	8.6	15.4	17.9	31.3
Off-budget Federal entities	−.6	−.2	−.8		
Deposit funds [4]	2.0	2.1	−.4		
Total, change in Federal agency investments in Federal debt	10.3	11.2	16.2	17.9	31.3
Change in gross Federal debt	**89.6**	**130.2**	**124.2**	**114.4**	**113.3**

[1] Several amounts have been assumed to be zero in 1984 and 1985 because they are usually small and cannot be estimated accurately.
[2] As of September 30, 1982, $3.6 billion of Federal debt held by trust funds are estimated to be reclassified as debt held by the public, because under proposed legislation the ownership of the assets of the railroad retirement account are to be transferred to a newly created private rail industry pension corporation.
[3] Estimates for 1984 and 1985 are equal to the total trust fund surplus.
[4] Certain deposit funds only.

ments as the Treasury debt held by the social security and other trust funds. At the end of 1983 gross Federal debt is estimated to be $1,258.4 billion, of which debt held by the Government is $237.0 billion. Thus, gross Federal debt is much larger than the Federal debt held by the public.

Gross Federal debt is estimated to rise by $124.2 billion during 1983. As indicated in the lower section of the table above, $16.2 billion of this increment will be held by trust funds and other Federal agencies. This is mainly due to the investment of trust fund surpluses in Treasury debt. The Federal funds deficit and the deficit of off-budget Federal entities are the principal determinants of the change in gross Federal debt.

The gross Federal debt consists almost entirely of securities issued by the Treasury Department. However, a few Government

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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 1981 the public held $4.6 billion of agency debt. This debt is expected to fall by small amounts each year as existing agency debt matures and most new agency borrowing is from the Federal Financing Bank (FFB). The FFB finances its purchases of agency debt by borrowing from Treasury, which in turn borrows from the public. To prevent double counting, FFB's holdings of agency debt are not included in gross Federal debt.

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 $1,079.8 billion through September 30, 1982. However, to permit the Federal Government to meet its obligations, the ceiling will have to be raised before that time.

Debt subject to the general statutory limit, like gross Federal debt, includes debt held internally within the Government, such as the Treasury issues held by the social security trust funds. Debt subject to the statutory limit is therefore much larger than the debt held by the public and is nearly as large as gross Federal debt. It is a little less than gross Federal debt primarily because most agency debt is excluded from the general statutory limitation.

FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

(In billions of dollars)

Description	1981 actual	1982 estimate	1983 estimate
Federal funds surplus or deficit (−)	**−64.7**	**−111.1**	**−106.9**
Deficit (−) of off-budget Federal entities	**−21.0**	**−19.7**	**−15.7**
Total, amount to be financed	−85.8	−130.8	−122.6
Means of financing other than borrowing:			
Decrease or increase (−) in cash and monetary assets	−1.7	3.7	.....
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc	−3.8	.7	.3
Deposit fund balances	2.1	−1.7	−1.6
Seigniorage on coins	.5	.6	.5
Total, means of financing other than borrowing	−2.9	3.2	−.8
Decrease or increase (−) in investments in Federal debt by Federal funds, off-budget entities, and deposit funds [1]	−.9	−2.6	−.8
Increase or decrease (−) in Federal funds and off-budget entity debt not subject to limit	−.5	−1.0	−*
Total, requirements for borrowing subject to debt limit	−90.1	−131.2	−124.3
Change in debt subject to limit	**90.1**	**131.2**	**124.3**

*$50 million or less.

[1] Certain deposit funds only.

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Since trust fund surpluses for the most part have been invested in debt securities, rather than being held as cash assets, the Federal funds deficit and the deficit of the off-budget Federal entities must be financed primarily by selling Federal debt. This debt is almost entirely subject to the statutory limit. As shown in the previous table, the Federal funds deficit plus the off-budget deficit was $85.8 billion in 1981, and the increase in debt subject to statutory limit was $90.1 billion. Thus, these deficits approximately accounted for the increase in the debt subject to limit.

A large part of the Federal funds deficit—and, therefore, a large part of the growth in debt subject to limit—is attributable to 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; payments to the civil service retirement fund; and other payments, which are 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 [1]

(In billions of dollars)

Description	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Federal funds:					
Transactions with the public [2]	–20.2	–55.6	–48.9	–42.3	–33.2
Transactions with trust funds	–44.6	–55.5	–58.1	–58.5	–70.0
Total	–64.7	–111.1	–106.9	–100.8	–103.2
Trust funds:					
Transactions with the public [2]	–37.7	–42.9	–42.7	–40.6	–38.7
Transactions with Federal funds	44.6	55.5	58.1	58.5	70.0
Total	6.8	12.5	15.4	17.9	31.3
Budget total:					
Federal funds	–64.7	–111.1	–106.9	–100.8	–103.2
Trust funds	6.8	12.5	15.4	17.9	31.3
Total	**–57.9**	**–98.6**	**–91.5**	**–82.9**	**–71.9**

[1] 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.

[2] Includes some incidental transactions with off-budget Federal entities.

The cumulative Federal funds deficit from 1972 through 1981 was $501.0 billion, of which $261.0 billion was attributable to transactions with trust funds and the remaining $240.0 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. The table above displays the net

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transactions of the Federal funds with the public and the trust funds in comparison with the budget surplus or deficit.

THE INCREASE IN TOTAL 1981 OUTLAYS OVER THE INITIAL BUDGET ESTIMATE

Budget outlays for 1981 were $657.2 billion, which is $44.8 billion higher than originally proposed in January 1980.

Since the time when the budget was first prepared on a unified basis for 1969, this increase is the second largest that has ever occurred between the proposal of a budget and its outcome, both in absolute dollars and as a percent of total spending. (The largest was in 1980.) The average difference in previous years was 2.9%, while in 1981 it was 7.3%. This section reviews the major forces that caused this large increase.

The following table compares the initially estimated outlays and the actual totals in current and constant (fiscal year 1972) dollars and as a percent of GNP. It also compares the changes in defense and nondefense outlays. The actual outlays for both were substantially above the initial estimate, with defense being 9.2% higher and nondefense 6.7% higher.

1981 OUTLAY INCREASES [1]

(Dollars in billions)

	Initial proposal (January 1980)	Actual	Percent increase
Budget outlays:			
Current dollars	612.4	657.2	7.3
National defense	(146.2)	(159.8)	(9.2)
Nondefense	(466.1)	(497.4)	(6.7)
Constant (fiscal year 1972) dollars	314.4	330.6	5.2
As a percent of GNP	22.2	23.0	3.6
Off-budget outlays (current dollars)	18.1	21.0	15.8

[1] The data in this table include an adjustment for shifting the Pension Benefit Guaranty Corporation on-budget retroactivity (−$44 million) and for a retroactive reclassification of supplemental medical insurance (SMI) premiums and voluntary hospital insurance premiums. These premiums were formerly classified as budget receipts, and are now classified as offsets to outlays. These changes reduce 1981 receipts and outlays by $3.3 billion, thus having no impact on the deficit.

Spending increased generally throughout most of the budget and in different kinds of programs. Outlays were larger than initially estimated in almost all of the 19 budget functions. Relatively uncontrollable programs increased 7.0%, and relatively controllable programs increased 8.4%. The causes of the specific changes are described below.

Chronology of Outlay Increases.—The chronology of outlay increases is displayed in the following table. The financial markets and the Congress reacted unfavorably to the 1981 budget transmitted in January 1980. In response, the Carter administration proposed reductions only two months later, in March 1980. These reductions more than offset large upward reestimates that had

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occurred during that period. After these reductions, however, there were major upward revisions in the July 1980 *Mid-Session Review* ($22.2 billion) and the January 1981 *Budget* ($28.9 billion). The net change subsequently was a small decrease.

CHRONOLOGY OF THE 1981 OUTLAY INCREASE

(In billions of dollars)

January 1980 (1981 budget)	612.4
Changes:	
March 1980 (1981 Budget Revisions): A substantial budget revision. Upward reestimates of $13.0 billion were more than offset by planned reductions of $17.2 billion	−4.2
July 1980 (Mid-Session Review): Major increases from changed economic conditions ($11.1 billion), higher Defense-Military spending ($6.9 billion), and other causes ($4.1 billion)	22.2
January 1981 (1982 budget): The largest increases were for net interest ($11.9 billion), transportation ($4.9 billion—including the $2.1 billion Penn Central settlement), and national defense ($3.6 billion)	28.9
March 1981 (1982 Budget Revisions): The largest reductions were for net interest ($2.9 billion) and income security ($1.9 billion)	−7.5
July 1981 (Mid-Session Review): The largest increase was for net interest ($5.0 billion)	6.0
October 1981 (End of Year Statement)	−0.7
Total increase	44.8
Actual	657.2

Major Causes of the Increase.—The following table summarizes the budget increase according to the reason for the change: (1) economic conditions that were different from the original assumptions; (2) policy changes; (3) unforeseen events such as the court-approved settlement with the Penn Central Corporation; or (4) estimating and other differences. The amounts in the first three categories are orders of magnitude, and include only the major items. The fourth category is a residual. The figures should therefore be considered approximations.

Changes in economic conditions explain 72% of the total increase. Policy changes account for almost half of the remainder. These are analyzed below separately for defense and nondefense.

SUMMARY OF REASONS FOR CHANGES IN 1981 OUTLAYS

(in billions of dollars)

	Total	National defense	Nondefense
Reasons for change (net):			
Economic conditions	32.3	7.3	25.0
Policy:			
January 1981 and earlier	4.0	1.7	2.3
After January 1981	1.7	3.2	−1.5
Unforeseen events	0.6		0.6
Estimating differences and other changes	6.2	1.3	4.9
Total	44.8	13.5	31.3

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National defense.—Outlays in 1981 for national defense increased by $13.5 billion, which is 9.2% above the original budget estimate. Roughly half of the defense increase was due to pay and prices, and half reflected real outlays. More specifically, the increase was due primarily to three causes:

—higher inflation, primarily the rising costs of fuel and transportation;

—higher outlays than anticipated from prior-year contracts and obligations (i.e., faster contractor delivery of previously ordered goods and services); and

—policy decisions to increase national defense. These outlays were primarily for increased operations in the Persian Gulf while American hostages were held in Iran, and the October 1980 increase in military pay and benefits. This increase of about 19%, which included the Nunn-Warner pay package, compares to 7.4% assumed in the initial estimates.

Nondefense.—There are several major causes of increases in nondefense budget outlays.

Economic conditions differed from those forecast in January 1980, as shown in the following table. Growth in real GNP was a little higher than projected for 1980, but 2.1 percentage points lower for 1981. Inflation as measured by the GNP deflator was 0.1 percentage points higher than originally projected for 1980, and 0.3 percentage points higher for 1981. As measured by the Consumer Price Index (CPI), however, inflation was 1.7 percentage points higher than projected for 1980 and 1.0 percentage point higher for 1981. (The CPI increase from the first quarter of calendar year 1979 to the first quarter of 1980 determined the July 1980 increase in social security. It was projected to be 13.0% but was actually 14.3%.) The unemployment rate was slightly higher than originally projected. Interest rates, however, were significantly higher than the initial assumptions. The 91-day Treasury bill rate during calen-

COMPARISON OF ECONOMIC ASSUMPTIONS: JANUARY 1980 AND ACTUAL

(Calendar years)

	January 1980 estimate		Actual		Difference	
	1980	1981	1980	1981	1980	1981
Percent change:						
GNP (constant 1972 dollars) 4th quarter over 4th quarter	−1.0	2.8	−0.3	0.7	0.7	−2.1
Inflation (year over year):						
GNP deflator	8.9	8.8	9.0	9.1	0.1	0.3
Consumer Price Index (CPI)	11.8	9.2	13.5	10.2	1.7	1.0
Unemployment rate (annual average)	7.0	7.4	7.1	7.6	0.1	0.2
Interest rate (91-day bills, annual average)	10.5	9.0	11.5	14.1	1.0	5.1

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dar year 1980 averaged 1.0 percentage point more than the January 1980 assumption, and the 1981 rate was 5.1 percentage points higher.

These differences in economic assumptions increased nondefense outlays by an estimated $25.0 billion—with more than two-thirds of this due to higher interest rates than estimated. Higher inflation accounted for the rest. These changes are shown in more detail on the accompanying table.

EFFECT OF CHANGES IN ECONOMIC ASSUMPTIONS ON 1981 NONDEFENSE OUTLAYS

(In billions of dollars)

Description	*Difference*
Inflation:	
Indexed programs:	
Social security and railroad retirement	1.1
Other	1.0
Medicaid and medicare	5.4
Subtotal, inflation	7.5
Interest rates and changes in borrowing:	
Interest on the public debt:	
Interest rates	9.4
Changes in borrowing [1]	6.8
FSLIC, higher education, housing (FHA and VA), and Export-Import Bank	3.0
Other interest (payment to trust funds, refunds, etc.)	−1.7
Subtotal, interest rates and changes in borrowing	17.5
Total	**25.0**

[1] Change in borrowing for all reasons, including causes other than economic assumptions.

Other 1981 nondefense changes were caused by various factors:

—Net policy changes increased 1981 nondefense outlays about $0.9 billion. The major increases before February 1981 were $9.0 billion, primarily for the inclusion of farmers hurt by droughts as eligible for SBA disaster loans ($1.7 billion), phaseout of the GNMA tandem plan ($1.5 billion), and filling the strategic petroleum reserve ($1.7 billion). These were partially offset by major decreases of $6.7 billion, primarily for elimination of the State share of general revenue sharing ($1.7 billion), employment and training ($1.7 billion), and countercyclical fiscal assistance ($1.0 billion). After January 1981, outlays decreased $1.5 billion for policy reasons.

—Increases in outlays for unforeseen events, such as the court-approved settlement with the Penn Central Corporation, were almost entirely offset by reductions in the allowance for contingencies.

—Nondefense outlays increased $4.9 billion on a net basis due to estimating differences and other changes. The major increases were for the Commodity Credit Corporation ($2.6 billion) and food stamps ($1.6 billion).

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COMPARISON OF RELATIVELY UNCONTROLLABLE OUTLAYS AND OF RECEIPTS

The Congressional Budget Act requires that the budget contain two comparisons between the initial budget estimates and the actual amounts for the last completed fiscal year: a comparison of the differences in relatively uncontrollable outlays by major program, and a comparison of the differences in receipts by major source. These comparisons are made in the following two sections for the 1981 budget, which was submitted in January 1980 for the fiscal year ending on September 30, 1981.

Comparison of relatively uncontrollable outlays.—Outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statutes or by contracts or other obligations. Outlays for these programs generally depend on factors that are beyond administrative control under existing law at the start of the fiscal year. For example, the definition of beneficiaries eligible for programs like medicaid and social security is established by law, and usually can be altered only by a change in the law. Prior-year contracts and obligations are also legally binding.

For a number of reasons, the amounts estimated in the budget for relatively uncontrollable outlays may differ from the actual outlays that are subsequently realized. For example, legislation may change benefit rates or coverage; the actual number of beneficiaries may differ from the number estimated; and economic conditions (such as interest rates) may differ from what was assumed in making the estimates.

Relatively uncontrollable outlays are grouped into two major categories: open-ended programs and fixed costs, for which outlays are generally mandated by law; and payments from prior-year contracts and obligations, for which outlays are required because of previous action, such as entering into contracts. In accordance with the definition, budget estimates of relatively uncontrollable outlays do not include the effects of proposed legislation. In cases where legislation was enacted that significantly affected relatively uncontrollable outlays in 1981, it is identified in the discussion below.

The following table shows the differences between actual outlays for relatively uncontrollable programs for 1981 and the amounts estimated in the 1981 budget. The list of programs in this table is the same as table 17 (Controllability of Budget Outlays) in Part 9 of this year's *Budget.* Several categories include revisions in the classifications of programs, which are shown retroactively for the January 1980 estimate.

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RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1981

(In billions of dollars)

Relatively uncontrollable under present law	January 1980 estimate (existing law) [1]	Change	Actual
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	142.1	1.0	143.2
Federal employees retirement and insurance [1]	38.9	1.6	40.5
(Military retired pay)	(13.7)	(0.1)	(13.7)
(Other) [1]	(25.2)	(1.5)	(26.8)
Unemployment assistance	18.7	0.8	19.5
Medical care	53.9	5.4	59.3
Assistance to students [1]	2.1	2.5	4.7
Food and nutrition assistance [1 2]	3.7	−0.1	3.5
Public assistance and related programs	20.2	0.6	20.8
All other relatively uncontrollable payments for individuals [3]	3.2	−0.2	3.0
Subtotal, payments for individuals [1]	**282.8**	**11.7**	**294.5**
Net interest	54.8	14.0	68.7
General revenue sharing	6.9	−1.7	5.1
Farm price supports (CCC) [1]	1.8	2.3	4.1
Other open-ended programs and fixed costs [1 2 4]	−0.1	4.1	4.0
Total, open-ended programs and fixed costs [2]	**346.1**	**30.4**	**376.4**
Outlays from prior-year contracts and obligations:			
National defense	40.6	0.9	41.5
Civilian programs [1]	66.8	0.3	67.1
Total, outlays from prior-year contracts and obligations	**107.4**	**1.2**	**108.6**
Total, relatively uncontrollable outlays	**453.5**	**31.6**	**485.0**

[1] Adjusted for redefinition of classifications in the 1982 or 1983 budgets.
[2] This category no longer includes programs that have been reclassified as relatively controllable since January 1980.
[3] This category now contains programs that were classified as relatively controllable in January 1980.
[4] This category now includes offsetting collections that were classified as receipts in January 1980.

Actual outlays for relatively uncontrollable programs in 1981 were $485.0 billion, which is $31.6 billion, or 7.0% higher than estimated in January 1980. Outlays for open-ended programs and fixed costs were $30.4 billion higher, and outlays from prior-year contracts and obligations were $1.2 billion higher.

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; general revenue sharing; farm price supports; and payments for the legislative and judicial branches, which the President must—by law—include in the budget as submitted.

Payments for individuals is the major grouping within open-ended programs and fixed costs. These budget outlays are essential-

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ly income transfers rather than payments for direct Federal operations. Total payments for individuals were 78% of all open-ended programs and fixed costs in 1981. Actual outlays for this grouping were $11.7 billion higher than estimated. This was caused by differences between actual and assumed economic conditions and the number of beneficiaries, and by enactment of legislation.

Outlays for social security retirement and disability and for railroad retirement, the biggest category of payments for individuals, were $1.0 billion higher than estimated. The original estimates assumed automatic benefit increases, based on inflation as measured by the consumer price index, of 13.0% in July of 1980 and 9.9% in July of 1981. The actual increases were 14.3% and 11.2%, respectively.

Actual outlays for Federal employee retirement and disability insurance programs were $1.6 billion above the budget estimate. These programs consist of military retired pay, civilian employee retirement and disability (largely civil and foreign service), and veterans service-connected compensation. Except for veterans service-connected compensation, these benefits are indexed to the consumer price index. Outlays for the indexed Federal employee retirement programs exceeded the budget estimates by $0.6 billion, largely because of higher than anticipated cost-of-living increases. The original estimates assumed automatic increases of 5.8% in September 1980 and 4.3% in March 1981. Actual increases were 7.7% and 4.4%, respectively. The portion of veterans service-connected compensation benefits that increases to adjust for the effects of inflation is considered relatively controllable because it requires congressional action. However, when the increase occurs, it is added to the relatively uncontrollable portion of outlays, and in 1981 it accounts for a $1.0 billion increase in actual outlays.

Outlays for unemployment assistance programs were $0.8 billion higher than estimated. While the overall unemployment rate for fiscal year 1981 was 7.3%, slightly below the budget forecast of 7.4%, many more workers in the automobile industry were certified to receive trade adjustment assistance than originally estimated, raising outlays by $1.4 billion. Outlays for other unemployment assistance were lower than expected.

Outlays for medical care were $5.4 billion higher than estimated, largely as a result of the higher prices in the health sector that accompanied the higher inflation in general. The use of medical care services was also greater than anticipated. Medicaid outlays were $1.4 billion higher than originally estimated, and medicare outlays were $3.2 billion higher.

Assistance to students previously consisted primarily of GI bill benefits. However, the student loan insurance fund has been reclassified as a relatively uncontrollable payment for individuals, and

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the data have been adjusted to reflect this change. Outlays for assistance to students were $2.5 billion higher than originally estimated, largely due to the effect of higher interest rates than expected on the interest subsidy for guaranteed student loans. Use of GI bill benefits was greater than anticipated and accounts for a $0.5 billion increase over estimated outlays.

Outlays for food and nutrition assistance were $0.1 billion lower than estimated. Lower participation in the child nutrition and special milk programs accounts for the difference between the original estimate and actual outlays for food and nutrition assistance. The food stamp program previously was classified as relatively uncontrollable, but in this budget has been reclassified as relatively controllable. The outlays originally estimated for 1981 have been adjusted to account for this change.

Public assistance and related programs include public assistance payments, supplemental security income, outlays for earned income tax credits, and veterans non-service-connected pensions. Outlays were $0.6 billion above the initial estimate largely due to increases of $0.8 billion for public assistance payments and $1.0 billion for supplemental security income. These increases were partially offset by a $0.3 billion decrease in veterans non-service connected pensions, because fewer beneficiaries than expected chose to participate in the new pension program that became effective in 1979, and by a $0.3 billion decrease in outlays for earned income tax credits.

Uncontrollable outlays for all other payments for individuals were $0.2 billion lower than estimated, mostly because of lower than expected payments for black lung disabilities.

The single largest difference between estimated and actual outlays for open-ended programs and fixed costs was for net interest, where outlays were $14.0 billion—or 25.5%—higher than originally estimated. Interest on the public debt was $16.0 billion higher than assumed, largely because interest rates and Federal borrowing were higher than anticipated, and the average length of maturity of debt was shorter. The budget estimate assumed a 9.2% interest rate on 91-day Treasury bills for fiscal year 1981 whereas the actual 91-day rate averaged 15.7%. Interest received by trust funds, which is offset against interest costs to reflect transactions with the public, was $2.0 billion higher than the budget estimate due to higher than anticipated interest rates and despite lower trust fund balances.

Outlays for general revenue sharing declined $1.7 billion due to congressional action to eliminate payments to States. The program now aids local governments only.

Other open-ended programs and fixed costs were $4.3 billion above the original budget estimates. A legal settlement with the

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Penn Central Railroad accounts for $2.1 billion of this. Outlays for the Federal Savings and Loan Insurance Corporation were $1.0 billion higher than estimated due to increased aid to support savings and loan institutions for losses caused by prolonged high interest rates, low-yielding portfolios, and losses from speculation. Outlays for the foreign military sales trust fund were $0.5 billion above receipts, whereas the 1981 budget assumed that trust fund receipts would exactly offset outlays. The remaining $0.6 billion difference between estimated and actual outlays in this category is due to higher than estimated outlays for several other programs, the largest of which was the Federal Deposit Insurance Corporation ($0.2 billion).

Outlays for prior-year contracts and obligations for civilian and national defense programs were $1.2 billion—or 1.1%—higher than estimated. Outlays for civilian programs were $0.3 billion higher than estimated, an increase of only 0.5%. The largest differences between estimated and actual outlays in 1981 for prior-year contracts and obligations occurred in housing credit and subsidies, strategic petroleum reserves and other energy programs, urban mass transit, health programs, the Export-Import Bank, and commerce assistance. These programs account for increases of $5.2 billion and decreases of $1.2 billion from estimated to actual outlays. The remaining $3.7 billion of decreases is the result of small differences divided among numerous Federal agencies.

Department of Housing and Urban Development outlays for prior-year contracts and obligations account for $1.3 billion more outlays than estimated, largely because the Government National Mortgage Association purchased more mortgages than expected and sold mortgages at lower prices; its relatively uncontrollable outlays were $1.1 billion greater than estimated. The emergency mortgage purchase and subsidized housing programs had outlays $0.4 billion and $0.2 billion higher than expected, respectively. Payments for operation of low-income housing were almost $0.5 billion less than anticipated.

The strategic petroleum reserves were filled at a faster rate than expected, raising outlays $1.0 billion over the estimated level. Outlays were higher also for uranium supply and enrichment by $0.3 billion, while other energy supply and conservation programs had outlays approximately $0.2 billion below estimated levels. Tennessee Valley Authority outlays for power supply were $0.4 billion lower than anticipated.

Outlays for prior-year contracts and obligations of transportation programs were $0.7 billion higher than estimated. Nearly $1.0 billion resulted from an underestimate of how quickly obligations made by the Urban Mass Transportation Administration would be spent.

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Outlays for health programs were $1.1 billion above the original estimates, particularly for education and training of the health care work force, which increased by $0.3 billion. In veterans programs, relatively uncontrollable medical care outlays from prior-year contracts and obligations were $0.1 billion lower than expected. Outlays for regulation of pollution were $0.2 billion above estimated outlays, while lower than anticipated outlays in other programs brought the net difference for all pollution control and compliance activities to $0.1 billion above expected levels.

The $0.8 billion increase in outlays over anticipated levels from the Export-Import Bank mostly reflects a shift in the Bank's loans from slower to faster spending programs. Outlays for Federal assistance for commerce, economic development and local public works were $0.8 billion below estimated levels.

National defense outlays for prior-year contracts and obligations were $0.9 billion—or 2.1%—above the original budget estimate. Outlays for procurement and operations and maintenance were $2.8 billion higher than estimated, but were offset by $1.4 billion greater offsetting collections in various funds. Net changes in outlays for other programs were $0.5 billion lower than originally estimated. Overall, Department of Defense military programs accounted for $0.9 billion of higher outlays, whereas outlays for atomic energy defense were $0.1 billion lower than estimated.

Comparison of actual and estimated receipts.—Budget receipts in 1981 were $599.3 billion, which is only $2.6 billion more than the January 1980 estimate of $596.7 billion. The composition of receipts, however, was substantially different from the original estimates, primarily due to changes in incomes and differences in tax law from the legislation proposed in the 1981 budget.

COMPARISON OF FISCAL YEAR 1981 BUDGET RECEIPTS

(In billions of dollars)

	January 1980 estimate	Change from 1980 estimate	Actual
Individual income taxes	274.4	11.6	285.9
Corporation income taxes	71.6	−10.4	61.1
Social insurance taxes and contributions	184.1	−1.3	182.7
Excise taxes	40.2	0.6	40.8
Estate and gift taxes	5.9	0.8	6.8
Customs duties	8.4	−0.3	8.1
Miscellaneous receipts	12.1	1.7	13.8
Total	**596.7**	**2.6**	**599.3**

NOTE.—The data have been revised to reflect the retroactive reclassification of supplemental medical insurance (SMI) premiums and voluntary hospital insurance premiums, formerly classified as budget receipts, as offsets to outlays. These changes reduce 1981 receipts and outlays by $3.3 billion, thus having no impact on the deficit.

Higher than anticipated personal incomes, lower than expected corporate profits, and changes in collection patterns and effective tax rates resulted in a net increase in 1981 receipts of $7.8 billion.

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This increase was partially offset by differences in tax law from the legislation proposed in the budget, which reduced receipts by $5.2 billion. These differences in tax law consist of modifications of the original budget proposals and changes in law that were not proposed in the 1981 budget.

A windfall profit tax on domestic producers of crude oil was proposed in the 1981 budget, together with several energy tax credits and a change in the foreign tax credit on oil and gas extraction. These energy related proposals were expected to increase 1981 receipts by $14.4 billion. The other major proposals affecting 1981 receipts included several initiatives to require taxpayers to make income tax payments closer to the time when tax liabilities are incurred, to require employers to deposit taxes withheld from employees on a more timely basis, and to accelerate the payment schedule of customs duties and tobacco excise taxes. Together, these cash management initiatives were estimated to increase receipts in 1981 by $4.5 billion. Other proposals, which were estimated to increase 1981 receipts by $3.0 billion, included restrictions on the use of tax-exempt funds for mortgage financing; the extension of airport and airway trust fund taxes that were scheduled to expire; and the establishment of a fund, to be financed primarily by fees paid by industry, to assure the adequate and timely clean-up of oil and hazardous substances. Together, the 1981 budget proposals were estimated to increase 1981 receipts by $21.9 billion.

Congress passed three major tax laws during 1980 that affected 1981 receipts: the Crude Oil Windfall Profit Tax Act of 1980, the Omnibus Reconciliation Act of 1980, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. These laws, which were in large part modifications of the January budget proposals, increased 1981 receipts by $17.2 billion. The Crude Oil Windfall Profit Tax Act of 1980 levied a windfall profit tax on domestic producers of crude oil, provided several energy related income tax credits, and excluded some interest and dividend income from tax. The major revenue provisions of the Omnibus Reconciliation Act of 1980 restricted the use of tax-exempt bonds for mortgage financing and required corporations with taxable income exceeding $1 million in any of the three preceding taxable years to make estimated payments equal to at least 60% of their current year's liability. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 established a fund to clean up hazardous substances spills and uncontrolled hazardous waste dumps.

Regulations were published in 1980 that accelerated employer payments to the Treasury of withheld income and payroll taxes.

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These regulations, which had been proposed in the 1981 budget, increased 1981 receipts by $0.5 billion.

Other legislation enacted in 1980, primarily a tariff reduction and the Depository Institutions Deregulation and Monetary Control Act of 1980, reduced 1981 receipts by $0.6 billion. Several administrative changes reduced receipts by an additional $0.2 billion.

The Economic Recovery Tax Act of 1981, enacted on August 13, 1981, was the only major legislated tax change affecting 1981 receipts that had not been proposed in the 1981 budget. The capital cost recovery provisions of this Act, which provided for the faster write-off of capital expenditures under simplified and standardized rules, reduced 1981 receipts by $0.2 billion.

Individual income taxes were $285.9 billion in 1981, $11.6 billion greater than the original budget estimate of $274.4 billion. Differences in tax law from the legislation proposed in the 1981 budget reduced individual income tax receipts by $3.1 billion. This was more than offset by higher than anticipated personal incomes, which increased receipts by $14.6 billion.

COMPARISON OF ACTUAL 1981 BUDGET RECEIPTS WITH THE JANUARY 1980 ESTIMATES

(In billions of dollars)

	January 1980 estimate	Differences in tax law from 1980 proposals	Technical adjustments and revised incomes	Actual
Individual income taxes	274.4	−3.1	14.6	285.9
Corporation income taxes	71.6	−1.2	−9.2	61.1
Social insurance taxes and contributions	184.1	−1.3	−0.1	182.7
Excise taxes	40.2	1.2	−0.5	40.8
Estate and gift taxes	5.9	−*	0.9	6.8
Customs duties	8.4	−0.4	*	8.1
Miscellaneous receipts	12.1	−0.4	2.1	13.8
Total	**596.7**	**−5.2**	**7.8**	**599.3**

*$50 million or less.

NOTE.—The data have been revised to reflect the retroactive reclassification of supplemental medical insurance (SMI) premiums and voluntary hospital insurance premiums, formerly classified as budget receipts, as offsets to outlays. These changes reduce 1981 receipts and outlays by $3.3 billion, thus having no impact on the deficit.

Corporation income taxes were $10.4 billion below the January 1980 estimate. Substitution of legislation enacted during 1980 for the original budget proposals reduced corporation income taxes by $1.2 billion. Different effective tax rates, collection patterns, and economic conditions account for the remaining decline of $9.2 billion.

Social insurance taxes and contributions (which are composed of employment taxes and contributions, unemployment insurance receipts, and other retirement contributions) were $1.3 billion less than the January 1980 estimate of $184.1 billion. Higher employment taxes and contributions increased social insurance taxes and contributions by $1.4 billion. This increase was more than offset by

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a $2.9 billion decline in unemployment insurance receipts, primarily due to an overestimate of State taxes deposited in the Treasury to finance unemployment benefits. Other retirement contributions were $0.2 billion above the original estimate.

Substitution of the Crude Oil Windfall Profit Tax Act of 1980 for the windfall profit tax proposal reflected in the 1981 budget increased excise taxes by $2.2 billion. Other changes in legislation reduced excise taxes by $1.1 billion, resulting in a net increase in excise taxes due to differences in tax law of $1.2 billion.

Estate and gift taxes were $0.8 billion higher than the January 1980 estimate, and customs duties were $0.3 billion lower. A decline in sugar import duties effective February 1, 1980, accounted for $0.2 billion of the decline in customs duties receipts.

Miscellaneous receipts in 1981 were $1.7 billion above the original budget estimate of $12.1 billion. An increase in deposits of earnings by the Federal Reserve System, primarily reflecting higher interest rates than anticipated in January 1980, added $2.0 billion to miscellaneous receipts. This was partially offset by a decline in other miscellaneous receipts of $0.3 billion.

REDUCTIONS IN CONSULTING SERVICES AND TRAVEL

Sections 1731 and 1732 of the Omnibus Budget Reconciliation Act of 1981 require that funds appropriated for the Executive Branch for 1982 be reduced by $100 million for direct administrative travel and $500 million for consulting and related services below the level in the 1982 budget transmitted in January 1981. The Act requires further that if the 1982 appropriation bills do not achieve these reductions, the President must calculate the additional amounts to be reduced, allocate these amounts among the agencies, and propose rescissions in this budget to achieve the additional reductions.

The provisions of the Act assumed that all Executive Branch appropriations for 1982 would be enacted before the beginning of the fiscal year or soon thereafter. This would have provided sufficient time for agencies to determine the effect of the appropriations upon administrative travel and consulting services before the budget was transmitted to the Congress. Such time is necessary because appropriations do not usually specify the amounts available for administrative travel and consulting services. After appropriations are enacted, agencies must determine how the funds will be allocated among these and other uses.

Three of the 1982 appropriations bills have not been enacted. Funds for them were provided by a continuing resolution that expires on March 31, 1982. There is, therefore, no way to determine the total Executive Branch amounts appropriated for 1982 for direct administrative travel or for consulting and related services.

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Moreover, eight of the other ten appropriation bills were not passed until mid-December. This did not provide enough time for agencies to determine the effect of the appropriations on consulting and travel expenditures with any precision; nor did it provide enough time for the Office of Management and Budget to collect and review data, and to allocate reductions for each agency. Therefore, from a procedural standpoint it is impossible to comply literally with the provisions of the Act.

Furthermore, it is not possible to achieve the reduction of $100 million in direct administrative travel because the Act provided that no agency could be reduced by more than 15% and exempted travel for emergency national defense, law enforcement, and debt collection activities. The 15% constraint coupled with the fact that direct administrative travel is on the average only 7.5% of all travel [19] limits the reductions that can be allocated to the agencies to $54 million. Once the exemptions mentioned earlier are subtracted, the amount that can be reduced under the provisions of the Act will be even lower.

Meanwhile, on its own initiative the administration had already taken action to constrain 1982 total travel (which includes direct administrative travel). Total travel by the civilian agencies of the Executive Branch has been reduced by approximately $150 million below the level estimated in the January 1981 budget.

As for the reduction for consulting and related services, although the amounts of reduction that eventually will be included in appropriations for the executive branch cannot be known at this time, the President's proposed 1983 budget already includes reductions for 1982 in these areas. The President initiated such reductions as part of his March 1981 budget revisions and also in connection with his September 1981 revisions. As a result of these actions, the estimates for 1982 for consulting and related services show reductions of approximately $320 million.

The Congress assumed that agencies spent $4 billion a year for consulting and related services when it required that funds enacted for these services be reduced by $500 million in 1982. This is a 12.5% reduction. More recently, executive branch agencies reported that the estimated 1982 obligations for contracting and related services in the January 1981 budget amounted to $1.7 billion. A $320 million reduction against this base is an 18.8% reduction. Thus, the reduction achieved satisfies the congressional intent in percentage terms.

[19] Travel is classified as object class 21 in the *Budget Appendix*.

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ALLOCATION OF WINDFALL PROFIT TAX RECEIPTS

Section 102 of the Crude Oil Windfall Profit Tax Act of 1980 requires that each year the President propose the allocation of net receipts from the tax in his budget.

This act establishes a Windfall Profit Tax Account in the Treasury "for accounting purposes only." After the Secretary of the Treasury has determined the amount of net receipts from the tax, they are to be allocated to the Windfall Profit Tax Account. Since the Conference Report accompanying the act stated explicitly that the net receipts from the tax "shall not be earmarked or invested separately from general revenues . . .", the allocations referred to in section 102 cannot be interpreted as earmarking funds for specific purposes.

The method for these allocations is prescribed by three formulas in subsections b(1), b(2), and b(3) of section 102. The allocations for 1983 are compared in the following table with the amounts included in this budget for the functional categories referred to in the formula.

ALLOCATION OF WINDFALL PROFIT TAX, NET RECEIPTS, 1983

(In millions of dollars)

	Section 102 Formula	1983 Budget
Total net receipts	11,407	11,407
Allocation:		
Low-income assistance [1]	2,852	19,770
Energy and transportation programs [2]	1,711	17,260
Income tax reductions	6,844	.....
Total	**11,407**	**37,030**

[1] This amount is the total outlays for the other income security subfunction (609).
[2] This amount is the total outlays for all energy and transportation programs in the energy function (270) and the ground transportation subfunction (401).

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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 provides the framework within which decisions on resource allocation and program management are made in relation to the requirements of the Nation, availability of Federal resources, effective financial control, and accountability for use of the 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 is interrelated with the others.

Executive formulation and transmittal.—The budget sets forth the President's financial plan and indicates his priorities for the Federal Government. 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. Last January, a new President took office and in March transmitted budget revisions that proposed changes to the 1982 budget submitted by his predecessor.

Formulation of the 1983 budget began in the spring of 1981. The budget is formulated in the context of a multi-year budget planning and tracking system that extends coverage to the 4 years following the budget year and integrates long-range planning into the executive budget process. This multi-year budget planning system requires that broad fiscal goals and agency spending and employment targets be established beyond the budget year.

During the period when a budget is formulated in the executive branch, there is a continual exchange of information, proposals, evaluations, and policy decisions among the President, the Office of Management and Budget (OMB) and other Executive Office units, and the various Government agencies.

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, OMB, and the Treasury.

Following a review of these projections, the President establishes general budget and fiscal policy guidelines. General policy directions and planning ceilings for both the fiscal year that will begin

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about 15 months later and for the 2 years beyond 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. 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 made after detailed reviews of agency budget requests. These determinations are then provided to the agencies but may be revised as a result of later Presidential decisions. Fiscal policy issues—relating to total budget outlays and receipts—are reexamined. The effects of budget decisions on budget authority and outlays in the years that follow are also considered and are explicitly taken into account, consistent with the multiyear budget planning system. 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.

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 transmitted.

The Congressional Budget Act of 1974 requires that these current services estimates be transmitted to provide the Congress with information on projected costs of current programs. For the first two years after the requirement became effective, they were transmitted in November. However, it was generally agreed that the estimates transmitted at that time did not provide a suitable basis for review, since the underlying assumptions changed before the budget was transmitted. As a result, the comparability of the current services and the budget estimates was lessened significantly. Consequently, the current services estimates are now transmitted with the President's budget.

Congressional action.—The Congress can act to approve, modify, or disapprove the President's budget proposals. It can change funding levels, eliminate proposals, or add programs not requested by the President. It also enacts legislation affecting taxes and other sources of receipts.

In making appropriations, the Congress does not vote on the level of outlays directly, but rather on budget authority. However, since the concurrent budget resolutions, described below, also set targets for outlays, the outlay effect of appropriations must be considered. The Congress first enacts legislation that *authorizes* an

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agency to carry out a particular program and, in some cases, includes limits on the amount that can be appropriated for the program. Many programs are authorized for a specified number of years or indefinitely; other programs, such as most nuclear energy, space exploration, defense procurement, foreign affairs, and some construction programs, require annual authorizing legislation.

Provision of *budget authority* is usually a separate, subsequent action. Generally, budget authority becomes available each year only as voted by the Congress in appropriation acts. However, in a number of cases the Congress has voted permanent budget authority, under which funds become available annually without further Congressional action. Many 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 of 1974, the Congress considers budget totals before completing action on individual appropriations. The act requires each standing committee of the Congress to report on budget estimates to the House and Senate Budget Committees by March 15. It also requires the Congressional Budget Office to submit a fiscal policy report to the two budget committees. The Congress adopts the first concurrent budget resolution to guide the Congress in its subsequent consideration of appropriations and revenue measures. The first budget resolution, which is scheduled to be adopted by May 15, sets targets for total receipts and for budget authority and outlays, in total and by functional category.

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.

When 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 differences. 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 as an enrolled bill, for his approval or veto.

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After action has been completed on all or most money bills, the Congress adopts a second concurrent budget resolution containing a budget *ceiling* on total budget authority and outlays, and a *floor* on budget receipts. This resolution, which is scheduled to be adopted by September 15, may retain or revise any of the levels set earlier in the year.

A budget resolution may include a reconciliation directive that requires various committees of the Congress to reduce budget authority or increase revenues by specified amounts and to report changes in legislation needed to achieve the dollar targets in the reconciliation directive. The legislative changes reported by the individual committees are then compiled into an omnibus reconciliation bill. For the past two years, the Congress has enacted omnibus reconciliation acts in response to directives in budget resolutions.

After completing action on the second budget resolution, the Congress may not consider any spending or revenue legislation that would breach the totals specified in this resolution. The Congress may, however, adopt 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 enacts a *continuing resolution* to provide authority for the affected agencies to continue operations up to a specified date or until their regular appropriations are enacted.

Budget execution and control.—Once approved, the President's budget, as modified by the Congress, becomes the basis for 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 or by activities. The objective of the apportionment system is to ensure the effective and orderly use of available resources and to preclude the need for additional appropriations.

Nonetheless, changes in laws or other factors may indicate the need for additional appropriations during the year, and supplemental requests may have to be sent 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 changes in requirements or greater efficiency of operations. Amounts may also be withheld from obligation for policy or other reasons. The Impoundment Control Act of 1974 provides that the executive branch, in regulating the rate of spending, must report to the Congress any deferrals or proposed rescissions of budget au-

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thority, that is, any effort through administrative action to postpone or eliminate spending authorized by law.

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. Agencies are assisted in this responsibility by their audit staffs. Audit activities of major departments and agencies are directed by statutory Inspectors General, appointed by the President. OMB reviews program and financial reports and keeps abreast of agency programs to help assure that program objectives are attained.

In addition, the General Accounting Office (GAO), as an agent of the Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations are made to the Congress, to OMB, and to the agencies concerned. The GAO also monitors the executive branch's reports to the Congress on deferrals and proposed rescissions.

COVERAGE OF THE BUDGET TOTALS

Agencies and programs.—The budget totals cover agencies and programs (including Government corporations) 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
Postal Service fund
United States Railway Association [1]
Federal Financing Bank
Synthetic Fuels Corporation [2]
Strategic Petroleum Reserve [3]

The off-budget Federal entities listed above are discussed in Part 6 of the Budget. Schedules 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.

[1] Amounts made available for investments in Conrail securities, which comprise almost all of the Association's activity after 1977, are included in the budget totals.

[2] Budget authority and outlays for the Corporation are not included in the budget totals. However, cash requirements of the Corporation are met by borrowing from the Secretary of the Treasury. Such borrowing is financed by appropriations to the Secretary, and thus is reflected as budget authority and outlays within the budget totals.

[3] Budget authority and outlays for the acquisition of petroleum for the Reserve are not included in the budget totals after 1981.

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The budget totals do not include transactions of privately owned, Government-sponsored enterprises, such as the Federal land banks and Federal home loan banks. However, 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.[4]—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 by these 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 the amounts attributable must be significant.
- 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 subfunction. However, when an account is large and 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 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.

To meet the requirement of law for a national needs presentation, the budget functional classification was refined to focus more sharply on end purposes and accomplishments. Further refinements in the classification are made as circumstances warrant. Each major function is described in the context of national needs

[4] A discussion of this subject is also found in Part 5 of this volume.

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being served, and subfunctions are described in the context of major missions devoted to serving national needs.

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, also can 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 discussing each program 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 several types. The *general fund* is credited with receipts not earmarked by law for a specific purpose and with the proceeds of general borrowing. It is charged with payments from appropriations. *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 revolving, management, and consolidated working funds, finance operations within and between Government agencies and are credited with collections from other Government accounts. Intragovernmental revolving funds are credited with collections earmarked by law to carry out a cycle of business-type operations within and between Government agencies.

Trust funds are established to account for the receipt and expenditure of monies by the Government for carrying out specific purposes and programs in accordance with the terms of a statute or trust agreement. These monies 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,* which are credited with trust-type collections earmarked by law to carry out 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

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also includes capital investment in the form of lending and the purchase of investments.[5]

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. In addition, collections specifically authorized to be credited to appropriation and fund accounts, while not scored as budget authority, 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 financed.

For activities such as operations and maintenance, entitlement programs, and continuing research programs, 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.

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 in sufficient amounts at the time the project is initiated to complete it, regardless of the expected time of completion.

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, but requires a subsequent appropriation or the collection of receipts to liquidate (pay) these obligations. There is also *authority to borrow;* such budget authority permits obligations to be incurred and liquidated by using funds that are borrowed, generally from the Treasury.

It is not 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 provided in appropriations acts.

Most appropriations for current operations are made available for obligation only during a specified fiscal year *(annual 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 availa-

[5] Additional information on these categories of outlays is provided in "Special Analysis D, Investment, Operating and Other Budget Outlays," which is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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ble for obligation until the amount appropriated has been expended or until the objectives have been attained *(no-year appropriations).*

Budget authority can be made available by the Congress for obligation and disbursement during a fiscal year from a succeeding year's appropriation *(advance funding).* For many education programs, Congress provides *forward funding*—budget authority made available for obligation in one fiscal year for the financing of ongoing grant programs during the succeeding fiscal year. When advantageous to the Federal Government, an appropriation is provided by the Congress for use in a fiscal year, or more, beyond the fiscal year for which the appropriation act is passed *(advance appropriations).* Accounts in which budget authority is made available on these bases are listed in Part V of the Budget Appendix.

When budget authority is made available by the Congress for a specific period of time, any part that is not obligated during that period expires and cannot be used later. Congressional actions that continue the availability of unobligated amounts that have expired or would otherwise expire are known as *reappropriations.* The amounts involved are counted as new budget authority in the fiscal year of the legislation in which the reappropriation action is included, regardless of when the amounts were originally appropriated or when they would otherwise lapse.

A *rescission* is a legislative action that cancels new budget authority or balances of budget authority previously made available, prior to the time the authority would otherwise have expired. Rescissions are offset against new budget authority becoming available 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 delays the obligation and expenditure of funds within the year that the action is taken.

Most authority to obligate funds is enacted by the Congress during or immediately preceding the fiscal year in which it becomes available *(current authority).* Most current authority is granted year by year. Some budget authority in Federal funds and most budget authority in trust funds becomes available from time to time as the result of previously enacted legislation and does not require current action by the Congress *(permanent authority).* Such authority is presented as "current" in the year in which the legislation is enacted and "permanent" in succeeding years.

The amount of budget authority is usually stated specifically in the legislation that makes it available *(definite authority).* In some cases the legislation permits the amount to be determined by subsequent circumstances *(indefinite authority).* Examples of the latter type are authority to borrow that is limited only to the amount of

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borrowing that may be outstanding at any time, the appropriation for interest on the public debt, and the trust fund appropriation equal to receipts under the Federal Insurance Contributions Act (social security). Indefinite budget authority is recorded in the amount of receipts collected or estimated to be collected each year in the case of special and trust funds, and in the amount needed to finance obligations incurred or estimated to be incurred in the case of certain appropriations, contract authority, and authority to borrow.

Obligations incurred.—Following the enactment of budget authority and the completion of required apportionment action, obligations are incurred by Government agencies. Such obligations include the current liabilities for salaries and wages and interest; agreements to make loans; contracts for the purchase of supplies and equipment, construction and the acquisition of land, and other 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 recorded) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds, debentures, or notes (or increases in the redemption value of bonds or debentures outstanding). Payments for tax credits in excess of tax liabilities are treated as outlays rather than as an adjustment to budget receipts. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. 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.[6] Total budget outlays are stated net of offsetting collections and exclude outlays of off-budget Federal entities.

Balances of authority.—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. 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. The *obligated* balance is that portion of the budget authority that has been obligated but not yet liquidated (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, several years may

[6] This process is depicted on the chart, "Relation of Budget Authority to Outlays—1983 Budget," in Part 6 of this volume.

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elapse. Obligated balances of budget authority are carried forward until the obligations are subsequently paid.[7]

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.

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, that is, the account to which the appropriation was made. Obligations incurred under 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).

THE CREDIT BUDGET[8]

The credit budget is a presentation of direct loan obligations and loan guarantee commitments that provides a framework for making planning and policy decisions on the extent of Federal credit. It also provides a means to analyze, evaluate, and control Federal credit activity. Development of the credit budget is integrated thoroughly with the executive budget process. The credit budget totals and limitations on credit activity proposed for enactment in appropriations language are transmitted to the Congress as part of the President's budget.

Since initiation of the credit budget, Congress has voted nonbinding targets in the concurrent budget resolutions for total direct loan obligations and total loan guarantee commitments. Actual control of credit program levels, however, remains with authorizing legislation and appropriations acts.

Concepts used in the credit budget.—The credit budget totals are presented in two parts: total direct loan obligations and total loan guarantee commitments. These totals are based on the following concepts:

- All direct loan and loan guarantee activities of the Government are included. The credit budget makes no distinction between on-budget and off-budget Federal entities;

[7] Additional information on balances of budget authority is provided in a separate report. "Balances of Budget Authority," which can be purchased from the National Technical Information Service shortly after the budget is transmitted.

[8] The credit budget is discussed further in Parts 5 and 6 of this volume. Credit schedules and proposed credit limitations in appropriations language are presented in the Budget Appendix. Additional information is provided in "Special Analysis F, Federal Credit Programs," which is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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- The credit budget totals represent gross levels of credit activity, without offsets for repayments and other recoveries. By excluding recoveries, the credit budget measures the current level of program activity and enables control to be based on a measure over which the Government has discretion—new extensions of credit;
- The credit budget is based on the amount of *obligations* incurred for direct loans and the amount of *commitments* for loan guarantees. Obligations for direct loans result from agreements requiring the Government to disburse a loan immediately or at some future time. Commitments for loan guarantees are agreements entered into by the Government to guarantee a loan at such time as the borrower or lender fulfills stipulated preconditions. Unlike direct loan obligations, loan guarantee commitments are excluded from the President's budget totals. They create Government liabilities of a contingent nature that result in obligations and outlays *only* in the event of a borrower default. Direct loan obligations and loan guarantee commitments represent points at which the Government legally becomes bound to extend credit;
- The amount of loan guarantees presented in the budget is calculated on the basis of the full principal amount of the loan involved, even though the loan guarantee may extend to only a portion of the principal. This is done in order to represent the full amount of credit allocated to a particular purpose through a Federal lending program.

Limits on Federal credit programs.—Separate limitations on the amount of new direct loan obligations and commitments for loan guarantees are proposed for enactment in the appropriations language for the accounts that support credit activities. These limitations, if enacted, place annual ceilings on credit programs that, in most cases, are otherwise relatively unlimited.

Appropriation bill limitations are proposed for about two-thirds of the credit budget totals. The exemptions are primarily for entitlements, emergency or disaster, and insurance programs. These programs can be controlled, however, through changes in authorizing legislation.

COLLECTIONS

In general.—Amounts collected are classified into two major categories:

- *Budget receipts,* which are compared with budget outlays in calculating the budget surplus or deficit.

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- *Offsetting collections,* which are deducted from gross disbursements in calculating budget outlays.

Budget receipts.—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers. These collections, also called *governmental receipts,* consist primarily of tax receipts (including social insurance taxes), 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 the public that are of a business-type or market-oriented nature. They are classified into two major categories: *offsetting 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 can be used without further appropriation action by the Congress, whereas funds in receipt accounts cannot be used without being appropriated.

Offsetting collections credited to appropriation or fund accounts occur in two circumstances:

- *Reimbursements.*—When authorized by law, amounts collected in advance or after materials or services are furnished (for example, advances 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 against obligations 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 obligations, and outlays are netted accordingly.

Offsetting receipts, generally, are deducted from budget authority and outlays by function 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 repayments, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collections are not counted as budget receipts but, rather, are offset against budget authority and outlays by

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agency and by function. There are two exceptions to this rule. Receipts from rents and royalties from Outer Continental Shelf lands and additional receipts from Federal surplus real property disposition 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 governmental appropriation or fund accounts. They are treated as offsets to budget authority and outlays, rather than as budget receipts. Intragovernmental transactions may 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 budget authority and outlays 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. Intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into employee retirement trust funds or agencies' payments of interest to nonrevolving trust funds appear as special deduct lines in computing total budget authority and outlays for the Government.

  Intrabudgetary transactions are 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,* where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions,* where the payment and receipt both occur within the trust fund group.

OTHER TRANSACTIONS

Borrowing and repayments.—Borrowing and debt repayments 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 borrowing in the form of agency securities, including the sale of certificates representing participation in a pool of loans. However, some sales of participation certificates, which otherwise would be treated as borrowing, are required by law to be treated as a sale of assets. This results in the proceeds of such sales being credited to an appropriation or fund account with a corresponding reduction in outlays and in the requirement for new budget authority.

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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 of production. 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 deficit or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in a year with a surplus. The increment (profit) resulting from the sale of gold as a monetary asset is treated like seigniorage, since the value of gold is determined by its value as a monetary asset rather than as a commodity.

Liabilities in deposit fund accounts.—Certain accounts outside the budget, known as deposit funds, are established to record amounts held in suspense temporarily (for example, proceeds from mineral leases on the Outer Continental Shelf to which title is in dispute) or held by the Government as agent for others (for example, 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. To the extent that deposit fund balances are not invested, changes in the accounts are treated as a means of financing.

Exchange of cash.—The Government's deposits with the International Monetary Fund are considered to be similar to cash assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not considered in itself a receipt or an outlay, borrowing or lending. In a similar manner, the holdings of foreign currency by the Exchange Stabilization Fund 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.

BASIS FOR BUDGET FIGURES

In general.—Outlays usually are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. The accrual basis is used generally for interest on the public debt held by private investors; however, interest on the public debt held by trust and other Government accounts is 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.

This budget incorporates the President's proposal that the Departments of Energy and Education be dismantled. Budget data for

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these departments are included in the successor agencies for all three years. Appropriate information is presented in the Budget Appendix to identify the predecessor accounts.

Data for 1981.—The 1981 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 1982.—Most of the regular appropriations acts for 1982 have been enacted. However, funding for activities covered by three appropriations bills (Labor, Health and Human Services, and Education and related agencies; Commerce, Justice, and State, the Judiciary, and related agencies; and Treasury, Postal Service and General Government) was provided in a continuing resolution that is effective through March 31, 1982. Supplemental appropriations are proposed in the 1983 budget for pay raises involving the Legislative Branch, the Judiciary, and the International Trade Commission and for additional amounts requested to meet previously unforeseen program costs throughout the Government. To the extent that supplemental appropriations for pay raises in 1982 will be needed for Executive Branch agencies, requests will be submitted to the Congress after transmittal of the budget.

Where the word "enacted" is used with reference to 1982, as in tables 1 and 5 of Part 9 of the Budget, the amount generally represents budget authority already voted by the Congress. However, for the budget accounts covered by the 1982 continuing resolution, the amount is based on the full year effect of appropriations available under the continuing resolution. 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 1983.—This budget includes complete estimates for 1983. Part I of the Budget Appendix generally includes the proposed appropriation language for the various items identified in the budget. In some instances, estimates are included in the budget schedules without appropriation language for 1982 and 1983. 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, the items for later transmittal and the related outlays are separately identified. Estimates of the total requirements for 1982 and 1983 include both the amounts formally requested and the amounts planned for later transmittal.

Data for 1984 through 1987.—To place emphasis on longer term objectives and plans consistent with the multi-year budget planning system, this budget presents estimates through 1987. These

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data 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 expected additional changes, such as civilian pay increases, and for expected additional reductions associated with management improvements.

The allowance for civilian agency pay raises includes an estimate of the additional amounts that will be required for pay raises that are effective in 1982 for which specific requests will be made later and for pay raises anticipated in 1983 and the years beyond for employees of civilian agencies of the Government. Separate allowances for pay raises are shown for the military and civilian employees of the Department of Defense and for the military employees of the Coast Guard and are included in the figures of the Departments of Defense and Transportation, respectively. These increases are not reflected in the various program appropriation requests since the detailed amounts have not yet been determined.

An allowance for relatively uncontrollable programs is shown separately, as required by the Congressional Budget Act. The estimates for such programs are zero because the probability of net decreases or net increases for such programs is believed to be equal. Other allowances contain estimates of expected additional savings from further elimination of fraud, waste, abuse; for undistributed anticipated debt collections; and, in fiscal years 1985 through 1987, for further reductions in Federal employment. Allowances are also shown for the Department of Defense.

Budget authority and outlays included in the allowance section are never appropriated as undistributed allowances, but rather indicate the estimated budget authority and outlays that may be requested.

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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 definite appropriations except where otherwise indicated. Also, budget authority and outlay data for off-budget Federal entities are presented at the end of this table. Within the Federal Financing Bank (FFB) presentation, there is a distribution of its budget authority and outlays to the accounts in the various agencies that are provided credit services by the FFB.

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.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch				
Senate				
Federal funds				
General and Special Funds:				
Compensation of Members, Senate 801				
Appropriation, current	BA	**6,703**	**6,932**	.....
Appropriation, permanent, indefinite	BA	.....	.....	**8,431**
Outlays	O	6,789	6,932	8,431
Mileage of the Vice President and Senators 801				
Appropriation, current	BA			[K] **60**
Outlays	O	.....	.....	60
Expense allowances of the Vice President, President Pro Tempore, Majority and Minority Leaders and Majority and Minority Whips 801				
Appropriation, current	BA	**19**	**45**	**45**
Outlays	O	33	45	45
Salaries, officers and employees 801				
Appropriation, current	BA	**112,159**	**131,785** [D] **8,771**	**145,823**
Outlays	O	123,076	140,556	145,823
Office of the Legislative Counsel of the Senate 801				
Appropriation, current	BA	**922**	**1,021** [D] **66**	**1,255**
Outlays	O	804	1,087	1,255
Office of Senate Legal Counsel 801				
Appropriation, current	BA	**355**	**495** [D] **13**	**525**
Outlays	O	323	508	525
Expense allowance for the Secretary of the Senate, Sergeant at Arms, and Doorkeeper of the Senate and secretaries for the majority and 801				
Appropriation, current	BA	.....	**8**	**8**
Outlays	O	.....	8	8
Senate procedure 801				
Appropriation, current	BA	.....	**5**	.....
Outlays	O	.....	5	.....
Senate policy committees 801				
Appropriation, current	BA	**1,036**	**1,524** [D] **80**	**1,773**
Outlays	O	1,268	1,604	1,773
Automobiles and maintenance 801				
Appropriation, current	BA	**57**	**75**	**96**
Outlays	O	49	75	96
Inquiries and investigations 801				
Appropriation, current	BA	**23,351**	**41,225** [D] **1,975**	**47,524**
Outlays	O	33,622	43,200	47,524
Folding documents 801				
Appropriation, current	BA	**57**	**128** [D] **6**	**134**
Outlays	O	109	134	134

See footnotes at end of table.

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Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
Senate—Con.				
Miscellaneous items 801				
Appropriation, current	BA	**15,204**	**32,561** **[A] 653**	**39,543**
Outlays	0	28,720	32,561 [A] 653	39,543
Postage stamps 801				
Appropriation, current	BA	**5**	**9**	**11**
Outlays	0	7	9	11
Stationery (revolving fund) 801				
Appropriation, current	BA	**142**	**43**	**51**
Outlays	0	121	43	51
Congressional use of foreign currency, Senate 801				
Appropriation, permanent	BA	**300**	.....	.....
Outlays	0	342	.....	.....
Public Enterprise Funds:				
Senate restaurant fund (revolving fund) 801				
Outlays	0	−301	.....	.....
Recording studio (revolving fund) 801				
Outlays	0	513	.....	.....
Senate barber shops (revolving fund) 801				
Outlays	0	−8	.....	.....
Total Federal funds Senate	BA	**160,310**	**227,420**	**245,279**
	0	195,467	227,420	245,279
House of Representatives				
Federal funds				
General and Special Funds:				
Payments to widows and heirs of deceased members of Congress 801				
Appropriation, current	BA	**121**	.....	.....
Outlays	0	121	.....	.....
Compensation of Members, House of Representatives 801				
Appropriation, current	BA	**29,254**	**29,382**	.....
Outlays	0	28,886	28,207	.....
Mileage of Members 801				
Appropriation, current	BA	**210**	**210**	**210**
Outlays	0	72	201	201
House leadership offices 801				
Appropriation, current	BA	**2,562**	**2,564** **[D] 141**	**2,726**
Outlays	0	2,225	2,597	2,617
Salaries, officers and employees 801				
Appropriation, current	BA	**35,146**	**36,165** **[D] 1,651**	**41,959**
Outlays	0	34,228	36,369	40,281
Committee employees 801				
Appropriation, current	BA	**29,225**	**29,225** **[D] 1,955**	**32,035**
Outlays	0	28,112	30,011	30,754

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Legislative Branch—Con.				
House of Representatives—Con.				
Committee on Appropriations (Studies and Investigations) 801				
Appropriation, current	BA	**3,669**	**3,685** **[D] 16**	**3,750**
Outlays	0	2,924	3,554	3,600
Committee on the Budget (Studies) 801				
Appropriation, current	BA	**245**	**218**	**276**
Outlays	0	196	209	265
Office of the Legislative Counsel 801				
Appropriation, current	BA	**2,202**	**2,390** **[D] 137**	.....
Outlays	0	1,863	2,431	.....
Office of the Law Revision Counsel 801				
Appropriation, current	BA	**521**	**525** **[D] 29**	.....
Outlays	0	478	533	.....
Members' clerk hire 801				
Appropriation, current	BA	**138,348**	**138,813** **[D] 4,902**	**143,953**
Outlays	0	135,451	138,162	138,195
Allowances and expenses 801				
Appropriation, current	BA	**77,977**	**78,856** **[A] 5,987** **[C] 1,279**	**81,866**
Outlays	0	73,312	76,981 [A] 5,987	78,591
Stationery (revolving fund) 801				
Outlays	0	−324	−3	.....
Special and select committees 801				
Appropriation, current	BA	**41,500**	**41,761** **[D] 374**	**43,600**
Outlays	0	38,651	40,464	41,856
Compensation of Members and related administrative expenses 801				
Appropriation, permanent, indefinite	BA	.....	.....	**29,432**
Outlays	0	.....	.....	29,432
Congressional use of foreign currency, House of Representatives 801				
Appropriation, permanent	BA	**1,900**	**1,900**	**1,900**
Outlays	0	1,492	1,900	1,900
Public Enterprise Funds:				
House of Representatives restaurant fund (revolving fund) 801				
Outlays	0	−514	124	.....
Recording studio (revolving fund) 801				
Outlays	0	583	149	.....
Beauty shop (revolving fund) 801				
Outlays	0	23	23	.....
House barber shops (revolving fund) 801				
Outlays	0	−58	59	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
House of Representatives—Con.				
Office of the attending physician (revolving fund) 801				
Outlays	0	.....	1	.....
Total Federal funds House of Representatives	BA	**362,880**	**382,165**	**381,707**
	0	347,721	367,959	367,692
Joint Items				
Federal funds				
General and Special Funds:				
Joint Economic Committee 801				
Appropriation, current	BA	**2,207**	**2,250** **[D] 55**	**2,375**
Outlays	0	2,075	2,305	2,375
Joint Committee on Printing 801				
Appropriation, current	BA	**760**	**816**	**951**
Outlays	0	692	816	951
Statements of appropriations, Senate 801				
Appropriation, current	BA	**6**	**6**	**6**
Outlays	0	.....	6	6
Joint Committee on Taxation 801				
Appropriation, current	BA	**2,759**	**2,967** **[A] 84** **[D] 169**	**3,405**
Outlays	0	2,434	3,017 [A] 84	3,269
Office of the Attending Physician 801				
Appropriation, current	BA	**504**	**603**	**633**
Outlays	0	442	579	608
General expenses, Capitol police 801				
Appropriation, current	BA	**834**	**887**	**945**
Outlays	0	699	852	907
Capitol Police Board 801				
Appropriation, current	BA	**915**	**628**	.....
Outlays	0	470	302	327
Education of pages 801				
Appropriation, current	BA	**245**	**244** **[D] 11**	**271**
Outlays	0	291	246	260
Official mail costs 801				
Appropriation, current	BA	**52,033**	**75,095**	**55,196**
Outlays	0	43,433	72,091	52,988
Capitol Guide Service 801				
Appropriation, current	BA	**731**	**734**	**734**
Outlays	0	628	734	734
Statements of appropriations, House of Representatives 801				
Appropriation, current	BA	**7**	**7**	**7**
Outlays	0	.....	7	7
Total Federal funds Joint Items	BA	**61,001**	**84,556**	**64,523**
	0	51,164	81,039	62,432

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
Congressional Budget Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 801				
Appropriation, current	BA	**12,519**	**12,868** [D] **408**	**16,352**
Outlays	0	12,289	13,100	15,941
Architect of the Capitol				
Federal funds				
General and Special Funds:				
Office of the Architect of the Capitol: Salaries 801				
Appropriation, current	BA	**3,327**	**3,760** [C] **27** [D] **160**	**4,540**
Outlays	0	3,376	3,934	4,465
Contingent expenses 801				
Appropriation, current	BA	**210**	**210**	**210**
Outlays	0	338	419	210
Capitol buildings 801				
Appropriation, current	BA	**7,462**	**10,100** [C] **179** [D] **51**	**11,814**
Outlays	0	7,875	9,859	12,331
Capitol grounds 801				
Appropriation, current	BA	**2,264**	**2,430** [C] **71** [D] **3**	**5,608**
Outlays	0	2,353	2,595	5,625
West central front of the Capitol 801				
Outlays	0	28	123	.....
Master plan for future development of the Capitol grounds and related areas 801				
Outlays	0	78	8	.....
Acquisition of property as an addition to the Capitol grounds 801				
Appropriation, current	BA	**11,500**	..... [B] **4,500**	.....
Outlays	0	2	11,497 [B] 4,000	..... [B] 500
Senate office buildings 801				
Appropriation, current	BA	**11,881**	**14,851** [A] **11,500** [C] **374**	**25,383**
Outlays	0	12,785	16,269 [A] 5,000	22,085 [A] 6,500
Construction of an extension to the New Senate Office Building 801				
Outlays	0	41,218	29,273	9,489
Acquisition of property as a site for parking facilities for the United States Senate 801				
Outlays	0	.....	5	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
Architect of the Capitol—Con.				
Senate garage 801				
Appropriation, current	BA	**104**	**99** [C] **3**	**104**
Outlays	0	104	105	112
House office buildings 801				
Appropriation, current	BA	**16,602**	**19,899** [C] **568**	**20,814**
Outlays	0	18,451	21,069	21,508
Acquisition of property, construction, and equipment, additional House Office Building 801				
Outlays	0	.....	79	.....
Installation of solar collectors in House office buildings 801				
Outlays	0	79	1,388	.....
Capitol Power Plant 801				
Appropriation, current	BA	**18,606**	**20,916** [A] **1,500** [C] **106**	**24,060**
Outlays	0	17,748	21,550 [A] 1,500	25,194
Expansion of facilities, Capitol Power Plant 801				
Outlays	0	24	122	.....
Modifications and enlargement, Capitol Power Plant 801				
Outlays	0	1,338	4,680	1,095
Memorial to Hale Boggs 801				
Appropriation, current	BA	**7**	.....	.....
Outlays	0	6	.....	.....
Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped 801				
Outlays	0	154	797	700
Structural and mechanical care, Library buildings and grounds 801				
Appropriation, current	BA	**4,675**	**8,715** [C] **138**	**5,137**
Outlays	0	4,373	9,140	5,505
Library of Congress James Madison Memorial Building 801				
Outlays	0	2,932	2,019	.....
Total Federal funds Architect of the Capitol	BA	**76,638**	**100,160**	**97,670**
	0	113,262	145,431	115,319
Library of Congress				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**106,874**	**111,989** [C] **213** [D] **4,011**	**129,657**
Outlays	0	103,469	123,109	128,993

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
Library of Congress—Con.				
Copyright Office: Salaries and expenses 376				
Appropriation, current	BA	**10,201**	**9,123**	**15,515**
			[D] **630**	
Outlays	0	9,804	9,728	15,464
Congressional Research Service: Salaries and expenses 801				
Appropriation, current	BA	**29,689**	**30,000**	**37,109**
			[D] **1,605**	
Outlays	0	29,627	31,543	36,723
Books for the blind and physically handicapped: Salaries and expenses 503				
Appropriation, current	BA	**32,891**	**33,221**	**35,478**
			[C] **10**	
			[D] **153**	
Outlays	0	31,523	32,382	33,472
Collection and distribution of library materials (special foreign currency program) 503				
Appropriation, current	BA	**3,479**	**4,405**	**4,438**
			[D] **16**	
Outlays	0	2,798	4,451	4,908
Furniture and furnishings 503				
Appropriation, current	BA	**1,686**	**1,089**	**1,563**
Outlays	0	6,341	3,097	1,850
Payments to copyright owners 376				
Appropriation, permanent, indefinite	BA	**24,981**	**23,000**	**23,000**
Outlays	0	−2,672	80,000	23,000
Oliver Wendell Holmes devise fund 503				
Appropriation, permanent, indefinite	BA	**3**	**2**	**2**
Outlays	0	11	20	20
Intragovernmental Funds:				
Consolidated working fund 503				
Outlays	0	657	133	.....
Trust funds				
Gift and trust fund accounts 503				
Appropriation, permanent, indefinite	BA	**6,373**	**6,400**	**6,896**
Outlays	0	6,096	6,336	6,465
Total Federal funds Library of Congress	BA	**209,804**	**219,467**	**246,762**
	0	181,558	284,463	244,430
Total Trust funds Library of Congress	BA	**6,373**	**6,400**	**6,896**
	0	6,096	6,336	6,465
Government Printing Office				
Federal funds				
General and Special Funds:				
Printing and binding 801				
Appropriation, current	BA	**16,250**	**17,888**	**16,591**
Outlays	0	8,178	12,618	14,405
Congressional printing and binding 801				
Appropriation, current	BA	**82,400**	**84,843**	**90,247**
Outlays	0	58,514	71,982	81,480

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.				
Government Printing Office—Con.				
Office of Superintendent of Documents: Salaries and expenses 806				
Appropriation, current	BA	**24,000**	**27,120** [D] **303**	**28,889**
Outlays	0	18,180	25,423	28,084
Acquisition of site and general plans and designs of buildings 806				
Outlays	0	.....	4,600	.....
Project planning 806				
Outlays	0	.....	41	.....
Intragovernmental Funds:				
Government Printing Office revolving fund 806				
Outlays	0	−8,176	4,835	−327
Total Federal funds Government Printing Office...	BA	**122,650**	**130,154**	**135,727**
	0	76,696	119,499	123,642
General Accounting Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 801				
Appropriation, current	BA	**220,602**	**229,300** [A] **2,211** [D] **9,225**	**255,014**
Outlays	0	209,033	235,915 [A] 2,111	252,483 [A] 100
United States Tax Court				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**11,094**	**12,404** [D] **381**	**15,083**
Outlays	0	10,856	12,756	15,013
Trust funds				
Tax Court judges survivors annuity fund 602				
Appropriation, permanent, indefinite	BA	**149**	**164**	**172**
Outlays	0	79	79	79
Other Legislative Branch Agencies				
Federal funds				
General and Special Funds:				
Commission on Security and Cooperation in Europe: Salaries and expenses 801				
Appropriation, current	BA	**450**	**404**	**550**
Outlays	0	336	550	580
Botanic Garden: Salaries and expenses 801				
Appropriation, current	BA	**1,644**	**2,311** [C] **56**	**1,827**
Outlays	0	1,620	2,165	1,997

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.					
Other Legislative Branch Agencies—Con.					
Copyright Royalty Tribunal: Salaries and expenses	376				
Appropriation, current		BA	**461**	**400** [A] **59** [D] **36**	**526**
Outlays		0	436	438 [A] 59	525
Cost-Accounting Standards Board: Salaries and expenses	801				
Outlays		0	168	2	.....
Temporary Commission on Financial Oversight of the District of Columbia: Salaries and expenses	801				
Outlays		0	1,649	−223	.....
Office of Technology Assessment: Salaries and expenses	801				
Appropriation, current		BA	**11,183**	**12,019** [D] **250**	**13,900**
Outlays		0	11,530	12,593	14,100
Trust funds					
Office of Technology Assessment: Contributions and donations	801				
Appropriation, permanent, indefinite		BA	**2**	**4**	**4**
Outlays		0	.....	2	2
Total Federal funds Other Legislative Branch Agencies		BA	**13,738**	**15,535**	**16,803**
		0	15,739	15,584	17,202
Total Trust funds Other Legislative Branch Agencies		BA	**2**	**4**	**4**
		0	.....	2	2
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,251,236**	**1,426,254**	**1,474,920**
		0	1,213,785	1,505,277	1,459,533
Deductions for offsetting receipts:					
Intrafund transactions	803	BA			
		0	*−626*	*−450*	*−450*
	902	BA			
		0	*−1,881*	*−302*	*−302*
Proprietary receipts from the public	503	BA			
		0	*−667*	*−98*	*−6,580*
	801	BA			
		0	*−4,081*	*−4,050*	*−4,053*
Total Federal funds		BA	**1,243,981**	**1,421,354**	**1,463,535**
		0	1,206,530	1,500,377	1,448,148
Trust funds:					
(As shown in detail above)		BA	**6,524**	**6,568**	**7,072**
		0	6,175	6,417	6,546

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Legislative Branch—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA			
		O	*—3,796*	*—4,478*	*—4,971*
	902	BA			
		O	*—88*	*—192*	*—192*
Total Trust funds		BA	**2,640**	**1,898**	**1,909**
		O	2,291	1,747	1,383
Total Legislative Branch		BA	**1,246,621**	**1,423,252**	**1,465,444**
		O	1,208,821	1,502,124	1,449,531
The Judiciary					
Supreme Court of the United States					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**11,840**	**11,208**	**12,922**
				[D] **427**	
Outlays		O	10,602	11,358	12,622
Care of the building and grounds	752				
Appropriation, current		BA	**1,568**	**1,654**	**2,017**
				[C] **32**	
Outlays		O	1,783	2,550	2,027
Acquisition of property as an addition to the grounds of the Supreme Court building	752				
Appropriation, current		BA	**645**	.....	.....
Outlays		O	.....	645	.....
Total Federal funds Supreme Court of the United States		BA	**14,053**	**13,321**	**14,939**
		O	12,385	14,553	14,649
Court of Customs and Patent Appeals					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**1,911**	**1,950**	**2,660**
				[D] **58**	
Outlays		O	1,703	2,000	2,632
United States Court of International Trade					
Federal funds					
General and Special Funds:					
Salaries and expenses	752				
Appropriation, current		BA	**5,150**	**5,200**	**5,730**
				[D] **166**	
Outlays		O	5,035	5,351	5,717

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
The Judiciary—Con.				
Court of Claims				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**5,793**	**5,900**	**8,106**
			[D] **270**	
Outlays	O	5,463	6,130	7,987
Courts of Appeals, District Courts, and other Judicial Services				
Federal funds				
General and Special Funds:				
Salaries of judges 752				
Appropriation, current	BA	**56,000**	**59,400**	**63,500**
			[D] **2,850**	
Outlays	O	55,008	62,253	63,500
Salaries of supporting personnel 752				
Appropriation, current	BA	**232,931**	**263,400**	**297,100**
			[D] **12,900**	
Outlays	O	230,734	272,766	296,532
Defender services 752				
Appropriation, current	BA	**24,000**	**26,500**	**34,180**
			[A] **2,350**	
			[D] **670**	
Outlays	O	27,481	28,703	32,647
			[A] 1,693	[A] 657
Fees of jurors and commissioners 752				
Appropriation, current	BA	**36,000**	**43,500**	**48,000**
Outlays	O	41,141	44,257	47,729
Expenses of Operation and Maintenance of the Courts 752				
Appropriation, current	BA	**41,827**	**55,600**	**70,400**
Outlays	O	41,045	53,722	68,559
Salaries and expenses of magistrates 752				
Appropriation, current	BA	**24,551**	.....	.....
Outlays	O	24,403	1,272	.....
Bankruptcy courts, salaries and expenses 752				
Appropriation, current	BA	**68,294**	**81,200**	**94,100**
			[D] **3,500**	
Outlays	O	68,350	83,820	93,120
Services for drug dependent offenders 752				
Appropriation, current	BA	**3,645**	**3,750**	**4,500**
Outlays	O	2,842	3,629	4,328
Space and facilities 752				
Appropriation, current	BA	**105,500**	**123,000**	**158,100**
Outlays	O	97,538	120,631	153,325
Furniture and furnishings 752				
Outlays	O	1,821	1,240	.....
Speedy trial planning 752				
Outlays	O	22	.....	.....
Pretrial services agencies, The Judiciary 752				
Outlays	O	123	774	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
The Judiciary—Con.				
Courts of Appeals, District Courts, and other Judicial Services—Con.				
Special rail reorganization court 752				
Outlays	0	275	489	623
Total Federal funds Courts of Appeals, District Courts, and other Judicial Services	BA	**592,748**	**678,620**	**769,880**
	0	590,783	675,249	761,020
Administrative Office of the United States Courts				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**17,150**	**20,000**	**25,500**
			D **750**	
Outlays	0	16,319	20,311	24,978
Judicial survivors' annuity program 752				
Appropriation, current	BA	**616**	.....	.....
Outlays	0	616	.....	.....
Intragovernmental Funds:				
Consolidated working fund 752				
Outlays	0	228	.....	.....
Total Federal funds Administrative Office of the United States Courts	BA	**17,766**	**20,750**	**25,500**
	0	17,163	20,311	24,978
Federal Judicial Center				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Appropriation, current	BA	**9,222**	**7,600**	**8,598**
			D **170**	
Outlays	0	7,742	7,120	8,208
Bicentennial Expenses, The Judiciary				
Federal funds				
General and Special Funds:				
Bicentennial activities 806				
Outlays	0	4	76	.....
Judiciary Trust Funds				
Trust funds				
Judicial survivors' annuities fund 602				
Appropriation, permanent, indefinite	BA	**10,696**	**10,631**	**10,355**
Outlays	0	1,823	2,646	1,975
Summary				
Federal funds:				
(As shown in detail above)	BA	**646,643**	**734,005**	**835,413**
	0	640,278	730,790	825,191

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
The Judiciary—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA	*—3,212*	*—3,111*	*—3,111*
		0			
	902	BA	*—265*	*—200*	*—200*
		0			
Total Federal funds		BA	**643,166**	**730,694**	**832,102**
		0	636,801	727,479	821,880
Trust funds:					
(As shown in detail above)		BA	**10,696**	**10,631**	**10,355**
		0	1,823	2,646	1,975
Interfund transactions	602	BA	**—1,346**	.....	.....
		0			
Total The Judiciary		BA	**652,516**	**741,325**	**842,457**
		0	637,278	730,125	823,855
Executive Office of the President					
Compensation of the President					
Federal funds					
General and Special Funds:					
Compensation of the President	802				
Appropriation, current		BA	**250**	**250**	**250**
Outlays		0	268	272	250
The White House Office					
Federal funds					
General and Special Funds:					
Salaries and expenses	802				
Appropriation, current		BA	**21,278**	**18,877**	**22,164**
Outlays		0	20,810	18,877	22,164
Executive Residence at the White House					
Federal funds					
General and Special Funds:					
Operating expenses	802				
Appropriation, current		BA	**3,374**	**3,527**	**3,878**
Outlays		0	3,277	3,467	3,828
Official Residence of the Vice President					
Federal funds					
General and Special Funds:					
Operating expenses	802				
Appropriation, current		BA	**168**	**178**	**281**
Outlays		0	236	212	254

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Executive Office of the President—Con.				
Special Assistance to the President				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**1,591**	**1,385**	**1,483**
Outlays	0	1,477	1,434	1,394
Council of Economic Advisers				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**2,205**	**1,954**	**2,115**
Outlays	0	1,975	1,961	2,115
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	**2,542**	**919**	**926**
Outlays	0	2,602	1,161	1,168
Intragovernmental Funds:				
Consolidated working fund 802				
Outlays	0	−3,508	1,551	.....
Total Federal funds Council on Environmental Quality and Office of Environmental Quality	BA	**2,542**	**919**	**926**
	0	−906	2,712	1,168
Council on Wage and Price Stability				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**5,302**	.....	.....
Outlays	0	6,161	478	.....
Office of Policy Development				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**2,927**	**2,500**	**2,653**
Outlays	0	2,733	2,760	2,618
National Security Council				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**3,839**	**3,356**	**3,976**
Outlays	0	3,268	3,442	3,994

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Executive Office of the President—Con.				
Office of Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**12,200**	**11,722**	**13,640**
Outlays	0	11,614	11,370	13,231
Office of Management and Budget				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**33,484**	**32,079**	**36,109**
Outlays	0	32,635	31,694	34,136
Office of Federal Procurement Policy: Salaries and expenses 802				
Appropriation, current	BA	**2,628**	**2,355**	**2,486**
Outlays	0	2,578	2,663	2,486
Summary				
Federal funds:				
(As shown in detail above)	BA	**36,112**	**34,434**	**38,595**
	0	35,213	34,357	36,622
Deductions for offsetting receipts:				
Proprietary receipts from the public 802	BA			
	0	*—90*	.....	.....
Total Office of Management and Budget	BA	**36,022**	**34,434**	**38,595**
	0	35,123	34,357	36,622
Office of Science and Technology Policy				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**2,063**	**1,578**	**1,839**
Outlays	0	1,632	1,578	1,839
Office of the United States Trade Representative				
Federal funds				
General and Special Funds:				
Salaries and expenses 802				
Appropriation, current	BA	**9,360**	**9,000**	.....
				[K] **10,100**
Outlays	0	8,329	8,585	9,542
Special Action Office for Drug Abuse Prevention				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Outlays	0	—2	16	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Executive Office of the President—Con.				
Special Action Office for Drug Abuse Prevention—Con.				
Special fund for drug abuse 554				
Outlays	0	−360	103	.....
Total Federal funds Special Action Office for Drug Abuse Prevention	0	−362	119	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**103,211**	**89,680**	**101,900**
	0	95,725	91,624	99,019
Deductions for offsetting receipts:				
Proprietary receipts from the public 802	BA			
	0	*−90*	.....	.....
Total Executive Office of the President	BA	**103,121**	**89,680**	**101,900**
	0	95,635	91,624	99,019
Funds Appropriated to the President				
Appalachian Regional Development Programs				
Federal funds				
General and Special Funds:				
Appalachian regional development programs 452				
Appropriation, current	BA	**299,300**	**150,000**	.....
Outlays	0	336,779	295,000	289,000
Public Enterprise Funds:				
Appalachian housing fund 452				
Outlays	0	16	1,696	.....
Total Federal funds Appalachian Regional Development Programs	BA	**299,300**	**150,000**	.....
	0	336,795	296,696	289,000
Disaster Relief				
Federal funds				
General and Special Funds:				
Disaster relief 453				
Appropriation, current	BA	**358,449**	**301,694**	**325,000**
Outlays	0	400,590	406,000	381,000
Trust funds				
Bequests and gifts 453				
Appropriation, permanent, indefinite	BA	**802**	**84**	**92**
Outlays	0	−43	.....	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**358,449**	**301,694**	**325,000**
	0	400,590	406,000	381,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
Disaster Relief—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	450	BA			
		0	.....	*−300*	*−300*
	902	BA			
		0	.....	*−22*	*−22*
Total Federal funds		BA	**358,449**	**301,372**	**324,678**
		0	400,590	405,678	380,678
Trust funds:					
(As shown in detail above)		BA	**802**	**84**	**92**
		0	−43	.....	.....
Total Disaster Relief		BA	**359,251**	**301,456**	**324,770**
		0	400,547	405,678	380,678
Unanticipated Needs					
Federal funds					
General and Special Funds:					
Unanticipated needs	802				
Appropriation, current		BA	**1,000**	**880**	**1,000**
Outlays		0	179	811	1,000
Expenses of Management Improvement					
Federal funds					
General and Special Funds:					
Expenses of management improvement	802				
Outlays		0	128	43	.....
International Security Assistance					
Federal funds					
General and Special Funds:					
Foreign military sales credit	152				
Appropriation, current		BA	**500,000**	**750,000**	.....
					[K] **1,739,000**
Outlays		0	506,855	755,000	913,000
Economic support fund	152				
Appropriation, current, indefinite		BA	**2,095,500**	**2,564,000**	.....
					[K] **2,886,000**
Reappropriation		BA	**4,950**	.....	.....
Outlays		0	2,052,679	2,306,925	2,682,825
Military assistance	152				
Appropriation, current		BA	**110,200**	**176,512**	.....
					[K] **107,500**
Outlays		0	228,112	316,612	203,117
International military education and training	152				
Appropriation, current		BA	**28,400**	**38,488**	.....
					[K] **53,700**
Outlays		0	22,422	39,715	50,068

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
International Security Assistance—Con.					
Peacekeeping operations	152				
Appropriation, current, indefinite		BA	**34,000**	**151,000**	.....
					[K] **43,474**
Outlays		0	28,748	164,000	53,500
Military assistance, South Vietnamese Forces	152				
Outlays		0	353	.....	.....
Assistance for relocation of facilities in Israel	152				
Contract authority, permanent, indefinite		BA	.....	**19,000**	.....
Outlays		0	412,084	15,835	.....
Public Enterprise Funds:					
Guarantee reserve fund	152				
Outlays		0	109,958	100,000	100,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,773,050**	**3,699,000**	**4,829,674**
		0	3,361,211	3,698,087	4,002,510
Deductions for offsetting receipts:					
Proprietary receipts from the public	152	BA			
		0	*−218,220*	*−200,100*	*−157,800*
	902	BA			
		0	*−52,751*	*−74,500*	*−89,200*
Total International Security Assistance		BA	**2,502,079**	**3,424,400**	**4,582,674**
		0	3,090,240	3,423,487	3,755,510
International Development Assistance					
Multilateral Assistance					
Federal funds					
General and Special Funds:					
Contribution to the International bank for reconstruction and development	151				
Appropriation, current		BA	**32,789**	**146,889**	**126,042**
Outlays		0	122,542	24,526	33,591
Contribution to the International development association	151				
Appropriation, current		BA	**520,000**	**700,000**	**945,000**
Outlays		0	489,713	742,000	828,000
Contribution to the International finance corporation	151				
Appropriation, current		BA	.....	**14,448**	.....
Outlays		0	11,148	14,448	.....
Contribution to the Inter-American development bank	151				
Appropriation, current		BA	**251,547**	**221,230**	**284,100**
Outlays		0	278,634	256,822	269,254
Contribution to the Asian development bank	151				
Appropriation, current		BA	**139,612**	**120,812**	**131,883**
Outlays		0	53,242	58,660	103,482

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.				
International Development Assistance—Con.				
Contribution to the African development fund 151				
Appropriation, current	BA	**41,667**	**58,333**	.....
				[K] **50,000**
Outlays	0	.....	12,876	19,165
Contribution to the African development bank 151				
Appropriation, current	BA	**17,987**	.....	.....
Payment to the International Fund for Agricultural Development 151				
Appropriation, current	BA	.....	.....	**65,400**
Outlays	0	9,783	30,000	40,000
International organizations and programs 151				
Appropriation, current	BA	**262,380**	**215,438**	**173,250**
Outlays	0	325,761	219,735	183,797
Total Federal funds Multilateral Assistance	BA	**1,265,982**	**1,477,150**	**1,775,675**
	0	1,290,823	1,359,067	1,477,289
Bilateral Assistance				
Federal funds				
General and Special Funds:				
Functional development assistance program 151				
Appropriation, current	BA	**1,184,888**	**1,295,155**	.....
				[K] **1,298,243**
			[H] **−8,129**	
Outlays	0	1,105,922	1,097,955	1,190,208
			[H] −270	[H] −1,600
Sahel development program 151				
Appropriation, current	BA	**91,000**	**93,757**	.....
				[K] **93,757**
			[H] **−2,500**	
Outlays	0	54,795	70,165	78,726
			[H] −2,500	
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA	**27,852**	**32,552**	.....
				[K] **35,403**
			[A] **1,031**	
Outlays	0	18,487	41,917	35,403
			[A] 1,031	
American schools and hospitals abroad 151				
Appropriation, current	BA	**20,000**	**20,000**	**7,500**
Outlays	0	23,667	20,152	17,591
International disaster assistance 151				
Appropriation, current	BA	**87,250**	**27,000**	**25,000**
Outlays	0	56,670	47,115	43,400
Operating expenses of the International Development Cooperation Agency 151				
Appropriation, current	BA	**300,578**	**331,000**	.....
				[K] **376,000**
Outlays	0	278,012	338,966	366,814

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
International Development Assistance—Con.					
Trade and development program	151				
Appropriation, current		BA	.....	**6,907**	.....
					[K] **10,500**
Outlays		0	.....	2,881	6,528
Peace Corps operating expenses	151				
Appropriation, current		BA	**105,531**	**105,000**	**97,500**
Outlays		0	99,028	104,844	97,500
Miscellaneous appropriations	151				
Outlays		0	12,770	9,092	5,000
Public Enterprise Funds:					
Development loans--revolving fund	151				
Outlays		0	3,472	7,132	3,000
Housing and other credit guaranty programs	151				
Outlays		0	3,611	2,126	1,977
Overseas Private Investment Corporation	151				
Outlays		0	−72,129	−73,705	−77,698
Inter-American Foundation	151				
Appropriation, current		BA	**15,826**	**12,000**	.....
					[K] **10,634**
Outlays		0	2,332	14,124	12,976
Intragovernmental Funds:					
Advance acquisition of property--revolving fund	151				
Outlays		0	683	.....	.....
Office of the Inspector General of Foreign Assistance	151				
Outlays		0	−1	139	.....
Trust funds					
Gifts and contributions, Inter-American Foundation	151				
Appropriation, permanent, indefinite		BA	**2**	**20**	.....
Outlays		0	2	20	.....
Peace Corps miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	.....	**250**	**210**
Outlays		0	−96	343	210
Miscellaneous trust funds	151				
Appropriation, permanent, indefinite		BA	**238**	**15,000**	**15,000**
Outlays		0	4,230	15,000	15,000
Total Federal funds Bilateral Assistance		BA	**1,832,925**	**1,913,773**	**1,954,537**
		0	1,587,319	1,681,164	1,779,825
Total Trust funds Bilateral Assistance		BA	**240**	**15,270**	**15,210**
		0	4,136	15,363	15,210
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,098,907**	**3,390,923**	**3,730,212**
		0	2,878,142	3,040,231	3,257,114
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*912*	*−455*	*−455*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
International Development Assistance—Con.					
	151	BA	*—305,897*	*—353,344*	*—406,616*
		0			
	902	BA	*—308,610*	*—334,385*	*—377,998*
		0			
Total Federal funds		BA	**2,485,312**	**2,702,739**	**2,945,143**
		0	2,264,547	2,352,047	2,472,045
Trust funds:					
(As shown in detail above)		BA	**240**	**15,270**	**15,210**
		0	4,136	15,363	15,210
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA	*—238*	*—15,140*	*—15,100*
		0			
Total Trust funds		BA	**2**	**130**	**110**
		0	3,898	223	110
Total International Development Assistance		BA	**2,485,314**	**2,702,869**	**2,945,253**
		0	2,268,445	2,352,270	2,472,155
International Commodity Agreements					
Federal funds					
General and Special Funds:					
Contributions to international buffer stocks	155				
Appropriation, current		BA	**88,000**	.....	.....
Outlays		0	.....	29,000	.....
International Monetary Programs					
Federal funds					
General and Special Funds:					
United States quota, IMF	155				
Appropriation, current, indefinite		BA	**5,361,132**	.....	.....
Outlays		0	364,743	.....	.....
Military Sales Programs					
Federal funds					
Public Enterprise Funds:					
Liquidation of foreign military sales fund	155				
Outlays		0	—1,771	—1,690	—1,640
Special defense acquisition fund	155				
Outlays		0	.....	—288,500	—217,550
Trust funds					
Foreign military sales trust fund	155				
Contract authority, permanent, indefinite		BA	**13,020,008**	**15,273,000**	**15,819,000**
Liquidation of contract authority, permanent			(9,454,211)	(10,827,000)	(12,197,000)
Outlays		0	9,912,424	10,951,000	12,446,000
Summary					
Federal funds:					
(As shown in detail above)		0	—1,771	—290,190	—219,190

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
Military Sales Programs—Con.					
Trust funds:					
(As shown in detail above)		BA	**13,020,008**	**15,273,000**	**15,819,000**
		0	9,912,424	10,951,000	12,446,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	155	BA			
		0	*−9,454,211*	*−10,827,000*	*−12,197,000*
Total Trust funds		BA	**3,565,797**	**4,446,000**	**3,622,000**
		0	458,213	124,000	249,000
Total Military Sales Programs		BA	**3,565,797**	**4,446,000**	**3,622,000**
		0	456,442	−166,190	29,810
Radio Broadcasting to Cuba					
Federal funds					
General and Special Funds:					
Radio Broadcasting to Cuba	154				
Appropriation, current		BA		[K] **10,000**	[K] **7,700**
Outlays		0	.....	9,000	8,200
Petroleum Reserves					
Federal funds					
General and Special Funds:					
Petroleum reserves:					
(Energy supply)	271				
(Outlays)		0	92,373	17,726	.....
Public Works Acceleration					
Federal funds					
General and Special Funds:					
Public works acceleration	452				
Outlays		0	19	1,136	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**11,979,838**	**7,552,497**	**8,893,586**
		0	7,432,409	7,208,540	7,719,634
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*912*	*−455*	*−455*
	151	BA			
		0	*−305,897*	*−353,344*	*−406,616*
	152	BA			
		0	*−218,220*	*−200,100*	*−157,800*
	450	BA			
		0	.....	*−300*	*−300*
	902	BA			
		0	*−361,361*	*−408,907*	*−467,220*
Total Federal funds		BA	**11,095,272**	**6,589,391**	**7,861,195**
		0	6,547,843	6,245,434	6,687,243

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President—Con.					
Summary—Con.					
Trust funds:					
(As shown in detail above)		BA	**13,021,050**	**15,288,354**	**15,834,302**
		0	9,916,517	10,966,363	12,461,210
Deductions for offsetting receipts:.					
Proprietary receipts from the public	151	BA			
		0	*—238*	*—15,140*	*—15,100*
	155	BA			
		0	*—9,454,211*	*—10,827,000*	*—12,197,000*
Total Trust funds		BA	**3,566,601**	**4,446,214**	**3,622,202**
		0	462,068	124,223	249,110
Total Funds Appropriated to the President		BA	**14,661,873**	**11,035,605**	**11,483,397**
		0	7,009,911	6,369,657	6,936,353
Department of Agriculture					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Office of the Secretary	352				
Appropriation, current		BA	**5,028**	**4,715**	**5,406**
Outlays		0	5,714	4,607	5,406
Departmental Administration					
Federal funds					
General and Special Funds:					
Departmental administration	352				
Appropriation, current		BA	**13,541**	**14,468**	**13,647**
Outlays		0	14,742	14,034	13,647
Intragovernmental Funds:					
Working capital fund	352				
Outlays		0	348	.....	.....
Total Federal funds Departmental Administration.		BA	**13,541**	**14,468**	**13,647**
		0	15,090	14,034	13,647
Office of Governmental and Public Affairs					
Federal funds					
General and Special Funds:					
Governmental and Public Affairs	352				
Appropriation, current		BA	**8,881**	**8,628**	**7,752**
Outlays		0	7,523	8,628	7,752
Office of the Inspector General					
Federal funds					
General and Special Funds:					
Office of the Inspector General	352				
Appropriation, current		BA	**38,752**	**40,828**	**43,918**
Outlays		0	37,732	40,136	43,226

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Office of the General Counsel				
Federal funds				
General and Special Funds:				
Office of the General Counsel 352				
Appropriation, current	BA	**12,519**	**13,330**	**14,197**
Outlays	0	12,080	13,078	13,457
Agricultural Research Service				
Federal funds				
General and Special Funds:				
Agricultural Research Service 352				
Appropriation, current	BA	**426,831**	**425,678**	**468,548**
Outlays	0	407,394	430,028	453,515
Buildings and facilities 352				
Appropriation, current	BA	.....	**8,596**	.....
Outlays	0	15,751	8,776	9,800
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**2,447**	**2,000**	**2,000**
Outlays	0	1,384	1,560	1,820
Total Federal funds Agricultural Research Service	BA	**426,831**	**434,274**	**468,548**
	0	423,145	438,804	463,315
Total Trust funds Agricultural Research Service...	BA	**2,447**	**2,000**	**2,000**
	0	1,384	1,560	1,820
Cooperative State Research Service				
Federal funds				
General and Special Funds:				
Cooperative State Research Service 352				
Appropriation, current	BA	**200,897**	**221,216**	**232,103**
Outlays	0	198,992	226,581	228,583
Extension Service				
Federal funds				
General and Special Funds:				
Extension Service 352				
Appropriation, current	BA	**303,769**	**315,702**	**311,911**
			H —2,000	
Outlays	0	301,288	312,154	308,472
			H —1,800	H —200
National Agricultural Library				
Federal funds				
General and Special Funds:				
National Agricultural Library 352				
Appropriation, current	BA	**8,822**	**8,279**	**9,016**
Outlays	0	8,123	7,709	8,632

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.					
National Agricultural Library—Con.					
Library facilities	352				
Outlays		0	−4		
Total Federal funds National Agricultural Library.		BA	**8,822**	**8,279**	**9,016**
		0	8,119	7,709	8,632
Statistical Reporting Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current		BA		**51,636**	**53,694**
Outlays		0		51,350	53,429
Trust funds					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite		BA		**12**	**12**
Outlays		0		12	12
Economics and Statistics Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current		BA	**93,354**		
Outlays		0	89,925		
Trust funds					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite		BA	**41**		
Outlays		0	26		
Economic Research Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	352				
Appropriation, current		BA		**39,360**	**40,584**
Outlays		0		39,112	40,329
Trust funds					
Miscellaneous contributed funds	352				
Appropriation, permanent, indefinite		BA		**50**	**50**
Outlays		0		72	50
World Agricultural Outlook Board					
Federal funds					
General and Special Funds:					
World agricultural outlook board	352				
Appropriation, current		BA	**1,731**	**1,422**	**1,535**
Outlays		0	1,374	1,706	1,535

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Foreign Agricultural Service				
Federal funds				
General and Special Funds:				
Foreign Agricultural Service 352				
Appropriation, current	BA	**60,816**	**67,694**	**79,207**
Outlays	0	55,197	67,639	79,207
Salaries and expenses (special foreign currency program) 352				
Outlays	0	319	387	251
Total Federal funds Foreign Agricultural Service..	BA	**60,816**	**67,694**	**79,207**
	0	55,516	68,026	79,458
Office of International Cooperation and Development				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**3,500**	**3,627**	**3,703**
Outlays	0	6,047	3,627	3,703
Scientific activities overseas (foreign currency program) 352				
Appropriation, current	BA	**5,000**	**450**	**2,977**
Outlays	0	5,405	5,318	4,818
Intragovernmental Funds:				
Consolidated working fund 151				
Outlays	0	—5,559	.....	.....
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**9,843**	**7,690**	**10,095**
Outlays	0	8,076	9,500	10,095
Total Federal funds Office of International Cooperation and Development	BA	**8,500**	**4,077**	**6,680**
	0	5,893	8,945	8,521
Total Trust funds Office of International Cooperation and Development	BA	**9,843**	**7,690**	**10,095**
	0	8,076	9,500	10,095
Foreign Assistance Programs				
Federal funds				
General and Special Funds:				
Expenses, Public Law 480, foreign assistance programs, Agriculture 151				
Appropriation, current	BA	**1,228,930**	**1,000,000**	**1,028,000**
Outlays	0	1,253,801	1,140,722	1,028,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Foreign Assistance Programs—Con.				
Increase (-) or decrease in amount owed by the Public Law 480 account to the Commodity Credit Corportation 351				
Outlays	0	−24,871	−140,722	.....
Total Federal funds Foreign Assistance Programs	BA	**1,228,930**	**1,000,000**	**1,028,000**
	0	1,228,930	1,000,000	1,028,000
Agricultural Stabilization and Conservation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 351				
Appropriation, current	BA	**208,834**	**62,000**	**62,046**
Outlays	0	183,278	80,100	60,378
Rural clean water program 304				
Appropriation, current	BA	**20,000**	.....	.....
Outlays	0	1,808	10,800	11,600
Agricultural conservation program 302				
Appropriation, current	BA	**190,000**	**190,000**	**56,000**
Outlays	0	200,876	190,000	153,720
Water Bank program 302				
Appropriation, current	BA	**10,000**	**8,800**	.....
Outlays	0	11,433	11,000	.....
Emergency conservation program 453				
Appropriation, current	BA	**10,000**	**8,800**	.....
Outlays	0	15,701	18,500	.....
Dairy and beekeeper indemnity programs 351				
Appropriation, current	BA	**1,700**	**176**	.....
Outlays	0	60	177	.....
Forestry incentives program 302				
Appropriation, current	BA	**12,500**	**12,500**	.....
Outlays	0	19,152	14,300	.....
Total Federal funds Agricultural Stabilization and Conservation Service	BA	**453,034**	**282,276**	**118,046**
	0	432,308	324,877	225,698
Federal Crop Insurance Corporation				
Federal funds				
General and Special Funds:				
Administrative and operating expenses 351				
Appropriation, current	BA	**57,739**	**117,600**	**293,703**
Outlays	0	41,997	117,600	235,104

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Federal Crop Insurance Corporation—Con.				
Public Enterprise Funds:				
Federal Crop Insurance Corporation fund 351				
Appropriation, current	BA	.....	**307,456**	**423,233**
Outlays	0	−40,815	93,941	82,890
Limitation on administrative and operating expenses		(6,318)	.....	.....
Total Federal funds Federal Crop Insurance Corporation	BA	**57,739**	**425,056**	**716,936**
	0	1,182	211,541	317,994
Commodity Credit Corporation				
Support and Related Activities				
Federal funds				
Public Enterprise Funds:				
Price support and related programs: Reimbursement for net realized losses 351				
Appropriation, current	BA	**3,299,887**	**2,043,229**	.....
Indefinite	BA	.....	.....	**3,783,244**
Authority to borrow, current	BA	.....	**5,000,000**	.....
Authority to borrow, permanent	BA	**872,853**	.....	.....
Outlays	0	3,994,229	6,298,607	1,819,000
Limitation on administrative expenses and direct loans		(52,750)	.....	.....
Special Activities				
Federal funds				
General and Special Funds:				
National Wool Act (special fund) 351				
Appropriation, permanent, indefinite	BA	**34,520**	**42,078**	**44,632**
Outlays	0	42,078	44,632	31,000
Intragovernmental Funds:				
Increase or decrease (-) in amount owed to the Corporation by the Public Law 480 account 351				
Outlays	0	24,871	140,722	.....
Total Federal funds Special Activities	BA	**34,520**	**42,078**	**44,632**
	0	66,949	185,354	31,000
Total Federal funds Commodity Credit Corporation	BA	**4,207,260**	**7,085,307**	**3,827,876**
	0	4,061,178	6,483,961	1,850,000
Office of Rural Development Policy				
Federal funds				
General and Special Funds:				
Salaries and expenses 452				
Appropriation, current	BA	.....	**1,875**	**2,501**
Outlays	0	.....	1,780	2,376

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Office of Rural Development Policy—Con.				
Rural development planning grants 452				
Appropriation, current	BA	**5,000**	.....	.....
Outlays	0	5,155	3,073	977
Total Federal funds Office of Rural Development Policy	BA	**5,000**	**1,875**	**2,501**
	0	5,155	4,853	3,353
Rural Electrification Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 271				
Appropriation, current	BA	**28,309**	**29,673**	**30,340**
Outlays	0	28,023	29,670	30,334
Public Enterprise Funds:				
Rural communication development fund 452				
Appropriation, current	BA	.....	.....	**91**
Authority to borrow, permanent, indefinite	BA	**17,158**	**573**	**1,345**
Outlays	0	3,354	5,828	11,318
Total Federal funds Rural Electrification Administration	BA	**45,467**	**30,246**	**31,776**
	0	31,377	35,498	41,652
Farmers Home Administration				
Federal funds				
General and Special Funds:				
Rural water and waste disposal grants 452				
Appropriation, current	BA	**200,000**	**125,000**	**120,000**
Outlays	0	268,886	254,641	204,228
Rural development grants 452				
Appropriation, current	BA	**5,000**	.....	.....
Outlays	0	9,054	7,506	5,378
Salaries and expenses 452				
Appropriation, current	BA	**252,630**	**274,543**	**294,206**
Outlays	0	243,691	277,516	292,016
Rural community fire protection grants 452				
Appropriation, current	BA	**3,500**	**3,250**	.....
Outlays	0	3,710	3,273	1,508
Rural housing for domestic farm labor 604				
Appropriation, current	BA	**25,000**	**13,750**	**12,500**
Outlays	0	17,407	20,476	21,022
Mutual and self-help housing 604				
Appropriation, current	BA	.....	**3,950**	.....
Outlays	0	6,694	7,740	5,292
Rural housing supervisory assistance grants 371				
Appropriation, current	BA	**1,000**	.....	.....
Outlays	0	1,984	2,150	.....
Very low income housing repair grants 604				
Appropriation, current	BA	**25,000**	**15,000**	**12,500**
Outlays	0	21,199	16,210	12,550

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Farmers Home Administration—Con.				
Rural rental assistance payments 604				
Appropriation, current	BA	.....	.....	**185,000**
Outlays	0	.....	.....	164,818
Compensation for construction defects 371				
Appropriation, current	BA	.....	.....	**2,000**
Outlays	0	.....	.....	2,000
Public Enterprise Funds:				
Self-help housing land development fund 371				
Appropriation, current	BA	**1,000**	.....	.....
Outlays	0	−456	601	117
Rural housing insurance fund 371				
Appropriation, current	BA	**504,318**	**575,087**	.....
Indefinite	BA	**57,525**	**132,880**	**1,109,722**
Authority to borrow, permanent, indefinite	BA	**32,158**	**874,734**	.....
Outlays	0	−130,453	1,092,476	1,616,910
Agricultural credit insurance fund 351				
Appropriation, current	BA	**297,032**	**464,083**	.....
Indefinite	BA	.....	.....	**682,074**
Authority to borrow, permanent, indefinite	BA	**276,090**	.....	.....
Outlays	0	−228,346	405,243	698,005
Rural development insurance fund 452				
Appropriation, current	BA	**143,282**	**180,040**	.....
Indefinite	BA	.....	.....	**336,217**
Authority to borrow, permanent, indefinite	BA	**74,141**	.....	.....
Outlays	0	304,906	511,935	699,377
Total Federal funds Farmers Home Administration	BA	**1,897,676**	**2,662,317**	**2,754,219**
	0	518,276	2,599,767	3,723,221
Soil Conservation Service				
Federal funds				
General and Special Funds:				
Conservation operations 302				
Appropriation, current	BA	**311,863**	**310,809**	**336,580**
Outlays	0	305,231	307,394	341,003
Soil and water conservation grants 302				
Appropriation, current	BA	.....	.....	**10,000**
Outlays	0	.....	.....	7,500
River basin surveys and investigations 301				
Appropriation, current	BA	**18,323**	**15,500**	**16,743**
Outlays	0	17,464	15,726	16,677
Watershed planning 301				
Appropriation, current	BA	**10,813**	**8,690**	**9,152**
Outlays	0	10,381	8,900	9,165
Watershed and flood prevention operations 301				
Appropriation, current	BA	**192,524**	**192,045**	**117,721**
Outlays	0	205,398	201,343	143,186
Great plains conservation program 302				
Appropriation, current	BA	**20,664**	**21,500**	**15,308**
Outlays	0	24,238	21,588	20,409

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Soil Conservation Service—Con.				
Resource conservation and development 302				
Appropriation, current	BA	**34,046**	**26,000**	**10,312**
Outlays	0	36,391	27,789	17,168
Trust funds				
Miscellaneous contributed funds:				
(Water resources) 301				
(Appropriation, permanent, indefinite)	BA	**660**	**800**	**600**
(Outlays)	0	888	832	632
(Conservation and land management) 302				
(Appropriation, permanent, indefinite)	BA	**100**	**100**	**100**
(Outlays)	0	103	104	104
Total Miscellaneous contributed funds	BA	**760**	**900**	**700**
	0	991	936	736
Total Federal funds Soil Conservation Service	BA	**588,233**	**574,544**	**515,816**
	0	599,103	582,740	555,108
Total Trust funds Soil Conservation Service	BA	**760**	**900**	**700**
	0	991	936	736
Animal and Plant Health Inspection Service				
Federal funds				
General and Special Funds:				
Animal and Plant Health Inspection Service 352				
Appropriation, current	BA	**282,644**	**277,382**	**227,933** **[L] −400**
Outlays	0	280,560	278,259	231,533 [L] −400
Buildings and facilities 352				
Appropriation, current	BA	**6,986**	**3,000**	**2,386**
Outlays	0	432	8,127	3,813
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**1,249**	**2,798**	**2,878**
Outlays	0	1,378	2,798	2,878
Total Federal funds Animal and Plant Health Inspection Service	BA	**289,630**	**280,382**	**229,919**
	0	280,992	286,386	234,946
Total Trust funds Animal and Plant Health Inspection Service	BA	**1,249**	**2,798**	**2,878**
	0	1,378	2,798	2,878
Federal Grain Inspection Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**25,062**	**5,600**	**5,195**
Outlays	0	21,322	5,600	5,195

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Federal Grain Inspection Service—Con.				
Public Enterprise Funds:				
Inspection and weighing services 352				
Outlays	0	7,708	1,000	.....
Total Federal funds Federal Grain Inspection Service	BA	**25,062**	**5,600**	**5,195**
	0	29,030	6,600	5,195
Agricultural Marketing Service				
Federal funds				
General and Special Funds:				
Marketing services 352				
Appropriation, current	BA	**50,882**	**38,233**	**33,176**
				L **−1,806**
Outlays	0	53,999	38,233	33,176
				L −1,806
Payments to States and possessions 352				
Appropriation, current	BA	**1,600**	**1,000**	.....
Outlays	0	1,637	1,000	.....
Perishable Agricultural Commodities Act fund 352				
Appropriation, permanent, indefinite	BA	**2,553**	**2,740**	**2,740**
Outlays	0	2,392	2,753	2,753
Funds for strengthening markets, income, and supply (section 32) 605				
Appropriation, permanent, indefinite	BA	**383,012**	**462,701**	**409,232**
Outlays	0	289,454	424,070	370,129
Trust funds				
Miscellaneous trust funds 352				
Appropriation, permanent, indefinite	BA	**208**	**62,702**	**67,535**
Outlays	0	265	67,585	67,535
Total Federal funds Agricultural Marketing Service	BA	**438,047**	**504,674**	**443,342**
	0	347,482	466,056	404,252
Total Trust funds Agricultural Marketing Service.	BA	**208**	**62,702**	**67,535**
	0	265	67,585	67,535
Office of Transportation				
Federal funds				
General and Special Funds:				
Office of Transportation 352				
Appropriation, current	BA	**2,000**	**2,400**	**2,398**
Outlays	0	1,713	2,400	2,398

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Food Safety and Inspection Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**311,106**	**308,228**	**321,876**
				[L] **—2,000**
Outlays	0	310,808	308,891	321,876
				[L] —2,000
Trust funds				
Expenses and refunds, inspection and grading of farm products 352				
Appropriation, permanent, indefinite	BA	**63,667**	**719**	**719**
Outlays	0	66,567	719	719
Food and Nutrition Service				
Federal funds				
General and Special Funds:				
Food program administration 605				
Appropriation, current	BA	**84,592**	**86,461**	**85,477**
Outlays	0	85,190	84,700	85,100
Food stamp program 605				
Appropriation, current	BA	**11,470,000**	**10,279,610**	**11,824,650**
			[A] **1,279,616**	
			[L] **—273,000**	[L] **—2,293,600**
Outlays	0	11,252,902	10,250,659	11,807,575
			[A] 1,266,791	[A] 12,825
			[L] —273,000	[L] —2,257,800
Nutrition assistance for Puerto Rico 605				
Appropriation, current	BA	.....	.....	**825,000**
Outlays	0	.....	.....	779,600
Nutrition assistance for the Territories 605				
Appropriation, current	BA			[J] **43,760**
Outlays	0			[J] 41,570
Special milk program 605				
Appropriation, current	BA	**118,800**	**28,100**	**28,600**
				[L] **—28,600**
Outlays	0	104,384	34,000	27,200
				[L] —25,200
Child nutrition programs 605				
Appropriation, current	BA	**1,583,998**	**1,082,890**	**945,516**
				[L] **—334,425**
Appropriation, permanent	BA	**1,879,653**	**1,763,948**	**2,214,690**
Outlays	0	3,438,238	2,728,900	2,989,470
				[L] —281,500
Special supplemental food programs (WIC) 605				
Appropriation, current	BA	**927,040**	**934,080**	.....
Outlays	0	930,119	916,990	128,160
Food donations program 605				
Appropriation, current	BA	**128,660**	**141,420**	**65,200**
Outlays	0	104,251	137,220	96,120
Total Federal funds Food and Nutrition Service	BA	**16,192,743**	**15,323,125**	**13,376,268**
	0	15,915,084	15,146,260	13,403,120

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Human Nutrition Information Service				
Federal funds				
General and Special Funds:				
Human Nutrition Information Service 352				
Appropriation, current	BA	.....	**9,203**	**8,289**
Outlays	0	.....	6,549	8,289
Packers and Stockyards Administration				
Federal funds				
General and Special Funds:				
Packers and Stockyards Administration 352				
Appropriation, current	BA	.....	**8,806**	**8,564**
Outlays	0	.....	8,806	8,564
Agricultural Cooperative Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 352				
Appropriation, current	BA	**4,500**	**4,639**	**3,683**
Outlays	0	3,242	4,621	3,683
Trust funds				
Miscellaneous contributed funds 352				
Appropriation, permanent, indefinite	BA	**36**	**18**	.....
Outlays	0	50	28	.....
Forest Service				
Federal funds				
General and Special Funds:				
Forest research 302				
Appropriation, current	BA	**127,812**	**110,392**	**97,990**
Outlays	0	98,645	112,153	99,215
State and private forestry 302				
Appropriation, current	BA	**74,184**	**63,662**	**47,520**
Outlays	0	50,758	67,929	50,072
National forest system 302				
Appropriation, current	BA	**1,021,050**	**966,791**	**1,036,569**
			[A] 76,600	
Outlays	0	847,442	964,700	1,028,126
			[A] 67,400	[A] 9,200
Forest management, protection and utilization 302				
Reappropriation	BA	**13,442**	.....	.....
Outlays	0	196,621	25,000	5,014
Construction 302				
Appropriation, current	BA	**464,660**	**254,497**	**297,505**
Outlays	0	487,871	475,181	344,588
Youth Conservation Corps 302				
Outlays	0	8,474	461	.....
Other general appropriations 302				
Outlays	0	.....	280	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.				
Forest Service—Con.				
Acquisition of lands for national forests, special acts 302				
Appropriation, current	BA	**754**	**724**	**753**
Outlays	0	807	724	753
Acquisition of lands to complete land exchanges 302				
Appropriation, current, indefinite	BA	**532**	**314**	**147**
Outlays	0	112	314	147
Range betterment fund 302				
Appropriation, current, indefinite	BA	**6,940**	**6,580**	**5,800**
Outlays	0	6,755	6,580	5,800
Construction and operation of recreation facilities 303				
Outlays	0	25	41	.....
Timber salvage sales 302				
Appropriation, permanent, indefinite	BA	**11,884**	.....	.....
Outlays	0	9,440	764	.....
Land acquisition 303				
Appropriation, current	BA	.....	**26,262**	**7,563**
Outlays	0	.....	21,010	11,303
Forest Service permanent appropriations 302				
Appropriation, permanent, indefinite	BA	**179,391**	**134,573**	**149,760**
Outlays	0	96,901	141,032	144,408
Forest Service permanent appropriations 852				
Appropriation, permanent, indefinite	BA	**241,217**	**241,712**	**342,000**
Outlays	0	241,217	241,712	342,000
Intragovernmental Funds:				
Working capital fund 302				
Outlays	0	—3,877	.....	.....
Consolidated working fund 302				
Outlays	0	2,718	.....	.....
Trust funds				
Miscellaneous trust funds 302				
Appropriation, permanent, indefinite	BA	**153,465**	**145,000**	**146,600**
Outlays	0	117,593	105,456	146,280
Highland scenic highway 401				
Outlays	0	286	780	.....
Total Federal funds Forest Service	BA	**2,141,866**	**1,882,107**	**1,985,607**
	0	2,043,909	2,125,281	2,040,626
Total Trust funds Forest Service	BA	**153,465**	**145,000**	**146,600**
	0	117,879	106,236	146,280
Summary				
Federal funds:				
(As shown in detail above)	BA	**29,071,734**	**31,614,414**	**26,666,509**
	0	26,972,160	30,838,157	25,451,537
Deductions for offsetting receipts:				
Intrafund transactions 302	BA			
	0	*—186,306*	*—216,150*	*—230,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Agriculture—Con.					
Summary—Con.					
Proprietary receipts from the public	270	BA	*—1*	.....	.....
		0			
	300	BA	*—374,427*	*—454,220*	*—502,585*
		0			*[J] —36,000*
	302	BA	*—377,426*	*—687,547*	*—1,144,467*
		0			
	350	BA	*38,418*	*—3,851*	*—3,851*
		0			
	450	BA	*—28*	*—38*	*—38*
		0			
	550	BA	*—5*	*—4*	*—4*
		0			
	605	BA	*—2,649*	*—1,292*	*—1,292*
		0			
	902	BA	*—379*	*—168*	*—174*
		0			
Total Federal funds		BA	**28,168,931**	**30,251,144**	**24,748,098**
		0	26,069,357	29,474,887	23,533,126
Trust funds:					
(As shown in detail above)		BA	**231,716**	**221,889**	**230,589**
		0	196,616	189,446	230,125
Deductions for offsetting receipts:					
Proprietary receipts from the public	302	BA	*—153,465*	*—145,000*	*—146,600*
		0			
	352	BA	*—78,250*	*—76,889*	*—83,989*
		0			
Total Trust funds		BA	**1**	.....	.....
		0	—35,099	—32,443	—464
Total Department of Agriculture		BA	**28,168,932**	**30,251,144**	**24,748,098**
		0	26,034,258	29,442,444	23,532,662
Department of Commerce					
General Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**35,937**	**25,061**	**31,613**
				[A] 3,171	
Outlays		0	39,129	24,967	31,584
				[A] 3,171	
White House conference on balanced national growth and economic development	376				
Outlays		0	.....	1	.....
Special foreign currency program	376				
Outlays		0	223	200	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
General Administration—Con.				
Intragovernmental Funds:				
Working capital fund 376				
Outlays	0	649	.....	.....
Trust funds				
Miscellaneous trust funds 376				
Appropriation, permanent	BA	**464**	**200**	**200**
Outlays	0	478	200	200
Total Federal funds General Administration	BA	**35,937**	**28,232**	**31,613**
	0	40,001	28,339	31,584
Total Trust funds General Administration	BA	**464**	**200**	**200**
	0	478	200	200
Bureau of the Census				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**57,200**	**57,200**	**64,125**
Outlays	0	55,171	45,917	64,540
Periodic censuses and programs 376				
Appropriation, current	BA	**177,850**	**87,898**	**91,294**
Outlays	0	194,201	98,070	83,511
Intragovernmental Funds:				
Consolidated working fund 376				
Outlays	0	1,393	10,980	.....
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent	BA	**8,365**	**10,750**	**10,750**
Outlays	0	8,443	10,750	10,750
Total Federal funds Bureau of the Census	BA	**235,050**	**145,098**	**155,419**
	0	250,765	154,967	148,051
Total Trust funds Bureau of the Census	BA	**8,365**	**10,750**	**10,750**
	0	8,443	10,750	10,750
Economic and Statistical Analysis				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**26,015**	**28,771**	**32,652**
Outlays	0	26,362	28,380	32,755
Trust funds				
Special studies, services, and projects 376				
Appropriation, permanent	BA	**198**	**250**	**250**
Outlays	0	185	250	250

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Economic Development Assistance				
Economic Development Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 452				
Appropriation, current	BA	**39,700**	**25,000**	**15,448**
Outlays	0	38,681	25,000	15,448
Economic development assistance programs 452				
Appropriation, current	BA	**436,800**	**198,500**	.....
Outlays	0	501,674	359,567	242,244
Local public works program 452				
Outlays	0	82,760	60,410	30,000
Drought assistance program 453				
Outlays	0	838	176	.....
Financial and technical assistance 376				
Outlays	0	−225	571	.....
Job opportunities program 504				
Outlays	0	30	5,537	.....
Public Enterprise Funds:				
Economic development revolving fund 452				
Outlays	0	−4,788	37,000	4,000
Total Federal funds Economic Development Administration	BA	**476,500**	**223,500**	**15,448**
	0	618,970	488,261	291,692
Regional Development Program				
Federal funds				
General and Special Funds:				
Regional development programs 452				
Appropriation, current	BA	**22,838**	.....	.....
Outlays	0	34,628	10,237	8,633
Trust funds				
Regional development commissions 452				
Appropriation, permanent, indefinite	BA	**24,905**	.....	.....
Outlays	0	43,020	9,114	3,316
Total Federal funds Economic Development Assistance	BA	**499,338**	**223,500**	**15,448**
	0	653,598	498,498	300,325
Total Trust funds Economic Development Assistance	BA	**24,905**	.....	.....
	0	43,020	9,114	3,316
Promotion of Industry and Commerce				
International Trade Administration				
Federal funds				
General and Special Funds:				
Operations and administration 376				
Appropriation, current	BA	**107,382**	**151,995**	**136,267**
				[K] 1,104
Outlays	0	105,588	144,361	141,271

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Promotion of Industry and Commerce—Con.				
International Trade Administration—Con.				
Participation in United States expositions 376				
Outlays	0	7,458	3,111	5,100
Trust funds				
Miscellaneous trust funds 376				
Appropriation, permanent, indefinite	BA	**9,118**	**8,850**	**9,723**
Outlays	0	8,374	8,850	9,723
Total Federal funds International Trade Administration	BA	**107,382**	**151,995**	**137,371**
	0	113,046	147,472	146,371
Total Trust funds International Trade Administration	BA	**9,118**	**8,850**	**9,723**
	0	8,374	8,850	9,723
Minority Business Development Agency				
Federal funds				
General and Special Funds:				
Minority business development 376				
Appropriation, current	BA	**59,600**	**56,641**	**50,000**
Outlays	0	48,954	64,000	60,000
United States Travel and Tourism Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**7,959**	**7,600**	**5,033**
Outlays	0	7,907	7,600	5,033
Total Federal funds Promotion of Industry and Commerce	BA	**174,941**	**216,236**	**192,404**
	0	169,907	219,072	211,404
Total Trust funds Promotion of Industry and Commerce	BA	**9,118**	**8,850**	**9,723**
	0	8,374	8,850	9,723
Science and Technology				
National Oceanic and Atmospheric Administration				
Federal funds				
General and Special Funds:				
Operations, research, and facilities 306				
Appropriation, current	BA	**775,644**	**829,751**	**683,817**
				[K] **61,748**
				[L] **12,955**
Indefinite	BA	**476**	**750**	**750**
Outlays	0	747,706	816,947	767,429
				[L] 12,955

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
National Oceanic and Atmospheric Administration—Con.				
Construction 306				
Appropriation, current	BA	**−11,000**	.....	.....
Outlays	0	8,604	31,512	5,000
Coastal zone management 302				
Appropriation, current	BA	**51,585**	**7,415**	**6,409**
			H **−12,000**	
Outlays	0	54,879	44,644	27,689
				H −12,000
Promote and develop fishery products and research pertaining to American fisheries 376				
Appropriation, permanent, indefinite	BA	**17,485**	**16,186**	.....
Outlays	0	19,347	17,866	16,466
Fishing vessel and gear damage compensation fund 376				
Appropriation, current, indefinite	BA	**3,155**	**3,500**	**1,750**
Outlays	0	1,883	3,611	1,637
Fishermen's contingency fund 376				
Appropriation, current	BA	**290**	**900**	**250**
Outlays	0	144	900	221
Foreign fishing observer fund 376				
Appropriation, current	BA	.....	**4,000**	**7,950**
			A **3,250**	
Outlays	0	−259	3,788	7,950
			A 3,250	
Fisheries loan fund 376				
Outlays	0	4,323	.....	−1,000
Fishermen's guaranty fund 376				
Appropriation, current	BA	**1,450**	.....	.....
Indefinite	BA	**450**	**1,800**	**600**
Outlays	0	1,689	2,500	600
Public Enterprise Funds:				
Coastal energy impact fund 452				
Appropriation, current	BA		H **−7,000**	
Outlays	0	36,254	37,400	25,384
				H −4,000
Federal ship financing fund, fishing vessels 376				
Outlays	0	2,580	600	600
Intragovernmental Funds:				
Consolidated working fund 306				
Outlays	0	−3	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
National Oceanic and Atmospheric Administration—Con.				
Trust funds				
Miscellaneous trust funds 306				
Appropriation, current, indefinite	BA			[L] —15,600
Appropriation, permanent, indefinite	BA	**17,654**	**18,400**	**20,360**
Outlays	0	17,314	18,400	20,360
				[L] —15,600
Total Federal funds National Oceanic and Atmospheric Administration	BA	**839,535**	**848,552**	**776,229**
	0	877,147	963,018	848,931
Total Trust funds National Oceanic and Atmospheric Administration	BA	**17,654**	**18,400**	**4,760**
	0	17,314	18,400	4,760
Patent and Trademark Office				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**116,150**	**118,961**	**107,176**
			[B] **2,500**	
				[L] **—39,090**
Outlays	0	111,650	118,041	104,078
			[B] 2,393	[B] 107
				[L] —39,090
Science and Technical Research				
Federal funds				
General and Special Funds:				
Scientific and technical research and services 376				
Appropriation, current	BA	**102,904**	**117,822**	.....
				[K] **107,587**
Indefinite	BA			[L] **—7,131**
Outlays	0	104,060	115,540	109,982
				[L] —6,102
Public Enterprise Funds:				
Technical information clearinghouse fund 376				
Appropriation, current	BA			[J] **5,000**
Intragovernmental Funds:				
Working capital fund 376				
Appropriation, current	BA	**6,123**	**7,228**	.....
				[K] **5,886**
Outlays	0	10,723	7,100	5,360
Consolidated working fund 376				
Outlays	0	—2,118	5,376	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Science and Technology—Con.				
Science and Technical Research—Con.				
Trust funds				
Information products and services 376				
Appropriation, current, indefinite	BA			[J] −27,400
Appropriation, permanent, indefinite	BA	**23,108**	**24,000**	**27,400**
Outlays	O	21,279	23,601	27,400
				[J] −27,400
Total Federal funds Science and Technical Research	BA	**109,027**	**125,050**	**111,342**
	O	112,665	128,016	109,240
Total Trust funds Science and Technical Research	BA	**23,108**	**24,000**	.....
	O	21,279	23,601	.....
National Telecommunications and Information Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**17,237**	**16,483**	.....
				[K] **12,417**
Outlays	O	19,432	11,255	13,098
Public telecommunications facilities, planning and construction 503				
Appropriation, current	BA	**19,705**	**18,000**	.....
Outlays	O	19,706	25,112	23,800
Total Federal funds National Telecommunications and Information Administration	BA	**36,942**	**34,483**	**12,417**
	O	39,138	36,367	36,898
Total Federal funds Science and Technology	BA	**1,101,654**	**1,129,546**	**968,074**
	O	1,140,600	1,247,835	1,060,164
Total Trust funds Science and Technology	BA	**40,762**	**42,400**	**4,760**
	O	38,593	42,001	4,760
Energy Research and Technology Administration				
Federal funds				
General and Special Funds:				
Program administration: (Energy information, policy, and regulation) 276				
(Appropriation, current)	BA	**253,448**	**196,970**	**152,772**
(Outlays)	O	222,961	230,789	152,772
Special foreign currency program 271				
Outlays	O	42	157	.....
Atomic energy defense activities 053				
Appropriation, current	BA	**3,650,542**	**4,673,154**	**5,505,781**
Outlays	O	3,397,761	4,498,008	5,154,941

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.				
Energy Research and Technology Administration—Con.				
General science and research activities 251				
Appropriation, current	BA	**504,415**	**529,360**	**600,970**
Outlays	0	501,152	558,887	589,370
Energy supply, research and development 271				
Appropriation, current	BA	**2,739,564**	**2,294,126**	**1,875,146**
Outlays	0	2,899,531	2,867,265	1,997,650
Uranium supply and enrichment activities 271				
Appropriation, current	BA	**30,955**	**1,806,000**	.....
Contract authority, current	BA	**411,000**	.....	.....
Outlays	0	341,416	1,533,672	−140,504
Fossil energy research and development 271				
Appropriation, current	BA	**993,817**	**416,872**	**106,900**
Outlays	0	890,063	639,052	203,000
Energy conservation research activities 272				
Appropriation, current	BA	**279,260**	**81,203**	**17,542**
Outlays	0	248,806	197,075	91,224
Geothermal resources development fund 271				
Appropriation, current	BA	**−20,698**	**2,200**	**75**
Outlays	0	727	2,200	75
Alternative fuels production 271				
Appropriation, current	BA	**−300,000**	.....	.....
Outlays	0	83,234	95,083	.....
Public Enterprise Funds:				
Nuclear waste disposal fund 271				
Authority to borrow, current	BA			[1] **185,000**
Outlays	0			[1] −115,000
Trust funds				
Advances for cooperative work 271				
Appropriation, permanent, indefinite	BA	**14,656**	**5,630**	**3,606**
Outlays	0	14,072	39,100	9,324
Total Federal funds Energy Research and Technology Administration	BA	**8,542,303**	**9,999,885**	**8,444,186**
	0	8,585,693	10,622,188	7,933,528
Total Trust funds Energy Research and Technology Administration	BA	**14,656**	**5,630**	**3,606**
	0	14,072	39,100	9,324
Energy Programs				
Federal funds				
General and Special Funds:				
Administrative support for energy programs:				
(Energy conservation) 272				
(Appropriation, current)	BA	**28,376**	**23,687**	**5,468**
(Outlays)	0	28,376	23,887	5,580

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.					
Energy Programs—Con.					
Energy conservation grants:					
(Energy conservation)	272				
(Appropriation, current)		BA	**420,015**	**64,197**	**4,260**
				[H] **—5,663**	
(Outlays)		0	479,859	520,136	230,284
				[H] —4,814	[H] —849
(Area and regional development)	452				
(Appropriation, current)		BA	**10,000**	.....	.....
				[H] **—14,337**	
(Outlays)		0	14,634	25,000	14,129
				[H] —12,186	[H] —2,151
Total Energy conservation grants		BA	**430,015**	**44,197**	**4,260**
		0	494,493	528,136	241,413
Energy information activities	276				
Appropriation, current		BA	**90,417**	**78,919**	**54,500**
Outlays		0	83,465	93,061	58,300
Emergency preparedness and energy regulation: (Energy information, policy, and regulation)	276				
(Appropriation, current)		BA	**55,606**	**11,776**	**8,856**
(Reappropriation)		BA	**6,629**	.....	.....
				[A] **800**	
(Outlays)		0	62,250	47,169	12,833
				[A] —800	[A] 800
Total Federal funds Energy Programs		BA	**611,043**	**159,379**	**73,084**
		0	668,584	691,453	318,926
Summary					
Federal funds:					
(As shown in detail above)		BA	**11,226,281**	**11,930,647**	**9,912,880**
		0	11,535,510	13,490,732	10,036,737
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		0	*—132*	*—150*	*—150*
Proprietary receipts from the public	270	BA			
		0	*—41,262*	*—45,274*	*—45,274*
	271	BA			
		0	.....	*—1,805,000*	.....
	276	BA			
		0	.....	.....	*—67,386*
	300	BA			
		0	*—2,001*	*—1,808*	*—1,793*
		BA			
		0			[J] *—53,278*
	370	BA			
		0	*—6,739*	*—7,500*	*—8,000*
	376	BA			
		0	*—459*	*—22,800*	*—1,800*
	450	BA			
		0	*—247*	*—333*	*—600*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Commerce—Con.					
Summary—Con.					
	806	BA	*—96*	.....	.....
		O			
	902	BA	*—15,603*	*—4,203*	*—5,203*
		O			
Total Federal funds		BA	**11,159,742**	**10,043,579**	**9,729,396**
		O	11,468,971	11,603,664	9,853,253
Trust funds:					
(As shown in detail above)		BA	**98,468**	**68,080**	**29,289**
		O	113,165	110,265	38,323
Deductions for offsetting receipts:					
Intrafund transactions	376	BA	*—727*	*—654*	*—589*
		O			
Proprietary receipts from the public	271	BA	*—14,656*	*—5,630*	*—3,606*
		O			
	306	BA	*—17,655*	*—18,400*	*—20,360*
		O			*J 15,600*
	376	BA	*—37,059*	*—39,926*	*—44,264*
		O			*J 24,100*
	452	BA	*—2,123*	.....	.....
		O			
Total Trust funds		BA	**26,248**	**3,470**	**170**
		O	40,945	45,655	9,204
Interfund transactions	376	BA	**—3,226**	**—3,300**	**—3,300**
		O			
		BA			**J 3,300**
		O			
	452	BA	**—22,782**	.....	.....
		O			
Total Department of Commerce		BA	**11,159,982**	**10,043,749**	**9,729,566**
		O	11,483,908	11,646,019	9,862,457
Department of Defense--Military					
Military Personnel					
Federal funds					
General and Special Funds:					
Military personnel, Army	051				
Appropriation, current		BA	**12,148,300**	**12,447,827**	**14,401,100**
				A 105,400	
Outlays		O	12,006,404	12,415,300	14,316,900
				A 102,900	A 2,500

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Military Personnel—Con.				
Military personnel, Navy 051				
Appropriation, current	BA	**8,920,295**	**9,117,956** **[A] 154,200**	**10,578,900**
Outlays	O	8,925,328	9,062,100 [A] 151,600	10,516,400 [A] 2,600
Military personnel, Marine Corps 051				
Appropriation, current	BA	**2,688,500**	**2,766,966** **[A] 50,700**	**3,276,100**
Outlays	O	2,611,362	2,755,500 [A] 48,700	3,253,000 [A] 2,000
Military personnel, Air Force 051				
Appropriation, current	BA	**10,001,821**	**10,305,414** **[A] 28,300**	**12,031,400**
Outlays	O	9,834,483	10,274,900 [A] 27,700	11,960,400 [A] 600
Special pay for aviation officers 051				
Appropriation, current	BA	**20,900**	.....	.....
Reserve personnel, Army 051				
Appropriation, current	BA	**870,500**	**963,700** **[A] 9,400**	**1,224,800**
Outlays	O	837,261	945,800 [A] 8,600	1,198,100 [A] 800
Reserve personnel, Navy 051				
Appropriation, current	BA	**318,758**	**346,670**	**641,300**
Outlays	O	302,255	339,300	601,200
Reserve personnel, Marine Corps 051				
Appropriation, current	BA	**120,357**	**138,720** **[A] 2,800**	**165,900**
Outlays	O	112,271	132,800 [A] 2,400	158,100 [A] 400
Reserve personnel, Air Force 051				
Appropriation, current	BA	**277,360**	**291,197** **[A] 4,000**	**350,900**
Outlays	O	272,372	284,900 [A] 3,700	343,300 [A] 300
National Guard personnel, Army 051				
Appropriation, current	BA	**1,175,600**	**1,320,100** **[A] 9,700**	**1,680,500**
Outlays	O	1,133,520	1,294,300 [A] 8,800	1,640,700 [A] 900
National Guard personnel, Air Force 051				
Appropriation, current	BA	**387,209**	**423,867** **[A] 2,200**	**544,600**
Outlays	O	373,628	422,400 [A] 2,100	536,100 [A] 100
Total Federal funds Military Personnel	BA	**36,929,600**	**38,489,117**	**44,895,500**
	O	36,408,884	38,283,800	44,534,400

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Retired Military Personnel				
Federal funds				
General and Special Funds:				
Retired pay, Defense 051				
Appropriation, current	BA	**13,840,000**	**14,938,315**	**16,599,800**
			[A] **97,685**	
				[L] **—89,000**
Outlays	0	13,729,065	14,902,300	16,559,815
			[A] 97,400	[A] 285
				[L] —89,000
Operation and Maintenance				
Federal funds				
General and Special Funds:				
Operation and maintenance, Army 051				
Appropriation, current	BA	**13,013,933**	**14,948,197**	.....
				[K] **16,827,600**
			[B] **362,900**	
Liquidation of contract authority, current		(2,985)	.....	.....
Outlays	0	11,784,542	14,690,100	16,617,400
			[B] 290,300	[B] 60,200
Operation and maintenance, Navy 051				
Appropriation, current	BA	**17,742,999**	**19,359,489**	.....
				[K] **22,165,800**
			[B] **229,100**	
Liquidation of contract authority, current		(153,567)	.....	.....
			[B] (43,641)	
Outlays	0	16,935,681	18,433,300	21,151,900
			[B] 189,900	[B] 67,600
Operation and maintenance, Marine Corps 051				
Appropriation, current	BA	**1,072,206**	**1,178,740**	.....
				[K] **1,481,800**
			[B] **25,300**	
Liquidation of contract authority, current		(4,077)	.....	.....
Outlays	0	969,629	1,136,200	1,371,700
			[B] 18,000	[B] 6,100
Operation and maintenance, Air Force 051				
Appropriation, current	BA	**14,756,374**	**16,020,619**	.....
				[K] **17,944,700**
			[B] **103,300**	
Liquidation of contract authority, current		(388,743)	.....	.....
Outlays	0	13,965,253	16,057,400	17,200,900
			[B] 88,300	[B] 13,200
Operation and maintenance, Defense agencies 051				
Appropriation, current	BA	**4,415,749**	**4,998,047**	.....
				[K] **5,755,400**
			[B] **61,200**	
Outlays	0	4,144,710	4,920,400	5,665,500
			[B] 37,900	[B] 4,600

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Operation and Maintenance—Con.				
Operation and maintenance, Army Reserve 051				
Appropriation, current	BA	**521,593**	**658,150**	.....
				[K] **686,400**
			[B] **800**	
Outlays	0	498,493	625,100	680,000
			[B] 700	[B] 100
Operation and maintenance, Navy Reserve 051				
Appropriation, current	BA	**554,172**	**570,940**	.....
				[K] **653,000**
			[B] **200**	
Liquidation of contract authority, current		(8,786)	.....	.....
Outlays	0	487,872	554,870	617,630
			[B] 130	[B] 70
Operation and maintenance, Marine Corps Reserve 051				
Appropriation, current	BA	**28,854**	**40,299**	.....
				[K] **48,415**
Outlays	0	25,036	34,300	43,300
Operation and maintenance, Air Force Reserve 051				
Appropriation, current	BA	**601,980**	**669,154**	.....
				[K] **766,300**
			[B] **600**	
Liquidation of contract authority, current		(14,997)	.....	.....
Outlays	0	583,604	662,250	754,550
			[B] 550	[B] 50
Operation and maintenance, Army National Guard 051				
Appropriation, current	BA	**951,370**	**1,087,950**	.....
				[K] **1,123,900**
			[B] **1,500**	
Liquidation of contract authority, current		(2,663)	.....	.....
Outlays	0	920,460	1,055,100	1,106,900
			[B] 1,300	[B] 200
Operation and maintenance, Air National Guard 051				
Appropriation, current	BA	**1,530,907**	**1,646,418**	.....
				[K] **1,761,800**
			[B] **1,400**	
Liquidation of contract authority, current		(44,235)	.....	.....
Outlays	0	1,468,454	1,634,500	1,742,900
			[B] 1,300	[B] 100
National Board for the Promotion of Rifle Practice, Army 051				
Appropriation, current	BA	**845**	**845**	.....
				[K] **875**
Outlays	0	522	900	800
Claims, Defense 051				
Appropriation, current	BA	**141,850**	**155,700**	.....
				[K] **172,500**
Outlays	0	132,380	149,600	169,800
Contingencies, Defense 051				
Outlays	0	—20	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Operation and Maintenance—Con.				
Court of Military Appeals, Defense 051				
Appropriation, current	BA	**2,310**	**2,607**	.....
				[K] **3,210**
Outlays	O	1,947	2,600	3,100
Foreign currency fluctuations, Defense 051				
Appropriation, current	BA	**213,143**	**147,900**	.....
XIII olympic winter games 051				
Outlays	O	1,182	200	100
Total Federal funds Operation and Maintenance...	BA	**55,548,285**	**62,271,355**	**69,391,700**
	O	51,919,745	60,585,200	67,278,700
Procurement				
Federal funds				
General and Special Funds:				
Aircraft procurement, Army 051				
Appropriation, current	BA	**1,199,100**	**1,936,100**	.....
				[K] **2,745,914**
Reappropriation	BA	**3,500**	.....	.....
Outlays	O	855,596	943,600	1,468,300
Missile procurement, Army 051				
Appropriation, current	BA	**1,544,900**	**2,155,200**	.....
				[K] **2,846,600**
Outlays	O	1,146,266	1,503,000	2,083,900
Procurement of weapons and tracked combat vehicles, Army 051				
Appropriation, current	BA	**3,374,200**	**3,876,300**	.....
				[K] **5,030,685**
			[B] **126,000**	
Outlays	O	1,848,144	2,490,400	3,475,300
			[B] 7,700	[B] 56,200
Procurement of ammunition, Army 051				
Appropriation, current	BA	**1,558,700**	**2,297,900**	.....
				[K] **2,633,384**
Outlays	O	1,367,959	1,525,000	2,005,500
Other procurement, Army 051				
Appropriation, current	BA	**2,820,408**	**3,705,871**	.....
				[K] **4,567,491**
			[A] **20,000**	
Reappropriation	BA	**20,940**	.....	.....
Outlays	O	1,637,226	2,219,100	2,977,300
			[A] 1,600	[A] 7,200
Army national guard equipment 051				
Appropriation, current	BA	.....	**50,000**	.....
Outlays	O	.....	.....	12,500
Aircraft procurement, Navy 051				
Appropriation, current	BA	**6,254,307**	**9,140,000**	.....
				[K] **11,582,300**
Outlays	O	4,396,638	5,657,500	7,819,600
Weapons procurement, Navy 051				
Appropriation, current	BA	**2,766,029**	**3,215,100**	.....
				[K] **3,901,600**
Outlays	O	2,296,632	2,442,400	2,930,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Procurement—Con.				
Shipbuilding and conversion, Navy 051				
Appropriation, current	BA	**7,691,500**	**8,402,400**	.....
				[K] 18,648,300
			[B] 263,400	
Reappropriation	BA	**27,900**	**236,500**	.....
			[B] 343,721	
Outlays	0	5,217,724	5,386,000	6,213,400
			[B] 28,300	[B] 81,600
Other procurement, Navy 051				
Appropriation, current	BA	**3,029,857**	**3,676,577**	.....
				[K] 3,970,156
Outlays	0	2,521,046	2,697,200	3,237,200
Procurement, Marine Corps 051				
Appropriation, current	BA	**506,013**	**1,711,456**	.....
				[K] 2,300,700
			[A] 20,000	
Outlays	0	339,290	423,600	845,600
			[A] 1,000	[A] 5,400
Aircraft procurement, Air Force 051				
Appropriation, current	BA	**10,424,428**	**13,639,898**	.....
				[K] 17,756,700
			[B] 219,100	
Reappropriation	BA	.....	**162,900**	.....
Outlays	0	7,941,065	9,146,900	12,344,900
			[B] 18,600	[B] 112,900
Missile procurement, Air Force 051				
Appropriation, current	BA	**3,333,286**	**4,559,550**	.....
				[K] 6,827,900
Reappropriation	BA	.....	**14,400**	.....
Outlays	0	2,366,466	2,934,300	4,177,600
Other procurement, Air Force 051				
Appropriation, current	BA	**3,148,878**	**5,365,633**	.....
				[K] 5,845,200
			[A] 40,470	
Reappropriation	BA	.....	**800**	.....
Outlays	0	2,935,010	3,533,200	4,791,200
			[A] 6,900	[A] 14,700
Procurement, Defense agencies 051				
Appropriation, current	BA	**321,464**	**511,500**	**890,284**
			[A] 10,000	
Outlays	0	303,961	341,100	468,200
			[A] 1,600	[A] 3,900
Procurement of aircraft and missiles, Navy 051				
Outlays	0	13,590	15,000	10,000
Procurement of equipment and missiles, Army 051				
Outlays	0	4,618	1,000	600
Total Federal funds Procurement	BA	**48,025,410**	**65,700,776**	**89,547,214**
	0	35,191,231	41,325,000	55,143,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Research, Development, Test, and Evaluation				
Federal funds				
General and Special Funds:				
Research, development, test, and evaluation, Army 051				
Appropriation, current	BA	**3,127,774**	**3,609,535**	**[K] 4,484,000**
Outlays	O	2,957,986	3,366,100	4,038,900
Research, development, test, and evaluation, Navy 051				
Appropriation, current	BA	**4,988,169**	**5,844,357**	**[K] 6,232,300**
			[B] —37,226	
Reappropriation	BA	**8,800**	.....	.....
Outlays	O	4,782,911	5,411,600	5,947,100
Research, development, test, and evaluation, Air Force 051				
Appropriation, current	BA	**7,090,187**	**8,833,710**	**[K] 11,220,400**
			[B] 57,000	
Reappropriation	BA	**43,160**	.....	.....
Outlays	O	6,340,912	7,934,300	10,178,000
			[B] 35,000	[B] 19,000
Research, development, test, and evaluation, Defense agencies 051				
Appropriation, current	BA	**1,308,948**	**1,697,646**	**[K] 2,259,900**
Outlays	O	1,160,041	1,508,600	1,965,000
Director of test and evaluation, Defense 051				
Appropriation, current	BA	**42,100**	**53,000**	**[K] 60,000**
Outlays	O	35,743	43,400	52,200
Total Federal funds Research, Development, Test, and Evaluation	BA	**16,609,138**	**20,058,022**	**24,256,600**
	O	15,277,593	18,299,000	22,200,200
Military Construction				
Federal funds				
General and Special Funds:				
Military construction, Army 051				
Appropriation, current	BA	**886,234**	**943,701**	**134,370**
				[K] 965,830
			[B] 34,000	
Reappropriation	BA	**3,200**	.....	.....
Outlays	O	726,577	782,800	793,800
			[B] 3,400	[B] 16,300
Military construction, Navy 051				
Appropriation, current	BA	**794,265**	**1,451,393**	**75,782**
				[K] 1,132,518
Outlays	O	617,563	688,600	1,025,600

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Military Construction—Con.				
Military construction, Air Force 051				
Appropriation, current	BA	**937,225**	**1,545,751**	**200,703**
				[K] 1,881,097
			[B] 84,400	
Outlays	0	717,484	868,500	1,446,700
			[B] 15,700	[B] 40,900
Military construction, Defense agencies 051				
Appropriation, current	BA	**276,670**	**310,350**	**21,825**
				[K] 387,075
Outlays	0	71,265	92,000	183,500
North Atlantic Treaty Organization infrastructure 051				
Appropriation, current	BA	**250,000**	**345,000**	.....
				[K] 375,000
Reappropriation	BA	**16,968**	.....	.....
Outlays	0	167,424	94,100	207,200
Military construction, Army National Guard 051				
Appropriation, current	BA	**42,269**	**67,658**	**18,100**
				[K] 33,000
Outlays	0	29,899	40,500	55,700
Military construction, Air National Guard 051				
Appropriation, current	BA	**89,700**	**105,140**	**16,400**
				[K] 90,400
Outlays	0	46,354	69,000	93,100
Military construction, Army Reserve 051				
Appropriation, current	BA	**46,942**	**65,173**	**14,440**
				[K] 28,360
Outlays	0	46,881	42,400	51,500
Military construction, Naval Reserve 051				
Appropriation, current	BA	**33,000**	**36,000**	**3,300**
				[K] 21,900
Outlays	0	24,084	27,100	29,800
Military construction, Air Force Reserve 051				
Appropriation, current	BA	**21,600**	**37,400**	**6,600**
				[K] 29,000
Outlays	0	15,009	20,300	31,000
Total Federal funds Military Construction	BA	**3,398,073**	**5,025,966**	**5,435,700**
	0	2,462,540	2,744,400	3,975,100
Family Housing				
Federal funds				
General and Special Funds:				
Family housing, Army 051				
Appropriation, current	BA			**[K] 1,053,419**
Outlays	0	.....	.....	936,900
Family housing, Navy 051				
Appropriation, current	BA			**[K] 768,837**
Outlays	0	.....	.....	678,700
Family housing, Air Force 051				
Appropriation, current	BA			**[K] 931,550**
Outlays	0	.....	.....	800,700

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Family Housing—Con.				
Family housing, Defense agencies 051				
Appropriation, current	BA			[K] 18,321
Outlays	0			16,800
Family housing, Defense 051				
Appropriation, current	BA	**1,984,471**	**2,153,554**	
			[B] **80,300**	
Reappropriation	BA	**18,651**	**1,992**	
Outlays	0	1,716,579	2,062,600	
			[B] 72,300	
Public Enterprise Funds:				
Homeowners assistance fund, Defense 051				
Appropriation, current	BA		**2,000**	
				[K] **4,000**
Authority to borrow, permanent, indefinite	BA	**906**	**1,200**	**1,200**
Outlays	0	4,308	2,700	3,300
Total Federal funds Family Housing	BA	**2,004,028**	**2,239,046**	**2,777,327**
	0	1,720,887	2,137,600	2,436,400
Special Foreign Currency Program				
Federal funds				
General and Special Funds:				
Special foreign currency program 051				
Appropriation, current	BA	**2,760**	**3,083**	
				[K] **3,800**
Outlays	0	2,465	1,200	1,000
Revolving and Management Funds				
Federal funds				
Public Enterprise Funds:				
Defense production guarantees 051				
Outlays	0	—6	—4	—3
Laundry service, Naval Academy 051				
Outlays	0	—81		
Intragovernmental Funds:				
Army stock fund 051				
Appropriation, current	BA	**34,000**	**176,300**	**221,138**
Contract authority, permanent, indefinite	BA	**221,630**		
Outlays	0	159,396	134,000	65,900
Navy stock fund 051				
Appropriation, current	BA	**309**	**9,435**	**354,372**
Contract authority, permanent, indefinite	BA	**580,929**		
Outlays	0	—59,963	75,900	191,600
Marine Corps stock fund 051				
Appropriation, current	BA	**4,108**	**13,334**	**11,812**
Outlays	0	3,049	29,500	14,700
Air Force stock fund 051				
Appropriation, current	BA	**28,300**	**78,800**	**161,600**
Contract authority, permanent, indefinite	BA	**564,724**		
Outlays	0	—17,521	67,400	179,100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Revolving and Management Funds—Con.				
Defense stock fund 051				
Appropriation, current	BA	**438,000**	**69,000**	**160,500**
			[A] **109,200**	
Contract authority, permanent, indefinite	BA	**805,463**	.....	.....
Outlays	0	—32,903	—378,200	—170,100
			[A] 80,000	[A] 10,000
Army industrial fund 051				
Outlays	0	—16,356	—44,300	—138,400
Navy industrial fund 051				
Outlays	0	74,537	44,700	—124,000
Marine Corps industrial fund 051				
Outlays	0	—3,450	—900	100
Air Force industrial fund 051				
Outlays	0	2,068	7,900	—5,900
Defense industrial fund 051				
Outlays	0	—74,252	32,000	—300
Army management fund 051				
Outlays	0	—7,451	4,500	.....
Navy management fund 051				
Outlays	0	8,632	2,504	3
Air Force management fund 051				
Outlays	0	247	—100	.....
Army conventional ammunition working capital fund 051				
Appropriation, current	BA	.....	.....	**1,000**
Outlays	0	.....	—100,000	—110,000
Total Federal funds Revolving and Management Funds	BA	**2,677,463**	**456,069**	**910,422**
	0	35,946	—45,100	—87,300
Allowances				
Federal funds				
General and Special Funds:				
Civilian and military pay raises 051				
Appropriation, current	BA		[I] **5,398,826**	[I] **4,088,654**
Outlays	0		[I] 5,080,900	[I] 4,284,700
Other legislation 051				
Appropriation, current	BA			[J] **137,400**
Outlays	0			[J] 137,400
Total Federal funds Allowances	BA	.....	**5,398,826**	**4,226,054**
	0	.....	5,080,900	4,422,100
Trust Funds				
Trust funds				
Department of the Army trust funds 051				
Appropriation, permanent, indefinite	BA	**35**	**30**	**31**
Outlays	0	129	45	50
Department of the Navy trust funds 051				
Appropriation, permanent, indefinite	BA	**15,894**	**17,261**	**16,557**
Outlays	0	15,418	15,850	16,740

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Military—Con.				
Trust Funds—Con.				
Department of the Air Force general gift fund 051				
Appropriation, permanent, indefinite	BA	**47**	**9**	**12**
Outlays	0	6	5	10
Surcharge collections, sales of commissary stores, Army 051				
Outlays	0	−3,879	−4,245	−150
Department of the Navy trust revolving funds 051				
Outlays	0	4,120	7,250	4,660
Department of the Air Force trust revolving funds 051				
Outlays	0	−3,364	5,195	5,990
Total Trust funds Trust Funds	BA	**15,976**	**17,300**	**16,600**
	0	12,430	24,100	27,300
Summary				
Federal funds:				
(As shown in detail above)	BA	**179,034,757**	**214,678,260**	**257,955,117**
	0	156,748,356	183,411,700	216,375,200
Deductions for offsetting receipts:				
Proprietary receipts from the public 051	BA	*−650,226*	*−667,300*	*−549,800*
	0			
	BA			
	0		*[1] 46,500*	*[1] 63,300*
Total Federal funds	BA	**178,384,531**	**214,057,460**	**257,468,617**
	0	156,098,130	182,790,900	215,888,700
Trust funds:				
(As shown in detail above)	BA	**15,976**	**17,300**	**16,600**
	0	12,430	24,100	27,300
Interfund transactions 051	BA			
	0	**−14,986**	**−15,000**	**−16,000**
Total Department of Defense--Military	BA	**178,385,521**	**214,059,760**	**257,469,217**
	0	156,095,574	182,800,000	215,900,000
Department of Defense--Civil				
Cemeterial Expenses, Army				
Federal funds				
General and Special Funds:				
Salaries and expenses 705				
Appropriation, current	BA	**5,032**	**4,476**	**6,689**
Outlays	0	6,139	4,638	6,598

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Defense--Civil—Con.				
Corps of Engineers--Civil				
Federal funds				
General and Special Funds:				
General investigations 301				
Appropriation, current	BA	**134,013**	**137,225**	**129,250**
Outlays	0	143,951	137,200	129,250
Construction, general 301				
Appropriation, current	BA	**1,593,892**	**1,416,992**	**1,209,350**
				[J] **—108,000**
Outlays	0	1,535,956	1,417,000	1,240,050
				[J] —108,000
Operation and maintenance, general 301				
Appropriation, current	BA	**967,905**	**1,008,355**	**1,011,000**
				[J] **—89,000**
Outlays	0	980,358	1,008,400	1,008,200
				[J] —89,000
Flood control and coastal emergencies 301				
Appropriation, current	BA	**25,000**	.....	.....
Outlays	0	104,352	20,000	.....
General expenses 301				
Appropriation, current	BA	**86,630**	**91,000**	**99,000**
Outlays	0	89,226	91,000	99,000
Flood control, Mississippi River and tributaries 301				
Appropriation, current	BA	**237,519**	**256,310**	**282,000**
				[J] **—47,000**
Outlays	0	265,099	256,300	254,000
				[J] —47,000
Special recreation use fees 303				
Appropriation, current	BA	**5,000**	**4,784**	**6,000**
Outlays	0	5,119	4,784	6,000
Permanent appropriations:				
(Water resources) 301				
(Appropriation, permanent, indefinite)	BA	**1,571**	**1,748**	**1,848**
(Outlays)	0	1,711	1,730	1,748
(Other general purpose fiscal assistance) 852				
(Appropriation, permanent, indefinite)	BA	**5,207**	**5,352**	**5,552**
(Outlays)	0	4,625	5,207	5,352
Total Permanent appropriations	BA	**6,778**	**7,100**	**7,400**
	0	6,336	6,937	7,100
Intragovernmental Funds:				
Revolving fund 301				
Appropriation, current	BA	**43,225**	.....	.....
Outlays	0	34,667	17,100	—5,800
Consolidated working fund 301				
Outlays	0	—17,538	35,123	.....
Trust funds				
Inland waterways trust fund 301				
Appropriation, current	BA			[J] **244,990**
Outlays	0			[J] 244,990
Rivers and harbors contributed funds 301				
Appropriation, permanent, indefinite	BA	**81,032**	**70,000**	**71,000**
Outlays	0	83,846	70,000	71,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Defense--Civil—Con.					
Corps of Engineers--Civil—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,099,962**	**2,921,766**	**2,500,000**
		O	3,147,526	2,993,844	2,493,800
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		O	*—4*	*—8*	*—10*
	300	BA			
		O	*—23,180*	*—23,332*	*—23,855*
	301	BA			
		O			[J] *—270,000*
	303	BA			
		O			[J] *—5,000*
	902	BA			
		O	*—3,181*	*—3,660*	*—4,135*
Total Federal funds		BA	**3,073,597**	**2,894,766**	**2,197,000**
		O	3,121,161	2,966,844	2,190,800
Trust funds:					
(As shown in detail above)		BA	**81,032**	**70,000**	**315,990**
		O	83,846	70,000	315,990
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		O	*—81,032*	*—70,000*	*—71,000*
		BA			
		O			[J] *—178,000*
Total Trust funds		BA	.....	.....	**66,990**
		O	2,814	.....	66,990
Total Corps of Engineers--Civil		BA	**3,073,597**	**2,894,766**	**2,263,990**
		O	3,123,975	2,966,844	2,257,790
Ryukyu Islands, Army					
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA			
		O	*—410*	*—410*	*—410*
Total Ryukyu Islands, Army		BA	**—410**	**—410**	**—410**
		O	—410	—410	—410
Soldiers' and Airmen's Home					
Trust funds					
Operation and maintenance	705				
Appropriation, current		BA	**22,155**	**22,872**	**26,718**
				[A] **796**	
Outlays		O	21,392	23,018	26,718
				[A] 796	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Defense--Civil—Con.					
Soldiers' and Airmen's Home—Con.					
Payment of claims	705				
Appropriation, permanent, indefinite		BA		5	5
Outlays		0		5	5
Soldiers' and Airmen's Home revolving fund	705				
Outlays		0	−26		
Summary					
Federal funds:					
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		0	*−1*		
Total Federal funds		BA	−1		
		0	−1		
Trust funds:					
(As shown in detail above)		BA	**22,155**	**23,673**	**26,723**
		0	21,366	23,819	26,723
Deductions for offsetting receipts:					
Proprietary receipts from the public	705	BA			
		0	*−3,122*	*−4,021*	*−4,865*
Total Trust funds		BA	**19,033**	**19,652**	**21,858**
		0	18,244	19,798	21,858
Total Soldiers' and Airmen's Home		BA	**19,032**	**19,652**	**21,858**
		0	18,243	19,798	21,858
Wildlife Conservation, Military Reservations					
Federal funds					
General and Special Funds:					
Wildlife conservation	303				
Appropriation, permanent, indefinite		BA	**1,159**	**1,316**	**1,449**
Outlays		0	863	1,336	1,389
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,159**	**1,316**	**1,449**
		0	863	1,336	1,389
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*−1,159*	*−1,316*	*−1,449*
Total Wildlife Conservation, Military Reservations		0	−296	20	−60
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,106,153**	**2,927,558**	**2,508,138**
		0	3,154,528	2,999,818	2,501,787
Deductions for offsetting receipts:					
Proprietary receipts from the public	271	BA			
		0	*−4*	*−8*	*−10*
	300	BA			
		0	*−24,339*	*−24,648*	*−25,304*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Defense--Civil—Con.					
Summary—Con.					
	301	BA			*[1] −270,000*
		0			
	303	BA			*[1] −5,000*
		0			
	705	BA	*−1*	.....	.....
		0			
	800	BA	*−410*	*−410*	*−410*
		0			
	902	BA	*−3,181*	*−3,660*	*−4,135*
		0			
Total Federal funds		BA	**3,078,218**	**2,898,832**	**2,203,279**
		0	3,126,593	2,971,092	2,196,928
Trust funds:					
(As shown in detail above)		BA	**103,187**	**93,673**	**342,713**
		0	105,212	93,819	342,713
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA	*−81,032*	*−70,000*	*−71,000*
		0			
		BA			*[1] −178,000*
		0			
	705	BA	*−3,122*	*−4,021*	*−4,865*
		0			
Total Trust funds		BA	**19,033**	**19,652**	**88,848**
		0	21,058	19,798	88,848
Total Department of Defense--Civil		BA	**3,097,251**	**2,918,484**	**2,292,127**
		0	3,147,651	2,990,890	2,285,776
Department of Health and Human Services					
Health Programs					
Public Health Service					
Food and Drug Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	554				
Appropriation, current		BA	**326,925**	**328,032**	**356,163**
Outlays		0	334,519	329,644	353,955
Buildings and facilities	554				
Appropriation, current		BA	**28,253**	.....	.....
Outlays		0	1,686	4,397	7,723

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Food and Drug Administration—Con.				
Public Enterprise Funds:				
Revolving fund for certification and other services 554				
Outlays	0	962	.....	.....
Total Federal funds Food and Drug Administration	BA	**355,178**	**328,032**	**356,163**
	0	337,167	334,041	361,678
Health Services Administration				
Federal funds				
General and Special Funds:				
Health services 551				
Appropriation, current	BA	**1,281,085**	**1,134,743**	**846,472**
				[L] **741,260**
Outlays	0	1,298,205	1,409,978	1,186,870
				[L] 646,522
Indian health services 551				
Appropriation, current	BA	**606,709**	**599,645**	**613,280**
Outlays	0	589,999	600,283	613,364
Indian health facilities 551				
Appropriation, current	BA	**83,053**	**47,152**	.....
Outlays	0	89,482	84,884	58,835
Emergency health 054				
Outlays	0	4	3	.....
Public Enterprise Funds:				
Health professions graduate student loan insurance fund 553				
Outlays	0	−49	−736	−736
Total Federal funds Health Services Administration	BA	**1,970,847**	**1,781,540**	**2,201,012**
	0	1,977,641	2,094,412	2,504,855
Centers for Disease Control				
Federal funds				
General and Special Funds:				
Preventive health services:				
(Health care services) 551				
(Appropriation, current)	BA	**208,980**	**223,279**	**166,671**
(Outlays)	0	220,341	241,735	188,046
(Health research) 552				
(Appropriation, current)	BA	**67,848**	**60,331**	**50,521**
(Outlays)	0	79,687	68,359	61,804
Total Preventive health services	BA	**276,828**	**283,610**	**217,192**
	0	300,028	310,094	249,850
Total Federal funds Centers for Disease Control	BA	**276,828**	**283,610**	**217,192**
	0	300,028	310,094	249,850

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health				
Federal funds				
General and Special Funds:				
National Cancer Institute:				
(Health research) 552				
(Appropriation, current)	BA	**963,137**	**963,176**	**932,674**
(Outlays)	O	1,044,892	982,702	955,574
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**26,218**	**23,441**	**22,775**
(Outlays)	O	22,365	21,855	19,023
Total National Cancer Institute	BA	**989,355**	**986,617**	**955,449**
	O	1,067,257	1,004,557	974,597
National Heart, Lung and Blood Institute:				
(Health research) 552				
(Appropriation, current)	BA	**516,269**	**529,787**	**549,677**
(Outlays)	O	508,250	526,167	540,196
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**33,424**	**29,850**	**27,466**
(Outlays)	O	32,907	29,639	26,992
Total National Heart, Lung and Blood Institute	BA	**549,693**	**559,637**	**577,143**
	O	541,157	555,806	567,188
National Institute of Dental Research:				
(Health research) 552				
(Appropriation, current)	BA	**66,157**	**67,450**	**69,914**
(Outlays)	O	64,354	66,099	68,799
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,957**	**4,533**	**4,548**
(Outlays)	O	4,822	4,440	4,476
Total National Institute of Dental Research	BA	**71,114**	**71,983**	**74,462**
	O	69,176	70,539	73,275
National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**348,877**	**349,535**	**359,560**
(Outlays)	O	341,492	345,562	354,794
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**20,585**	**18,656**	**19,862**
(Outlays)	O	22,088	20,144	18,913
Total National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases	BA	**369,462**	**368,191**	**379,422**
	O	363,580	365,706	373,707

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
National Institute of Neurological and Communicative Disorders and Stroke:				
(Health research) 552				
(Appropriation, current)	BA	**242,861**	**257,322**	**265,012**
(Outlays)	0	226,996	244,756	258,141
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**9,672**	**8,579**	**9,493**
(Outlays)	0	9,190	9,400	8,597
Total National Institute of Neurological and Communicative Disorders and Stroke	BA	**252,533**	**265,901**	**274,505**
	0	236,186	254,156	266,738
National Institute of Allergy and Infectious Diseases:				
(Health research) 552				
(Appropriation, current)	BA	**222,823**	**227,288**	**237,560**
(Outlays)	0	252,922	229,324	234,278
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**9,254**	**8,607**	**8,483**
(Outlays)	0	10,505	8,681	8,366
Total National Institute of Allergy and Infectious Diseases	BA	**232,077**	**235,895**	**246,043**
	0	263,427	238,005	242,644
National Institute of General Medical Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**278,979**	**292,344**	**299,473**
(Outlays)	0	245,199	280,463	293,354
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**54,785**	**47,518**	**46,148**
(Outlays)	0	48,150	45,581	45,202
Total National Institute of General Medical Sciences	BA	**333,764**	**339,862**	**345,621**
	0	293,349	326,044	338,556
National Institute of Child Health and Human Development:				
(Health research) 552				
(Appropriation, current)	BA	**210,800**	**217,393**	**224,508**
(Outlays)	0	223,471	218,881	222,250

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**9,828**	**8,916**	**9,067**
(Outlays)	O	11,100	9,300	8,500
Total National Institute of Child Health and Human Development	BA	**220,628**	**226,309**	**233,575**
	O	234,571	228,181	230,750
National Eye Institute:				
(Health research) 552				
(Appropriation, current)	BA	**113,794**	**123,828**	**127,921**
(Outlays)	O	99,571	116,161	123,968
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**4,189**	**3,546**	**3,629**
(Outlays)	O	3,579	3,124	3,205
Total National Eye Institute	BA	**117,983**	**127,374**	**131,550**
	O	103,150	119,285	127,173
National Institute of Environmental Health Sciences:				
(Health research) 552				
(Appropriation, current)	BA	**86,609**	**99,672**	**152,554**
(Outlays)	O	87,671	94,878	132,731
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**6,882**	**6,598**	**4,894**
(Outlays)	O	6,966	6,276	4,258
Total National Institute of Environmental Health Sciences	BA	**93,491**	**106,270**	**157,448**
	O	94,637	101,154	136,989
National Institute on Aging:				
(Health research) 552				
(Appropriation, current)	BA	**72,780**	**79,550**	**82,164**
(Outlays)	O	67,553	74,424	79,134
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**2,828**	**2,353**	**2,392**
(Outlays)	O	2,521	2,025	2,058
Total National Institute on Aging	BA	**75,608**	**81,903**	**84,556**
	O	70,074	76,449	81,192
Research resources:				
(Health research) 552				
(Appropriation, current)	BA	**174,897**	**183,475**	**190,315**
(Outlays)	O	156,884	178,016	185,913

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
National Institutes of Health—Con.				
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**730**	**702**	**709**
(Outlays)	0	562	681	693
Total Research resources	BA	**175,627**	**184,177**	**191,024**
	0	157,446	178,697	186,606
John E. Fogarty International Center for Advanced Study in the Health Sciences 552				
Appropriation, current	BA	**9,124**	**9,205**	**10,147**
Outlays	0	7,274	8,284	9,278
National Library of Medicine:				
(Health research) 552				
(Appropriation, current)	BA	**12,327**	**11,752**	**12,309**
(Outlays)	0	12,827	11,848	12,218
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**32,339**	**32,650**	**33,734**
(Outlays)	0	33,651	32,916	33,485
Total National Library of Medicine	BA	**44,666**	**44,402**	**46,043**
	0	46,478	44,764	45,703
Office of the Director:				
(Health research) 552				
(Appropriation, current)	BA	**20,727**	**20,757**	**22,340**
(Outlays)	0	19,227	20,972	22,293
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**1,804**	**1,805**	**1,943**
(Outlays)	0	1,671	1,823	1,939
Total Office of the Director	BA	**22,531**	**22,562**	**24,283**
	0	20,898	22,795	24,232
Buildings and facilities 552				
Appropriation, current	BA	**11,750**	**9,898**	**17,500**
Outlays	0	32,801	23,357	21,614
Intragovernmental Funds:				
General research support grants 552				
Outlays	0	6	.....	.....
National Institutes of Health management fund 552				
Outlays	0	−501	.....	.....
Consolidated working fund 552				
Outlays	0	64	27	11
Service and supply fund 552				
Outlays	0	2,775	.....	.....
Total Federal funds National Institutes of Health.	BA	**3,569,406**	**3,640,186**	**3,748,771**
	0	3,603,805	3,617,806	3,700,253

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Alcohol, Drug Abuse, and Mental Health Administration				
Federal funds				
General and Special Funds:				
Alcohol, drug abuse, and mental health:				
(Health care services) 551				
(Appropriation, current)	BA	**599,964**	**432,000**	.....
(Outlays)	0	712,344	684,297	147,278
(Health research) 552				
(Appropriation, current)	BA	**239,667**	**255,730**	**288,790**
(Outlays)	0	249,673	263,136	280,567
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**94,452**	**63,277**	**16,387**
(Outlays)	0	115,747	92,396	61,635
Total Alcohol, drug abuse, and mental health	BA	**934,083**	**751,007**	**305,177**
	0	1,077,764	1,039,829	489,480
Construction and renovation, St. Elizabeths Hospital 551				
Outlays	0	5,182	8,156	18,168
Federal subsidy for St. Elizabeths Hospital 551				
Appropriation, current	BA	**99,401**	**94,717**	**67,505**
Outlays	0	119,027	82,717	61,393
Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration	BA	**1,033,484**	**845,724**	**372,682**
	0	1,201,973	1,130,702	569,041
Health Resources Administration				
Federal funds				
General and Special Funds:				
Health resources:				
(Health care services) 551				
(Appropriation, current)	BA	**135,333**	**68,629**	**11,176**
(Outlays)	0	171,901	130,610	79,320
(Health research) 552				
(Outlays)	0	687	171	.....
(Education and training of health care work force) 553				
(Appropriation, current)	BA	**352,762**	**198,550**	**125,235**
(Outlays)	0	456,832	350,777	204,036
Total Health resources	BA	**488,095**	**267,179**	**136,411**
	0	629,420	481,558	283,356
Public Enterprise Funds:				
Health education loans 553				
Outlays	0	−3,168	−1,230	.....
Nurse training fund 553				
Outlays	0	−492	−250	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Health Resources Administration—Con.				
Medical facilities guarantee and loan fund 551				
Appropriation, current	BA	.....	**22,000**	**32,000**
Outlays	0	32,105	35,422	30,400
Total Federal funds Health Resources Administration	BA	**488,095**	**289,179**	**168,411**
	0	657,865	515,500	313,756
Office of Assistant Secretary for Health				
Federal funds				
General and Special Funds:				
Health services management:				
(Health care services) 551				
(Appropriation, current)	BA	**109,888**	**66,289**	**53,148**
			[A] **10,313**	
(Reappropriation)	BA	**8,675**	.....	.....
(Outlays)	0	117,812	95,225	56,514
			[A] 1,856	[A] 7,611
(Health research) 552				
(Appropriation, current)	BA	**71,742**	**53,882**	**56,415**
(Outlays)	0	84,266	69,659	61,524
Total Health services management	BA	**190,305**	**130,484**	**109,563**
	0	202,078	166,740	125,649
Health block grants 551				
Appropriation, current	BA	.....	.....	**515,600**
Outlays	0	.....	.....	387,000
Retirement pay and medical benefits for commissioned officers 551				
Appropriation, current	BA	.....	.....	**85,433**
Indefinite	BA	**81,679**	**106,172**	.....
Outlays	0	80,438	99,995	82,620
Public Enterprise Funds:				
Health maintenance organization loan and loan guarantee fund 551				
Appropriation, current, indefinite	BA	.....	.....	**2,500**
Outlays	0	3,087	1,358	477
Intragovernmental Funds:				
Service and supply fund 551				
Outlays	0	804	.....	.....
Miscellaneous consolidated working funds 552				
Outlays	0	4,797	2,500	3,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Public Health Service—Con.				
Office of Assistant Secretary for Health—Con.				
Trust funds				
Miscellaneous trust funds 551				
Appropriation, permanent, indefinite	BA	**6,294**	**4,620**	**4,545**
Outlays	0	4,299	4,524	4,541
Total Federal funds Office of Assistant Secretary for Health	BA	**271,984**	**236,656**	**713,096**
	0	291,204	270,593	598,746
Total Trust funds Office of Assistant Secretary for Health	BA	**6,294**	**4,620**	**4,545**
	0	4,299	4,524	4,541
Total Federal funds Public Health Service	BA	**7,965,822**	**7,404,927**	**7,777,327**
	0	8,369,683	8,273,148	8,298,179
Total Trust funds Public Health Service	BA	**6,294**	**4,620**	**4,545**
	0	4,299	4,524	4,541
Other Health Programs				
Health Care Financing Administration				
Federal funds				
General and Special Funds:				
Grants to States for Medicaid 551				
Appropriation, current	BA	**17,439,623**	**17,866,488**	**14,357,462**
			[A] 552,757	
			[L] —451,000	**[L] —1,432,300**
Outlays	0	16,833,344	17,269,843	18,889,462
			[A] 552,757	
				[L] —1,883,300
Payments to health care trust funds 551				
Appropriation, current	BA	**9,570,600**	**14,338,000**	**15,576,000**
				[J] —162,000
Outlays	0	9,581,041	14,338,000	15,576,000
				[J] —162,000
Program management:				
(Health care services) 551				
(Appropriation, current)	BA	**90,228**	**66,535**	**69,405**
			[A] 5,941	
(Outlays)	0	114,505	63,235	65,961
			[A] 2,052	[A] 3,889
(Health research) 552				
(Appropriation, current)	BA	**25,750**	**11,500**	**20,000**
(Outlays)	0	20,600	9,200	16,000
Total Program management	BA	**115,978**	**83,976**	**89,405**
	0	135,105	74,487	85,850

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Health Programs—Con.				
Other Health Programs—Con.				
Health Care Financing Administration—Con.				
Intragovernmental Funds:				
Miscellaneous consolidated working funds 551				
Outlays	0	613	.....	.....
Trust funds				
Federal hospital insurance trust fund 551				
Appropriation, current	BA		[J] 19,000	[J] −1,750,000
Appropriation, permanent, indefinite	BA	32,851,165	38,274,000	41,849,000
Outlays	0	29,248,149	34,279,550	39,240,983
			[J] −142,246	[J] −1,130,773
Federal supplementary medical insurance trust fund 551				
Appropriation, current	BA		[J] −2,000	[J] −160,000
Appropriation, permanent, indefinite	BA	12,451,059	17,572,000	19,444,000
Outlays	0	13,240,433	15,520,220	17,858,147
			[J] −105,906	[J] −615,983
Total Federal funds Health Care Financing Administration	BA	27,126,201	32,390,221	28,428,567
	0	26,550,103	32,235,087	32,506,012
Total Trust funds Health Care Financing Administration	BA	45,302,224	55,863,000	59,383,000
	0	42,488,582	49,551,618	55,352,374
Total Federal funds Health Programs	BA	35,092,023	39,795,148	36,205,894
	0	34,919,786	40,508,235	40,804,191
Total Trust funds Health Programs	BA	45,308,518	55,867,620	59,387,545
	0	42,492,881	49,556,142	55,356,915
Social Security Administration				
Federal funds				
General and Special Funds:				
Payments to social security trust funds 601				
Appropriation, current	BA	672,225	844,698	855,213
Outlays	0	670,456	843,750	855,213
Special benefits for disabled coal miners 601				
Appropriation, current	BA	1,101,300	1,098,765	1,102,000
Outlays	0	1,090,493	1,098,300	1,103,000
Supplemental security income program 609				
Appropriation, current	BA	7,227,244	7,877,596	9,177,062
			[L] −100,738	[L] −285,700
Outlays	0	7,191,506	8,000,137	9,188,244
			[L] −100,000	[L] −285,700
Assistance payments program 609				
Appropriation, current	BA	8,484,107	6,302,260	6,609,017
			[L] −201,000	[L] −1,155,200
Outlays	0	8,503,122	8,321,943	6,609,017
			[L] −201,000	[L] −1,155,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Social Security Administration—Con.				
Child support enforcement 609				
Appropriation, current	BA			**553,377**
				[L] **−145,000**
Outlays	0			553,377
				[L] −145,000
Combined welfare administration 609				
Appropriation, current	BA			**1,914,000**
				[L] **−259,000**
Outlays	0			1,914,000
				[L] −259,000
Energy and emergency assistance 609				
Appropriation, current	BA	**1,849,500**	**1,752,000**	**1,300,000**
Outlays	0	1,734,353	1,864,701	1,300,000
Refugee and entrant assistance 609				
Appropriation, current	BA	**901,652**	**669,747**	**532,152**
Outlays	0	725,987	849,152	633,119
Payments to states from receipts for child support 609				
Appropriation, permanent	BA	**497**	**450**	**450**
Outlays	0	519	520	450
Trust funds				
Federal old-age and survivors insurance trust fund 601				
Appropriation, current, indefinite	BA			[J] **9,688,000**
Appropriation, permanent, indefinite	BA	**121,571,604**	**130,139,351**	**144,820,921**
Outlays	0	122,304,248	138,197,914	153,207,491
				[J] 1,176,000
Federal disability insurance trust fund 601				
Appropriation, current	BA			[J] **−5,313,000**
Appropriation, permanent, indefinite	BA	**12,992,425**	**21,989,235**	**19,378,292**
Outlays	0	17,280,271	18,446,498	18,938,323
				[J] 214,000
Limitation on administrative expenses		(2,777,050)	(3,017,000)	(3,408,451)
			[A] (42,900)	
Total Federal funds Social Security Administration	BA	**20,236,525**	**18,243,778**	**20,198,371**
	0	19,916,436	20,677,503	20,311,520
Total Trust funds Social Security Administration	BA	**134,564,029**	**152,128,586**	**168,574,213**
	0	139,584,519	156,644,412	173,535,814
Human Development Services				
Federal funds				
General and Special Funds:				
Human services block grants 506				
Appropriation, current	BA	**2,398,660**	**2,400,000**	**1,974,126**
Outlays	0	2,646,150	2,911,511	1,974,126

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.				
Human Development Services—Con.				
Services to selected groups:				
(Elementary, secondary, and vocational education) 501				
(Appropriation, current)	BA	**4,921**	**4,800**	**4,924**
(Outlays)	0	4,747	4,974	4,924
(Higher education) 502				
(Appropriation, current)	BA	**70,043**	**75,168**	**77,297**
(Outlays)	0	79,020	82,325	84,234
(Social services) 506				
(Appropriation, current)	BA	**2,598,575**	**2,644,952**	**2,337,627**
			H —91,171	
				L —4,123
(Outlays)	0	2,838,399	2,350,866	2,389,772
			H —77,495	H —13,676
				L —4,123
Total Services to selected groups	BA	**2,673,539**	**2,633,749**	**2,415,725**
	0	2,922,166	2,360,670	2,461,131
Human resources research and demonstration 506				
Appropriation, current	BA	**75,483**	**58,062**	**57,291**
Outlays	0	85,620	71,686	61,392
Child welfare block grants 506				
Appropriation, current	BA	**173,750**	**465,149**	**420,120**
				L —40,000
Outlays	0	179,850	493,057	423,427
				L —40,000
Scientific activities overseas:				
(special foreign currency program) 506				
(Appropriation, current)	BA	**2,000**	.....	.....
(Outlays)	0	1,834	1,572	1,922
(special foreign currency program) 552				
(Outlays)	0	2,971	4,217	4,331
Total Scientific activities overseas	BA	**2,000**	.....	.....
	0	4,805	5,789	6,253
Work incentives 504				
Appropriation, current	BA	**365,000**	**245,760**	.....
Outlays	0	381,067	268,575	11,353
Community services 506				
Appropriation, current	BA	.....	**366,075**	**103,500**
Outlays	0	.....	311,249	150,550
Public Enterprise Funds:				
Rural Development loan fund 452				
Outlays	0	23,038	—21,532	—1,000
Community development credit unions revolving fund 452				
Outlays	0	3,322	878	—1,000
Total Federal funds Human Development Services	BA	**5,688,432**	**6,168,795**	**4,930,762**
	0	6,246,018	6,401,883	5,046,232

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.					
Departmental Management					
Federal funds					
General and Special Funds:					
General Departmental management	609				
Appropriation, current		BA	**131,454**	**140,982**	**158,969**
Outlays		0	127,623	137,562	156,472
Office of Inspector General	609				
Appropriation, current		BA	**55,578**	**78,809**	**72,240**
Outlays		0	54,094	71,510	68,147
Office for Civil Rights	751				
Appropriation, current		BA	**17,420**	**17,063**	**19,163**
Outlays		0	19,417	17,321	19,084
Office of Consumer Affairs	506				
Appropriation, current		BA	**2,256**	**1,760**	**1,987**
Outlays		0	1,746	1,780	1,954
Policy research	609				
Appropriation, current		BA	**19,500**	**13,440**	**14,718**
Outlays		0	22,496	17,599	15,605
Intragovernmental Funds:					
Working capital fund	506				
Outlays		0	561	1,094	.....
Consolidated working fund	506				
Outlays		0	2,091	1,243	1,242
Grants management fund	552				
Outlays		0	—192	.....	.....
Total Federal funds Departmental Management		BA	**226,208**	**252,054**	**267,077**
		0	227,836	248,109	262,504
Summary					
Federal funds:					
(As shown in detail above)		BA	**61,243,188**	**64,459,775**	**61,602,104**
		0	61,310,076	67,835,730	66,424,447
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—208*	*—600*	*—601*
	550	BA			
		0	*—24,826*	*—16,232*	*—17,176*
	902	BA			
		0	*—6,079*	*—1,251*	*—1,251*
Total Federal funds		BA	**61,212,075**	**64,441,692**	**61,583,076**
		0	61,278,963	67,817,647	66,405,419
Trust funds:					
(As shown in detail above)		BA	**179,872,547**	**207,996,206**	**227,961,758**
		0	182,077,400	206,200,554	228,892,729
Deductions for offsetting receipts:					
Intrafund transactions	601	BA			
		0	*—1,614,375*	*—2,001,000*	*—2,218,000*
		BA			
		0			*[1] 2,218,000*
	902	BA			
		0	*—30,069*	*—36,928*	*—509,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Health and Human Services—Con.					
Summary—Con.					
		BA			*[J] 41,000*
		0			
Proprietary receipts from the public	551	BA	*—3,339,912*	*—3,862,000*	*—4,418,000*
		0			
		BA		*[J] 6,000*	*[J] 26,000*
		0			
	554	BA	*—5,063*	*—4,217*	*—4,142*
		0			
	601	BA	*—89*	.....	.....
		0			
	902	BA	*—2*	.....	.....
		0			
Total Trust funds		BA	**174,883,037**	**202,098,061**	**223,097,616**
		0	177,087,890	200,302,409	224,028,587
Interfund transactions	551	BA	**—9,581,030**	**—14,338,000**	**—15,576,000**
		0			
		BA			**[J] 162,000**
		0			
	601	BA	**—670,456**	**—843,658**	**—855,213**
		0			
Total Department of Health and Human Services		BA	**225,843,626**	**251,358,095**	**268,411,479**
		0	228,115,367	252,938,398	274,164,793
Department of Housing and Urban Development					
Housing Programs					
Federal funds					
General and Special Funds:					
Subsidized housing programs	604				
Contract authority, current		BA	**24,807,201**	**16,336,528**	**—5,245,901**
				[A] —1,750,480	
				[H] —9,399,789	
Contract authority, permanent		BA	**32,335**	**30,257**	**24,800**
Liquidation of contract authority, current			(7,207,123)	(8,629,000)	(9,538,000)
Outlays		0	5,746,548	6,726,000	7,352,000
Payments for operation of low income housing projects	604				
Appropriation, current		BA	**1,070,800**	**1,292,906**	**1,075,000**
Outlays		0	928,581	1,278,000	1,110,000
Troubled projects operating subsidy	604				
Appropriation, current		BA	**18,050**	**4,000**	.....
Outlays		0	52,735	83,000	24,000
Congregate services program	604				
Outlays		0	1,376	4,000	6,000
Housing counseling assistance	506				
Appropriation, current		BA	**7,000**	**3,520**	.....
Outlays		0	5,437	4,000	2,810
Mobile home standards program	376				
Outlays		0	96	405	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Housing and Urban Development—Con.				
Housing Programs—Con.				
Manufactured home inspection and monitoring 376				
Appropriation, permanent, indefinite	BA	**4,724**	**4,449**	**5,700**
Outlays	0	4,671	7,240	6,632
Interstate land sales 376				
Appropriation, permanent, indefinite	BA	**216**	**171**	**171**
Outlays	0	414	171	171
Public Enterprise Funds:				
Federal Housing Administration fund 371				
Appropriation, current, indefinite	BA	**268,640**	**94,900**	**78,405**
Authority to borrow, permanent	BA	**143,402**	**156,650**	**55,745**
Outlays	0	181,588	−244,666	−1,178,726
Low-rent public housing--loans and other expenses 604				
Authority to borrow, permanent, indefinite	BA	**34,360**	.....	.....
Liquidation of contract authority, current		(1,060,422)	.....	(1,400,000)
			[4] (1,400,000)	
Outlays	0	77,359	6,094	104,661
Housing for the elderly or handicapped fund 371				
Authority to borrow, current, indefinite	BA	**797,036**	**744,511**	**276,617**
Outlays	0	817,404	711,000	286,264
Nonprofit sponsor assistance 604				
Outlays	0	146	800	600
Community disposal operations fund 451				
Outlays	0	−394	−358	−289
Rental housing assistance fund 604				
Outlays	0	3,076	2,542	.....
Revolving fund (liquidating programs) 451				
Appropriation, current	BA	**903**	**84**	**962**
Appropriation, permanent, indefinite	BA	**16**	**6**	**535**
Outlays	0	−26,738	−27,400	−47,457
Intragovernmental Funds:				
Disaster assistance fund 453				
Outlays	0	−23,007	−4,738	.....
Total Federal funds Housing Programs	BA	**27,184,683**	**7,517,713**	**−3,727,966**
	0	7,769,292	8,546,090	7,666,666
Government National Mortgage Association				
Federal funds				
General and Special Funds:				
Payment of participation sales insufficiencies 371				
Appropriation, current	BA	**2,295**	.....	.....
Public Enterprise Funds:				
Special assistance functions fund 371				
Appropriation, current	BA	**1,769**	**1,880**	**1,764**
Appropriation, permanent, indefinite	BA	**877**	**205**	**116**
Authority to borrow, permanent, indefinite	BA	**1,352,914**	**1,249,423**	.....
Outlays	0	1,302,613	1,282,190	1,372,904
Emergency mortgage purchase assistance 371				
Outlays	0	−73,721	−139,347	−67,841
Management and liquidating functions fund 371				
Outlays	0	−12,284	−25,500	−10,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Housing and Urban Development—Con.				
Government National Mortgage Association—Con.				
Guarantees of mortgage-backed securities 371				
Outlays	0	−92,015	−118,200	−148,670
Participation sales fund:				
(Mortgage credit and thrift insurance) 371				
(Outlays)	0	23,003	32,610	−11,623
(Other advancement of commerce) 376				
(Outlays)	0	−12,145	−5,068	−3,147
(Community development) 451				
(Outlays)	0	617	823	−837
(Higher education) 502				
(Outlays)	0	−2,965	−3,248	−2,293
(Health research) 552				
(Outlays)	0	−561	−423	−352
(Veterans housing) 704				
(Outlays)	0	51,327	−13,962	−12,597
Total Participation sales fund	0	59,276	10,732	−30,849
Total Federal funds Government National Mortgage Association	BA	**1,357,855**	**1,251,508**	**1,880**
	0	1,183,869	1,009,875	1,115,544
Solar Energy and Energy Conservation Bank				
Federal funds				
General and Special Funds:				
Assistance for solar and conservation improvements 272				
Appropriation, current	BA	**250**	**21,850**	
			[H] **−21,850**	
Outlays	0	250	6,850	15,000
			[H] −6,850	[H] −15,000
Community Planning and Development				
Federal funds				
General and Special Funds:				
Community development grants 451				
Appropriation, current	BA	**3,694,600**	**3,456,000**	**3,456,000**
Outlays	0	4,042,407	4,005,000	3,350,000
Urban development action grants 451				
Appropriation, current	BA	**675,000**	**435,100**	**440,000**
Reappropriation	BA		**5,025**	
Outlays	0	371,114	525,000	550,000
Urban homesteading 451				
Appropriation, current	BA			[K] **12,000**
Outlays	0		20,000	12,000
Rental rehabilitation grants 451				
Appropriation, current	BA			[J] **150,000**
Planning assistance 451				
Appropriation, current	BA	**15,756**		
Outlays	0	38,941	20,290	4,738

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Housing and Urban Development—Con.				
Community Planning and Development—Con.				
Neighborhood self-help development program 451				
Appropriation, current	BA	**881**	.....	.....
Outlays	0	8,886	4,763	.....
Miscellaneous appropriations 451				
Outlays	0	4,556	3,704	.....
Public Enterprise Funds:				
Rehabilitation loan fund 451				
Appropriation, current	BA	**5,631**	.....	.....
Outlays	0	60,000	11,950	.....
Urban renewal programs 451				
Liquidation of contract authority, permanent		(67,453)	(92,652)	(70,000)
Outlays	0	143,699	100,000	70,000
Total Federal funds Community Planning and Development	BA	**4,391,868**	**3,896,125**	**4,058,000**
	0	4,669,603	4,690,707	3,986,738
New Community Development Corporation				
Federal funds				
General and Special Funds:				
New community assistance grants 451				
Appropriation, current, indefinite	BA	**−4,029**	**−453**	.....
Outlays	0	1,232	1,295	450
Public Enterprise Funds:				
New communities fund 451				
Authority to borrow, permanent, indefinite	BA	**47,575**	**33,096**	**32,781**
Outlays	0	49,058	33,496	32,981
Total Federal funds New Community Development Corporation	BA	**43,546**	**32,643**	**32,781**
	0	50,290	34,791	33,431
Policy Development and Research				
Federal funds				
General and Special Funds:				
Research and technology 451				
Appropriation, current	BA	**39,650**	**20,000**	.....
				[K] **20,000**
Outlays	0	43,178	27,740	25,440
Fair Housing and Equal Opportunity				
Federal funds				
General and Special Funds:				
Fair housing assistance 751				
Appropriation, current	BA	**5,700**	**5,016**	**5,700**
Outlays	0	723	7,556	5,763

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Housing and Urban Development—Con.				
Management and Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses, Including transfer of funds:				
(Energy conservation) 272				
(Appropriation, current)	BA	**17**	.....	.....
(Outlays)	0	16	.....	.....
(Community development) 451				
(Appropriation, current)	BA	**214,664**	**194,800**	**216,679**
(Outlays)	0	202,619	194,253	217,783
(Public assistance and other income supplements) 604				
(Appropriation, current)	BA	**92,233**	**102,720**	**82,190**
(Outlays)	0	86,564	102,432	82,609
(Federal law enforcement activities) 751				
(Appropriation, current)	BA	**22,182**	**21,980**	**22,132**
(Outlays)	0	20,902	21,918	22,244
Total Salaries and expenses, Including transfer of funds	BA	**329,096**	**319,500**	**321,001**
	0	310,101	318,603	322,636
Intragovernmental Funds:				
Working capital fund 451				
Appropriation, current	BA	.....	**528**	.....
Outlays	0	8,332	2,407	314
Trust funds				
Gifts and bequests 451				
Appropriation, permanent, indefinite	BA	.....	**3**	.....
Outlays	0	15	3	.....
Total Federal funds Management and Administration	BA	**329,096**	**320,028**	**321,001**
	0	318,433	321,010	322,950
Total Trust funds Management and Administration	BA	.....	**3**	.....
	0	15	3	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**33,352,648**	**13,043,033**	**711,396**
	0	14,035,638	14,637,769	13,156,532
Deductions for offsetting receipts:				
Proprietary receipts from the public 450	BA			
	0	*—189*	*—21,154*	*—24,554*
902	BA			
	0	*—2,087*	*—2,122*	*—2,122*
Total Federal funds	BA	**33,350,372**	**13,019,757**	**684,720**
	0	14,033,362	14,614,493	13,129,856

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Housing and Urban Development—Con.				
Summary—Con.				
Trust funds:				
(As shown in detail above)	BA	.....	**3**	.....
	0	15	3	.....
Total Department of Housing and Urban Development	BA	**33,350,372**	**13,019,760**	**684,720**
	0	14,033,377	14,614,496	13,129,856
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	**406,621**	**355,326**	**4,750**
				[K] **368,777**
			[A] **60,000**	
Outlays	0	399,990	339,688	351,290
			[A] 60,000	
Construction, access, and land acquisition 302				
Appropriation, current	BA	**14,768**	**15,223**	.....
				[K] **2,711**
Outlays	0	16,799	13,138	2,207
Payments in lieu of taxes 852				
Appropriation, current	BA	**103,000**	**95,520**	.....
				[J] **45,000**
Outlays	0	104,082	95,520	.....
				[J] 45,000
Oregon and California grant lands 302				
Appropriation, current, indefinite	BA	**48,478**	**52,788**	**52,883**
Outlays	0	54,251	49,726	49,883
Range improvements 302				
Appropriation, current, indefinite	BA	**13,117**	**13,226**	**11,048**
Outlays	0	11,660	13,226	11,048
Recreation development and operation of recreation facilities 302				
Outlays	0	106	24	.....
Service charges, deposits, and forfeitures 302				
Appropriation, current, indefinite	BA	**8,296**	**9,600**	**10,000**
Outlays	0	5,828	9,500	9,500
Miscellaneous permanent appropriations:				
(Conservation and land management) 302				
(Appropriation, permanent, indefinite)	BA	**3,811**	**3,000**	**4,000**
(Outlays)	0	3,296	3,000	4,000
(Other general purpose fiscal assistance) 852				
(Appropriation, permanent, indefinite)	BA	**436,255**	**593,699**	**756,461**
(Outlays)	0	435,676	593,699	756,461
Total Miscellaneous permanent appropriations	BA	**440,066**	**596,699**	**760,461**
	0	438,972	596,699	760,461

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.					
Land and Water Resources—Con.					
Bureau of Land Management—Con.					
Intragovernmental Funds:					
Working capital fund	302				
Outlays		0	−909	.....	.....
Trust funds					
Miscellaneous trust funds	302				
Appropriation, current, indefinite		BA	**100**	**100**	**100**
Appropriation, permanent, indefinite		BA	**968**	**600**	**600**
Outlays		0	1,111	700	700
Total Federal funds Bureau of Land Management		BA	**1,034,346**	**1,198,382**	**1,255,630**
		0	1,030,779	1,177,521	1,229,389
Total Trust funds Bureau of Land Management...		BA	**1,068**	**700**	**700**
		0	1,111	700	700
Bureau of Reclamation					
Federal funds					
General and Special Funds:					
Loan program	301				
Appropriation, current		BA	**22,924**	**22,614**	**39,600**
Outlays		0	26,400	26,886	39,600
Construction program	301				
Appropriation, current		BA	**576,115**	**548,505**	**666,585**
Outlays		0	590,975	612,947	666,585
General investigations	301				
Appropriation, current		BA	**40,029**	**30,596**	**36,485**
Outlays		0	40,610	30,279	35,485
Emergency fund	301				
Appropriation, current		BA	.....	.....	**1,000**
Outlays		0	829	11,160	.....
Operation and maintenance	301				
Appropriation, current		BA	**106,317**	**118,518**	**140,850**
Outlays		0	106,375	109,383	138,680
General administrative expenses	301				
Appropriation, current		BA	**40,500**	**39,928**	**49,300**
Outlays		0	38,839	41,416	49,300
Miscellaneous permanent appropriations	852				
Appropriation, permanent		BA	**600**	**600**	**600**
Indefinite		BA	**1,695**	**2,100**	**2,100**
Outlays		0	2,426	2,700	2,700
Public Enterprise Funds:					
Colorado River Basin project	301				
Outlays		0	−19,375	.....	.....
Upper Colorado River storage project	301				
Outlays		0	−16,893	.....	.....
Intragovernmental Funds:					
Consolidated working fund	301				
Outlays		0	−3,987	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Land and Water Resources—Con.				
Bureau of Reclamation—Con.				
Trust funds				
Reclamation trust funds 301				
Appropriation, permanent, indefinite	BA	**6,969**	**8,352**	**13,800**
Outlays	0	6,827	8,352	13,800
Total Federal funds Bureau of Reclamation	BA	**788,180**	**762,861**	**936,520**
	0	766,199	834,771	932,350
Total Trust funds Bureau of Reclamation	BA	**6,969**	**8,352**	**13,800**
	0	6,827	8,352	13,800
Office of Water Research and Technology				
Federal funds				
General and Special Funds:				
Salaries and expenses 301				
Appropriation, current	BA	**24,585**	**10,636**	.....
Reappropriation	BA	**2,745**	.....	.....
Outlays	0	33,082	25,900	4,635
Intragovernmental Funds:				
Consolidated working fund 306				
Outlays	0	.....	86	.....
Total Federal funds Office of Water Research and Technology	BA	**27,330**	**10,636**	.....
	0	33,082	25,986	4,635
Total Federal funds Land and Water Resources	BA	**1,849,856**	**1,971,879**	**2,192,150**
	0	1,830,060	2,038,278	2,166,374
Total Trust funds Land and Water Resources	BA	**8,037**	**9,052**	**14,500**
	0	7,938	9,052	14,500
Fish and Wildlife and Parks				
United States Fish and Wildlife Service				
Federal funds				
General and Special Funds:				
Resource management 303				
Appropriation, current	BA	**233,183**	**220,350**	**218,922**
			[A] **1,800**	
Outlays	0	228,774	213,740	212,428
			[A] 1,700	[A] 100
Construction 303				
Appropriation, current	BA	**35,397**	**6,683**	**12,705**
Outlays	0	71,465	28,844	12,594
Land acquisition 303				
Appropriation, current	BA	.....	**16,491**	**1,567**
Outlays	0	.....	11,860	5,546
Migratory bird conservation account 303				
Appropriation, current	BA	**1,250**	**1,200**	.....
Appropriation, permanent, indefinite	BA	**15,140**	**16,376**	**16,376**
Outlays	0	18,437	16,757	15,876

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
United States Fish and Wildlife Service—Con.				
Development and operation of recreation facilities 303				
Outlays	0	92	.....	.....
National wildlife refuge fund 852				
Appropriation, current	BA	**8,500**	**5,760**	.....
Appropriation, permanent	BA	**5,892**	**4,053**	**4,053**
Outlays	0	11,647	9,002	3,953
Miscellaneous permanent appropriations 303				
Appropriation, permanent, indefinite	BA	**124,863**	**145,400**	**158,730**
Outlays	0	131,758	126,597	132,584
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	920	.....	.....
Trust funds				
Contributed funds 303				
Appropriation, permanent, indefinite	BA	**3,327**	**3,442**	**3,750**
Outlays	0	3,077	3,142	3,242
Total Federal funds United States Fish and Wildlife Service	BA	**424,225**	**418,113**	**412,353**
	0	463,093	408,500	383,081
Total Trust funds United States Fish and Wildlife Service	BA	**3,327**	**3,442**	**3,750**
	0	3,077	3,142	3,242
National Park Service				
Federal funds				
General and Special Funds:				
Operation of the national park system 303				
Appropriation, current	BA	**475,021**	**512,882** [A] **2,200**	**539,703**
Outlays	0	460,155	494,675 [A] 2,200	534,620
National recreation and preservation 303				
Appropriation, current	BA	.....	**12,372**	**6,987**
Outlays	0	.....	14,324	6,682
Construction 303				
Appropriation, current	BA	**43,367**	**85,172**	**123,721**
Outlays	0	134,270	136,913	127,009
Road construction 303				
Outlays	0	2,577	5,015	.....
John F. Kennedy Center for the Performing Arts 303				
Appropriation, current	BA	**4,541**	**4,142**	**3,986**
Outlays	0	4,440	4,101	3,884
Urban park and recreation fund 303				
Appropriation, current	BA	**1,000**	**7,680**	.....
Outlays	0	18,374	64,441	38,554

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Fish and Wildlife and Parks—Con.				
National Park Service—Con.				
Land and water conservation fund 303				
Appropriation, current	BA	**288,593**	.....	.....
Contract authority, permanent	BA	**30,000**	**30,000**	.....
Outlays	0	494,960	382,400	182,300
Land acquisition 303				
Appropriation, current	BA	.....	**103,462**	**59,776**
Outlays	0	.....	66,600	71,700
Planning, development, and operation of recreation facilities 303				
Outlays	0	5,023	2,287	.....
Historic preservation fund 303				
Appropriation, current	BA	**26,000**	**25,440**	.....
Outlays	0	52,637	44,290	22,814
Commemorative activities fund 303				
Outlays	0	21	295	.....
Miscellaneous permanent appropriations 303				
Appropriation, permanent, indefinite	BA	**437**	**405**	**405**
Outlays	0	373	405	405
Intragovernmental Funds:				
Consolidated working fund 303				
Outlays	0	−632	.....	.....
Trust funds				
Construction (trust fund) 401				
Appropriation, current	BA	**−12,000**	.....	.....
Outlays	0	1	3,000	499
Miscellaneous trust funds 303				
Appropriation, permanent, indefinite	BA	**821**	**1,764**	**1,700**
Outlays	0	956	1,764	1,700
Total Federal funds National Park Service	BA	**868,959**	**783,755**	**734,578**
	0	1,172,198	1,217,946	987,968
Total Trust funds National Park Service	BA	**−11,179**	**1,764**	**1,700**
	0	957	4,764	2,199
Total Federal funds Fish and Wildlife and Parks	BA	**1,293,184**	**1,201,868**	**1,146,931**
	0	1,635,291	1,626,446	1,371,049
Total Trust funds Fish and Wildlife and Parks	BA	**−7,852**	**5,206**	**5,450**
	0	4,034	7,906	5,441
Energy and Minerals				
Geological Survey				
Federal funds				
General and Special Funds:				
Surveys, investigations and research 306				
Appropriation, current	BA	**516,056**	**494,545**	**507,577**
Outlays	0	510,424	497,730	506,705

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Energy and Minerals—Con.				
Geological Survey—Con.				
Barrow area gas operation, exploration, and development 271				
Appropriation, current	BA	.....	.....	**6,400**
Outlays	0	.....	.....	5,900
Exploration of national petroleum reserve in Alaska 271				
Appropriation, current	BA	**107,001**	**2,196**	.....
Outlays	0	114,505	74,981	3,970
Payments from proceeds, sale of water 301				
Appropriation, permanent, indefinite	BA	**2**	.....	.....
Outlays	0	−1	.....	.....
Intragovernmental Funds:				
Digitial cartography 306				
Appropriation, current	BA	.....	.....	**3,873**
Outlays	0	.....	.....	3,330
Consolidated working fund 306				
Outlays	0	−15,427	.....	.....
Total Federal funds Geological Survey	BA	**623,059**	**496,741**	**517,850**
	0	609,501	572,711	519,905
Office of Surface Mining Reclamation and Enforcement				
Federal funds				
General and Special Funds:				
Regulation and technology 302				
Appropriation, current	BA	**89,679**	**58,515**	**62,173**
Reappropriation	BA	**5,800**	.....	.....
Outlays	0	74,786	66,366	65,828
Abandoned mine reclamation fund 302				
Appropriation, current	BA	**82,485**	**102,082**	**97,649**
Outlays	0	56,365	70,600	80,520
Total Federal funds Office of Surface Mining Reclamation and Enforcement	BA	**177,964**	**160,597**	**159,822**
	0	131,151	136,966	146,348
Bureau of Mines				
Federal funds				
General and Special Funds:				
Mines and minerals 306				
Appropriation, current	BA	**142,319**	**146,529**	**124,676**
			[4] **4,073**	
Outlays	0	156,694	150,549	131,436
			[4] 1,000	[4] 3,564
Drainage of anthracite mines 306				
Outlays	0	645	300	300
Public Enterprise Funds:				
Helium fund 306				
Outlays	0	−251	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Energy and Minerals—Con.				
Bureau of Mines—Con.				
Intragovernmental Funds:				
Consolidated working fund 306				
Outlays	0	1,380	652	.....
Trust funds				
Contributed funds 306				
Appropriation, permanent, indefinite	BA	**692**	**800**	**800**
Outlays	0	599	800	800
Total Federal funds Bureau of Mines	BA	**142,319**	**150,602**	**124,676**
	0	158,468	152,501	135,300
Total Trust funds Bureau of Mines	BA	**692**	**800**	**800**
	0	599	800	800
Total Federal funds Energy and Minerals	BA	**943,342**	**807,940**	**802,348**
	0	899,120	862,178	801,553
Total Trust funds Energy and Minerals	BA	**692**	**800**	**800**
	0	599	800	800
Indian Affairs				
Bureau of Indian Affairs				
Federal funds				
General and Special Funds:				
Operation of Indian programs:				
(Conservation and land management) 302				
(Appropriation, current)	BA	**85,712**	**77,743**	**87,203**
			[A] **7,000**	
(Outlays)	0	82,283	77,720	83,700
			[A] 7,000	
(Area and regional development) 452				
(Appropriation, current)	BA	**482,245**	**469,971**	**505,375**
(Outlays)	0	465,855	469,840	489,218
(Elementary, secondary, and vocational education) 501				
(Appropriation, current)	BA	**270,183**	**254,506**	**256,672**
(Outlays)	0	259,375	254,440	246,466
Total Operation of Indian programs	BA	**838,140**	**809,220**	**849,250**
	0	807,513	809,000	819,384
Indian education assistance 501				
Appropriation, current	BA	**81,680**	**77,852**	**51,119**
			[H] **−6,255**	
Outlays	0	56,419	73,531	71,026
			[H] −2,005	[H] −3,417
Construction 452				
Appropriation, current	BA	**100,182**	**93,628**	**76,200**
				[J] **29,800**
Outlays	0	76,857	85,000	80,000
				[J] 5,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Indian Affairs—Con.				
Bureau of Indian Affairs—Con.				
Impact aid: school construction affecting Indian lands 501				
Appropriation, current	BA	**22,865**	**9,000**	**838**
Outlays	0	10,170	25,350	18,824
Road construction 452				
Appropriation, current	BA	**48,625**	**47,160**	**43,585**
Outlays	0	69,536	53,000	44,325
Eastern Indian land claims settlement fund 806				
Appropriation, current	BA	**81,500**	.....	.....
Outlays	0	81,765	958	.....
Miscellaneous permanent appropriations:				
(Area and regional development) 452				
(Appropriation, permanent, indefinite)	BA	**29,289**	**29,000**	**29,000**
(Outlays)	0	28,035	26,700	27,000
(Other general government) 806				
(Appropriation, current)	BA	**30,000**	.....	.....
(Appropriation, permanent, indefinite)	BA	**844**	**1,000**	**1,000**
(Outlays)	0	30,857	1,000	1,000
Total Miscellaneous permanent appropriations	BA	**60,133**	**30,000**	**30,000**
	0	58,892	27,700	28,000
Public Enterprise Funds:				
Revolving fund for loans 452				
Outlays	0	—1,099	5,200	6,300
Indian loan guaranty and insurance fund 452				
Outlays	0	1,570	2,800	2,700
Liquidation of Hoonah Housing Project revolving fund 452				
Outlays	0	5	.....	.....
Intragovernmental Funds:				
Consolidated working fund 452				
Outlays	0	—19,119	.....	.....
Trust funds				
Miscellaneous trust funds:				
(Area and regional development) 452				
(Appropriation, current)	BA	**2,032**	**3,000**	**3,000**
(Indefinite)	BA	**46,775**	**50,000**	**50,000**
(Appropriation, permanent, indefinite)	BA	**569,114**	**485,400**	**518,200**
(Outlays)	0	362,719	387,800	438,600
(Other general government) 806				
(Appropriation, permanent)	BA	**30,000**	.....	.....
(Outlays)	0	30,000	.....	.....
Total Miscellaneous trust funds	BA	**647,921**	**538,400**	**571,200**
	0	392,719	387,800	438,600
Total Federal funds Bureau of Indian Affairs	BA	**1,233,125**	**1,060,605**	**1,080,792**
	0	1,142,509	1,080,534	1,072,142
Total Trust funds Bureau of Indian Affairs	BA	**647,921**	**538,400**	**571,200**
	0	392,719	387,800	438,600

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Territorial Affairs				
Office of Territorial Affairs				
Federal funds				
General and Special Funds:				
Administration of territories 806				
Appropriation, current	BA	**77,915**	**86,990**	**54,911**
				[K] **3,165**
			[A] **3,402**	
Outlays	0	79,913	82,710	66,928
			[A] 2,930	[A] 472
Trust Territory of the Pacific Islands 806				
Appropriation, current	BA	**94,522**	**76,157**	**75,500**
			[A] **21,000**	
Outlays	0	116,755	99,733	95,655
			[A] 1,400	[A] 5,800
Micronesian claims fund, Trust Territory of the Pacific Islands 806				
Outlays	0	—15	1,676	.....
Payments to the United States territories, fiscal assistance 852				
Appropriation, permanent, indefinite	BA	**66,366**	**54,200**	**54,200**
Outlays	0	113,366	57,359	54,200
Internal revenue collections for the Virgin Islands 852				
Outlays	0	28	231	.....
Total Federal funds Office of Territorial Affairs	BA	**238,803**	**241,749**	**187,776**
	0	310,047	246,039	223,055
Secretarial Offices				
Office of the Solicitor and Office of the Secretary				
Federal funds				
General and Special Funds:				
Office of the Solicitor, salaries and expenses 306				
Appropriation, current	BA	**17,908**	**17,600**	**19,071**
Outlays	0	17,359	17,071	18,498
Departmental management 306				
Appropriation, current	BA	**41,108**	**40,213**	**44,157**
Outlays	0	44,412	38,464	42,172
Construction management 306				
Appropriation, current	BA	**8,789**	**3,840**	.....
Outlays	0	1,416	4,500	4,000
Office of Inspector General, salaries and expenses 306				
Appropriation, current	BA	**9,119**	**10,219**	**11,400**
Outlays	0	7,227	9,485	10,700
Youth conservation corps 302				
Appropriation, current	BA	**26,000**	**4,200**	.....
Outlays	0	19,220	7,002	.....
Salaries and expenses (special foreign currency program) 306				
Outlays	0	704	450	550

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.				
Secretarial Offices—Con.				
Office of the Solicitor and Office of the Secretary—Con.				
Intragovernmental Funds:				
Working capital fund 306				
Outlays	0	−2,532	.....	.....
Consolidated working fund, Office of the Secretary 306				
Outlays	0	6,807	.....	.....
Total Federal funds Office of the Solicitor and Office of the Secretary	BA	**102,924**	**76,072**	**74,628**
	0	94,613	76,972	75,920
Energy Programs				
Federal funds				
General and Special Funds:				
Administrative support for energy programs:				
(Energy supply) 271				
(Appropriation, current)	BA	**2,024**	**2,426**	**1,825**
(Outlays)	0	2,024	2,426	1,825
Naval petroleum and oil shale reserve 271				
Appropriation, current	BA	**216,713**	**213,142**	**232,500**
Outlays	0	147,676	294,443	274,500
Strategic petroleum reserve 274				
Appropriation, current	BA	**2,790,507**	**191,432**	**242,118**
Outlays	0	3,313,985	227,402	302,400
Strategic petroleum reserve entitlements and royalties 274				
Appropriation, current	BA	**542,146**	.....	.....
Outlays	0	508,321	.....	.....
General and Special Funds:				
Operation and maintenance, Alaska Power Administration 271				
Appropriation, current	BA	**3,069**	**3,538**	**2,809**
Outlays	0	2,960	3,496	2,809
Operation and maintenance, Southeastern Power Administration 271				
Appropriation, current	BA	**1,552**	**7,237**	**11,848**
Outlays	0	1,552	6,931	11,462
Continuing fund, Southeastern Power Administration 271				
Appropriation, permanent	BA	**261**	**50**	.....
Outlays	0	207	104	.....
General and Special Funds:				
Operation and maintenance, Southwestern Power Administration 271				
Appropriation, current	BA	**28,208**	**21,269**	**34,290**
Outlays	0	32,930	29,285	34,290
Continuing fund, Southwestern Power Administration 271				
Appropriation, current	BA	**107**	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.					
Energy Programs—Con.					
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	271				
Appropriation, current		BA	**138,502**	**210,774**	**207,200**
Outlays		0	148,964	210,371	207,200
Emergency fund, Western Area Power Administration	271				
Appropriation, current		BA	**200**	**500**	**500**
Outlays		0	355	500	500
Public Enterprise Funds:					
Colorado river basins power marketing fund, Western Area Power Administration	271				
Appropriation, current		BA	**3,548**	.....	.....
Outlays		0	—17,751	—2,049	—5,000
Bonneville Power Administration fund	271				
Authority to borrow, current		BA	.....	.....	**276,000**
Authority to borrow, permanent, indefinite		BA	.....	**279,720**	**179,000**
Outlays		0	—5,027	—55,100	265,000
Total Federal funds Energy Programs		BA	**3,726,837**	**930,088**	**1,188,090**
		0	4,136,196	717,809	1,094,986
Summary					
Federal funds:					
(As shown in detail above)		BA	**9,388,071**	**6,290,201**	**6,672,715**
		0	10,047,836	6,648,256	6,805,079
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA			
		0	*—21,043*	*—24,000*	*—24,000*
	271	BA			
		0	*—1,280,580*	*—1,461,629*	*—1,453,280*
	274	BA			
		0	*—542,146*	.....	.....
	300	BA			
		0	*—1,151,361*	*—1,849,093*	*—1,878,842*
		BA			
		0			[1] *—21,573*
	301	BA			
		0	*—23*	*—30*	*—30*
	302	BA			
		0	*—12,107*	*—12,600*	*—14,000*
	450	BA			
		0	*—29,944*	*—29,433*	*—29,433*
	500	BA			
		0	*—59*	*—35*	*—35*
	800	BA			
		0	.....	*—2,000*	.....
	902	BA			
		0	*—5,843*	*—4,743*	*—4,753*
Total Federal funds		BA	**6,344,965**	**2,906,638**	**3,246,769**
		0	7,004,730	3,264,693	3,379,133

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Interior—Con.					
Summary—Con.					
Trust funds:					
(As shown in detail above)		BA	**648,798**	**553,458**	**591,950**
		0	405,290	405,558	459,341
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—6,969*	*—8,352*	*—13,800*
	302	BA			
		0	*—1,068*	*—700*	*—700*
	303	BA			
		0	*—3,327*	*—3,442*	*—3,750*
	306	BA			
		0	*—692*	*—800*	*—800*
	452	BA			
		0	*—285,187*	*—319,840*	*—342,585*
	902	BA			
		0	*—107,385*	*—122,900*	*—131,800*
Total Trust funds		BA	**244,170**	**97,424**	**98,515**
		0	662	—50,476	—34,094
Interfund transactions	452	BA			
		0	**—81,500**	.....	.....
	806	BA			
		0	**—149,059**	**—75,000**	**—75,000**
Total Department of the Interior		BA	**6,358,576**	**2,929,062**	**3,270,284**
		0	6,774,833	3,139,217	3,270,039
Department of Justice					
General Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**37,913**	**41,233**	**40,220**
Outlays		0	36,940	40,222	39,218
Intragovernmental Funds:					
Consolidated working fund	751				
Outlays		0	16	.....	.....
Working capital fund	751				
Outlays		0	1,303	—394	313
Total Federal funds General Administration		BA	**37,913**	**41,233**	**40,220**
		0	38,259	39,828	39,531
United States Parole Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**6,115**	**6,200**	**6,856**
Outlays		0	6,514	6,076	6,719

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Justice—Con.				
Legal Activities				
Federal funds				
General and Special Funds:				
Salaries and expenses, General Legal Activities 752				
Appropriation, current	BA	**120,050**	**123,200**	**136,565**
Outlays	0	120,159	120,788	133,830
Salaries and expenses, Civil rights activities 751				
Appropriation, current	BA	**1,153**	**1,294**	**1,299**
Outlays	0	1,081	1,187	1,270
Salaries and expenses, Antitrust Division 752				
Appropriation, current	BA	**44,862**	**44,000**	**46,466**
Outlays	0	49,386	43,340	45,769
Petroleum regulatory activities 276				
Appropriation, current	BA	**109,506**	**9,040**	**17,900**
Reappropriation	BA	**31,571**	.....	.....
			[A] **1,500**	
Outlays	0	66,627	43,183	18,875
			[A] −1,500	[A] 1,500
Administrative support for petroleum regulatory activities 276				
Appropriation, current	BA	**2,258**	**2,348**	**2,348**
Outlays	0	2,258	2,348	2,348
Salaries and expenses, Foreign Claims Settlement Commission 153				
Appropriation, current	BA	**22**	**705**	**820**
Outlays	0	803	723	803
Payment of Vietnam and U.S.S. Pueblo prisoner of war claims 153				
Outlays	0	15	85	.....
Salaries and expenses, United States Attorneys and Marshals 752				
Appropriation, current	BA	**277,917**	**291,950**	**320,945**
			[A] **4,000**	
Outlays	0	289,243	277,272	319,900
			[A] 3,920	[A] 80
Support of United States prisoners 752				
Appropriation, current	BA	**22,600**	**24,100**	**30,704**
Outlays	0	23,020	23,385	29,658
Fees and expenses of witnesses 752				
Appropriation, current	BA	**33,200**	**27,921**	**35,400**
Outlays	0	29,527	27,363	34,812
Salaries and expenses, Community Relations Service 752				
Appropriation, current	BA	**5,543**	**5,500**	**5,926**
Outlays	0	5,667	5,489	5,908
Total Federal funds Legal Activities	BA	**648,682**	**535,558**	**598,373**
	0	587,786	547,583	594,753

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Justice—Con.				
Federal Bureau of Investigation				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**674,521**	**739,609**	**799,331**
Outlays	0	691,176	739,016	797,676
Immigration and Naturalization Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**366,017**	**428,557**	**524,599**
Outlays	0	390,536	423,931	520,742
Drug Enforcement Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**215,300**	**230,849**	**246,945**
Outlays	0	216,751	227,028	242,136
Federal Prison System				
Federal funds				
General and Special Funds:				
Salaries and expenses 753				
Appropriation, current	BA	**341,865**	**353,000**	**376,533**
Outlays	0	348,546	351,984	374,718
National Institute of Corrections 754				
Appropriation, current	BA	**9,894**	**11,186**	**11,054**
Outlays	0	11,026	10,492	12,539
Buildings and facilities 753				
Appropriation, current	BA	**10,020**	**13,731**	**6,667**
Outlays	0	16,401	24,048	10,961
Intragovernmental Funds:				
Federal Prison Industries, Incorporated 753				
Outlays	0	—4,426	.....	.....
Limitation on administrative expenses		(1,948)	(2,365)	(2,524)
Limitation on vocational expenses		(2,782)	(2,701)	(6,216)
Trust funds				
Commissary funds, Federal prisons (trust revolving fund) 753				
Outlays	0	34	.....	.....
Total Federal funds Federal Prison System	BA	**361,779**	**377,917**	**394,254**
	0	371,547	386,524	398,218
Total Trust funds Federal Prison System	0	34	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Justice—Con.					
Office of Justice Assistance, Research and Statistics					
Federal funds					
General and Special Funds:					
Law enforcement assistance	754				
Appropriation, current		BA	**124,244**	**93,554**	**18,514**
Outlays		0	430,730	269,649	110,291
Research and statistics	754				
Appropriation, current		BA	**35,153**	**35,000**	**37,142**
Outlays		0	31,692	37,537	39,245
Public Enterprise Funds:					
Revolving fund	754				
Outlays		0	—92	150	128
Total Federal funds Office of Justice Assistance, Research and Statistics		BA	**159,397**	**128,554**	**55,656**
		0	462,330	307,336	149,664
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,469,724**	**2,488,477**	**2,666,234**
		0	2,764,899	2,677,322	2,749,439
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA	*—9,616*	*—31,416*	*—19,377*
		0			
	806	BA	*—7*	.....	.....
		0			
	902	BA	*—2,869*	*—2,869*	*—2,869*
		0			
Total Federal funds		BA	**2,457,232**	**2,454,192**	**2,643,988**
		0	2,752,407	2,643,037	2,727,193
Trust funds:					
(As shown in detail above)		0	34	.....	.....
Total Department of Justice		BA	**2,457,232**	**2,454,192**	**2,643,988**
		0	2,752,441	2,643,037	2,727,193
Department of Labor					
Employment and Training Administration					
Federal funds					
General and Special Funds:					
Program administration	504				
Appropriation, current		BA	**93,826**	**74,106**	**81,068**
				[A] **8,742**	
Outlays		0	91,961	76,359	80,878
				[A] 8,180	[A] 512

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Labor—Con.				
Employment and Training Administration—Con.				
Employment and training assistance 504				
Appropriation, current	BA	**7,142,973**	**3,023,201**	
			[A] **−19,781**	
				[J] **2,387,000**
Outlays	0	6,847,695	4,210,421	777,869
				[J] 1,400,000
Community service employment for older Americans 504				
Appropriation, current	BA	**277,100**	**66,528**	
Outlays	0	262,750	267,678	6,000
Temporary employment assistance 504				
Appropriation, current	BA	**431,044**		
Outlays	0	852,238	55,430	
Federal unemployment benefits and allowances 603				
Appropriation, current	BA	**1,875,060**	**306,000**	**178,000**
				[L] **−143,000**
Outlays	0	1,836,499	316,000	178,000
			[L] −32,000	[L] −143,000
Grants to States for unemployment insurance and employment services 504				
Appropriation, current	BA	**24,500**	**19,272**	**13,800**
Outlays	0	50,740	−6,968	13,800
Advances to the unemployment trust fund and other funds:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	**490,423**	**235,000**	**62,000**
(Outlays)	0	554,778	235,000	62,000
(Unemployment compensation) 603				
(Appropriation, current)	BA	**1,190,154**	**2,133,000**	**4,510,000**
			[A] **1,947,000**	
(Appropriation, permanent)	BA	**400,000**		
(Outlays)	0	1,590,154	2,133,000	4,510,000
			[A] 1,947,000	
Total Advances to the unemployment trust fund and other funds	BA	**2,080,577**	**4,315,000**	**4,572,000**
	0	2,144,932	4,315,000	4,572,000
Intragovernmental Funds:				
Consolidated working fund 504				
Outlays	0	2,390		
Trust funds				
Gifts and bequests 504				
Appropriation, permanent, indefinite	BA		**100**	**100**
Outlays	0	−1,134	100	100
Unemployment trust fund:				
(Training and employment) 504				
(Appropriation, permanent, indefinite)	BA	**774,459**	**527,426**	**473,445**
(Outlays)	0	753,428	553,666	473,445

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Labor—Con.				
Employment and Training Administration—Con.				
(Unemployment compensation) 603				
(Appropriation, current, indefinite)	BA		[A] **1,947,000**	
(Appropriation, permanent, indefinite)	BA	**17,329,049**	**18,825,574**	**22,926,555**
(Outlays)	0	17,985,668	22,766,557	23,226,555
			[A] 2,079,777	
				[J] —6,000
Total Unemployment trust fund	BA	**18,103,508**	**21,300,000**	**23,400,000**
	0	18,739,096	25,400,000	23,694,000
Total Federal funds Employment and Training Administration	BA	**11,925,080**	**7,793,068**	**7,088,868**
	0	12,089,205	9,210,100	6,886,059
Total Trust funds Employment and Training Administration	BA	**18,103,508**	**21,300,100**	**23,400,100**
	0	18,737,962	25,400,100	23,694,100
Labor-Management Services Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**60,506**	**52,800**	**60,153**
			[A] **1,157**	
Outlays	0	56,251	55,020	59,932
			[A] 1,017	[A] 140
Pension Benefit Guaranty Corporation				
Federal funds				
Public Enterprise Funds:				
Pension Benefit Guaranty Corporation fund 601				
Outlays	0	—29,013	—63,181	—47,980
Employment Standards Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**170,651**	**148,970**	**169,296**
			[A] **4,259**	
Outlays	0	172,492	148,241	167,371
			[A] 4,131	[A] 128
Special benefits:				
(General retirement and disability insurance) 601				
(Appropriation, current)	BA	**3,012**	**3,966**	**3,600**
(Outlays)	0	2,216	3,966	3,600

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Labor—Con.				
Employment Standards Administration—Con.				
(Federal employee retirement and disability) 602				
(Appropriation, current)	BA	**279,035**	**344,926**	**394,000**
				[L] **—58,000**
(Outlays)	0	237,530	268,519	394,000
				[L] —58,000
Total Special benefits	BA	**282,047**	**348,892**	**339,600**
	0	239,746	272,485	339,600
Trust funds				
Black lung disability trust fund 601				
Appropriation, current	BA	**737,664**	**769,244**	**673,544**
Indefinite	BA	**372**	**756**	**756**
Outlays	0	679,873	854,265	674,300
Special workers' compensation expenses 601				
Appropriation, permanent, indefinite	BA	**25,862**	**29,500**	**36,900**
Outlays	0	16,998	23,700	31,700
Total Federal funds Employment Standards Administration	BA	**452,698**	**502,121**	**508,896**
	0	412,238	424,857	507,099
Total Trust funds Employment Standards Administration	BA	**763,898**	**799,500**	**711,200**
	0	696,871	877,965	706,000
Occupational Safety and Health Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**209,376**	**192,538**	**206,256**
Outlays	0	194,847	191,934	202,455
Intragovernmental Funds:				
Consolidated working fund 554				
Outlays	0	448	.....	.....
Total Federal funds Occupational Safety and Health Administration	BA	**209,376**	**192,538**	**206,256**
	0	195,295	191,934	202,455
Mine Safety and Health Administration				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**152,213**	**149,313**	**138,828**
			[H] **—4,095**	
				[J] **—8,835**
Outlays	0	151,618	141,031	140,811
				[J] —8,128

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Labor—Con.				
Mine Safety and Health Administration—Con.				
Intragovernmental Funds:				
Consolidated working fund 554				
Outlays	0	3	.....	.....
Trust funds				
Contributed funds 554				
Outlays	0	19	.....	.....
Total Federal funds Mine Safety and Health Administration	BA	**152,213**	**145,218**	**129,993**
	0	151,621	141,031	132,683
Total Trust funds Mine Safety and Health Administration	0	19	.....	.....
Bureau of Labor Statistics				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**111,081**	**103,946**	**120,143**
			[A] 5,623	
Outlays	0	108,456	102,988	118,576
			[A] 5,192	[A] 353
Intragovernmental Funds:				
Consolidated working fund 505				
Outlays	0	149	.....	.....
Trust funds				
Special statistical work 505				
Outlays	0	22	.....	.....
Total Federal funds Bureau of Labor Statistics	BA	**111,081**	**109,569**	**120,143**
	0	108,605	108,180	118,929
Total Trust funds Bureau of Labor Statistics	0	22	.....	.....
Departmental Management				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**114,019**	**122,692**	**128,865**
				[K] 973
Outlays	0	110,825	123,918	129,505
Special foreign currency program 505				
Appropriation, current	BA	**70**	**67**	**200**
Outlays	0	107	94	200
Intragovernmental Funds:				
Working capital fund 505				
Outlays	0	—7,048	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Labor—Con.					
Departmental Management—Con.					
Consolidated working fund	505				
Outlays		0	1,679	.....	.....
Total Federal funds Departmental Management...		BA	**114,089**	**122,759**	**130,038**
		0	105,563	124,012	129,705
Summary					
Federal funds:					
(As shown in detail above)		BA	**13,025,043**	**8,919,230**	**8,244,347**
		0	13,089,765	10,192,970	7,989,022
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—1,879*	*—491*	*—491*
	550	BA			
		0	*—119*	*—120*	*—120*
	609	BA			
		0	*—2,664*	*—3,289*	*—3,289*
	902	BA			
		0	*—3,907*	*—4,100*	*—629,100*
Total Federal funds		BA	**13,016,474**	**8,911,230**	**7,611,347**
		0	13,081,196	10,184,970	7,356,022
Trust funds:					
(As shown in detail above)		BA	**18,867,406**	**22,099,600**	**24,111,300**
		0	19,434,874	26,278,065	24,400,100
Deductions for offsetting receipts:					
Intrafund transactions	601	BA			
		0	.....	.....	.....
Proprietary receipts from the public	902	BA			
		0	*—316*	.....	.....
Total Trust funds		BA	**18,867,090**	**22,099,600**	**24,111,300**
		0	19,434,558	26,278,065	24,400,100
Interfund transactions	601	BA			
		0	**—554,778**	**—235,000**	**—62,000**
	603	BA			
		0	**—1,877,154**	**—4,152,900**	**—5,242,830**
Total Department of Labor		BA	**29,451,632**	**26,622,930**	**26,417,817**
		0	30,083,822	32,075,135	26,451,292

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of State				
Administration of Foreign Affairs				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	**852,639**	.....	.....
			[K] **890,758**	[K] **1,021,537**
			[B] **7,996**	
Reappropriation	BA	**7,880**	.....	.....
Outlays	0	764,517	824,401	968,625
			[B] 6,397	[B] 1,599
Representation allowances 153				
Appropriation, current	BA	**3,125**	.....	.....
			[K] **3,570**	[K] **3,876**
Outlays	0	3,010	3,509	3,790
Acquisition, operation, and maintenance of buildings abroad 153				
Appropriation, current	BA	**114,127**	.....	.....
			[K] **185,970**	[K] **190,040**
Outlays	0	90,479	151,410	163,800
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153				
Appropriation, current	BA	**5,505**	.....	.....
			[K] **9,102**	[K] **9,960**
Outlays	0	9,275	15,100	16,480
Emergencies in the diplomatic and consular service 153				
Appropriation, current	BA	**5,000**	.....	.....
			[K] **4,400**	[K] **4,400**
Outlays	0	2,253	4,268	4,400
Buying power maintenance 153				
Appropriation, current	BA		[K] **1,500**	[K] **15,000**
Payment to the American Institute in Taiwan 153				
Appropriation, current	BA	**6,557**	.....	.....
			[K] **7,884**	[K] **8,744**
Outlays	0	5,663	7,624	8,633
Payment to the Foreign Service retirement and disability fund 153				
Appropriation, current	BA	**54,597**	.....	.....
			[K] **73,197**	[K] **91,312**
			[A] **4,615**	
Appropriation, permanent, indefinite	BA	**189,500**	**204,400**	**217,100**
Outlays	0	244,097	277,597	308,412
			[A] 4,615	
Intragovernmental Funds:				
Working capital fund 153				
Outlays	0	5	.....	.....
Consolidated working fund 153				
Outlays	0	96	170	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of State—Con.				
Administration of Foreign Affairs—Con.				
Trust funds				
Foreign Service retirement and disability fund 602				
Appropriation, current, indefinite	BA		[A] 5,646	
Appropriation, permanent, indefinite	BA	**392,636**	**427,659**	**462,525**
Outlays	O	168,097	185,659	206,068
Miscellaneous trust funds 153				
Appropriation, permanent, indefinite	BA	**1,562**	**1,500**	**1,500**
Outlays	O	1,852	900	900
Total Federal funds Administration of Foreign Affairs	BA	**1,238,930**	**1,393,392**	**1,561,969**
	O	1,119,395	1,295,091	1,475,739
Total Trust funds Administration of Foreign Affairs	BA	**394,198**	**434,805**	**464,025**
	O	169,949	186,559	206,968
International Organizations and Conferences				
Federal funds				
General and Special Funds:				
Contributions to international organizations 153				
Appropriation, current	BA	**375,941**	.....	.....
			[K] **398,240**	[K] **438,515**
Outlays	O	382,559	406,986	512,713
Contributions for international peacekeeping activities 153				
Appropriation, current	BA	**50,000**	.....	.....
			[K] **60,938**	[K] **60,000**
Outlays	O	50,000	59,844	60,094
Missions to international organizations 153				
Outlays	O	1,321	.....	.....
International conferences and contingencies 153				
Appropriation, current	BA	**7,000**	.....	.....
			[K] **7,284**	[K] **9,576**
Outlays	O	6,535	7,500	8,745
International trade negotiations 153				
Outlays	O	20	33	.....
Trust funds				
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation 153				
Appropriation, permanent, indefinite	BA	**206**	**50**	**50**
Outlays	O	209	50	50
Total Federal funds International Organizations and Conferences	BA	**432,941**	**466,462**	**508,091**
	O	440,435	474,363	581,552
Total Trust funds International Organizations and Conferences	BA	**206**	**50**	**50**
	O	209	50	50

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of State—Con.				
International Commissions				
Federal funds				
General and Special Funds:				
International Boundary and Water Commission, United States and Mexico:				
Salaries and expenses 301				
Appropriation, current	BA	**8,252**		
			[K] **7,927**	[K] **8,754**
Outlays	0	8,027	7,967	8,638
Construction 301				
Appropriation, current	BA	**5,752**		
			[K] **1,186**	
Outlays	0	6,776	13,678	10,600
American sections, international commissions 301				
Appropriation, current	BA	**3,025**		
			[K] **2,847**	[K] **2,918**
Outlays	0	2,587	3,120	2,624
International fisheries commissions 302				
Appropriation, current	BA	**8,038**		
			[K] **8,237**	[K] **8,526**
Outlays	0	7,990	8,237	8,526
Total Federal funds International Commissions	BA	**25,067**	**20,197**	**20,198**
	0	25,380	33,002	30,388
Other				
Federal funds				
General and Special Funds:				
Migration and refugee assistance 151				
Appropriation, current	BA	**438,741**		
			[K] **503,000**	[K] **419,000**
Outlays	0	379,533	458,065	446,400
United States emergency refugee and migration assistance fund 151				
Appropriation, current	BA	**35,000**		
Outlays	0	4,428	7,235	8,500
International narcotics control 151				
Appropriation, current	BA	**35,973**	**36,700**	**37,700**
				[K] **2,300**
Outlays	0	28,384	41,099	39,000
U.S. bilateral science and technology agreements 153				
Appropriation, current	BA	**1,400**		
			[K] **3,700**	[K] **3,700**
Outlays	0	1,400	3,700	3,700
Payment to the Asia Foundation 153				
Appropriation, current	BA	**4,100**	**4,100**	
Outlays	0	3,135	5,065	
Special assistance to refugees from Cambodia and Vietnam 609				
Outlays	0	—8		
International Center, Washington, D.C. 153				
Appropriation, permanent, indefinite	BA	**1,418**	**800**	**1,499**
Outlays	0	1,371	1,518	1,760

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of State—Con.					
Other—Con.					
General and Special Funds:					
Anti-terrorism assistance	152				
Appropriation, current		BA			[1] 5,000
Outlays		0			[1] 4,000
Total Federal funds Other		BA	**516,632**	**548,300**	**469,199**
		0	418,243	516,682	503,360
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,213,570**	**2,428,351**	**2,559,457**
		0	2,003,453	2,319,138	2,591,039
Deductions for offsetting receipts:					
Proprietary receipts from the public	150	BA			
		0	*—2,956*	*—2,793*	*—3,492*
	271	BA			
		0	*—331*	*—3,093*	*—2,400*
	300	BA			
		0	*—19*	*—19*	*—19*
	400	BA			
		0	*—404*	*—404*	*—404*
	902	BA			
		0	*—277*	*—277*	*—277*
Total Federal funds		BA	**2,209,583**	**2,421,765**	**2,552,865**
		0	1,999,466	2,312,552	2,584,447
Trust funds:					
(As shown in detail above)		BA	**394,404**	**434,855**	**464,075**
		0	170,158	186,609	207,018
Deductions for offsetting receipts:					
Intrafund transactions	602	BA			
		0	*—289*	*—280*	*—270*
Total Trust funds		BA	**394,115**	**434,575**	**463,805**
		0	169,869	186,329	206,748
Interfund transactions	153	BA			
		0	**—271,949**	**—315,795**	**—343,815**
	803	BA			
		0	**—20**	.....	.....
Total Department of State		BA	**2,331,729**	**2,540,545**	**2,672,855**
		0	1,897,366	2,183,086	2,447,380
Department of Transportation					
Federal Highway Administration					
Federal funds					
General and Special Funds:					
Motor carrier safety	401				
Appropriation, current		BA	**14,350**	**12,893**	**12,705**
Outlays		0	14,337	13,092	13,985

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Federal Highway Administration—Con.				
Highway beautification 401				
Appropriation, current	BA	**6,600**	**500**	.....
Outlays	0	16,268	18,050	13,665
Darien Gap Highway 151				
Outlays	0	901	914	740
Territorial highways 401				
Appropriation, current	BA	**6,600**	**3,000**	.....
Outlays	0	3,669	9,730	7,808
Railroad-highway crossings demonstration projects 401				
Appropriation, current	BA	.....	**7,668**	.....
Outlays	0	4,768	6,263	8,229
Access highways to public recreation areas on certain lakes 401				
Appropriation, current	BA	**16,525**	.....	.....
Reappropriation	BA	**4,798**	.....	.....
Outlays	0	5,999	4,013	7,958
Interstate transfer grants - highways 401				
Appropriation, current	BA	.....	**288,000**	.....
Outlays	0	.....	48,000	151,000
Miscellaneous appropriations 401				
Liquidation of contract authority, current		(5,000)	(2,100)	.....
Outlays	0	129,297	65,564	49,857
Trust funds				
Federal-aid highways (trust fund) 401				
Contract authority, current	BA	**33,959**	**485,000**	.....
Contract authority, permanent	BA	**9,011,044**	**7,786,387**	**4,580,000**
				[K] **3,220,000**
Liquidation of contract authority, current		(8,750,000)	(8,000,000)	(8,200,000)
Outlays	0	8,821,554	8,024,000	8,026,000
Limitation on general operating expenses		(196,282)	(192,440)	(191,562)
Interstate transfer grants - highways 401				
Appropriation, current	BA	.....	.....	**150,000**
Outlays	0	.....	.....	25,000
Highway-related safety grants 401				
Contract authority, current	BA	**—40,000**	.....	**—10,000**
			[H] **—9,623**	
Contract authority, permanent	BA	**24,673**	**10,000**	**10,000**
Liquidation of contract authority, current		(29,500)	(23,300)	(22,998)
Outlays	0	29,735	17,190	14,593
Trust fund share of other highway programs 401				
Appropriation, current	BA	.....	**9,667**	.....
Contract authority, permanent	BA	**25,000**	**25,000**	.....
Liquidation of contract authority, current		(16,000)	(18,900)	.....
Outlays	0	44,333	27,559	16,311
Highway safety research and development 401				
Appropriation, current	BA	**9,000**	**4,860**	**8,600**
Outlays	0	9,173	8,130	8,630
Appalachian highway system 401				
Appropriation, current	BA			[J] **80,000**
Outlays	0			[J] 4,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Federal Highway Administration—Con.				
Miscellaneous trust funds 151				
Appropriation, permanent	BA	**2,738**	**6,550**	**6,550**
Contract authority, permanent	BA	**1,004**	.....	.....
Liquidation of contract authority, permanent		(410)	(1,333)	.....
Outlays	0	4,368	6,030	6,384
Miscellaneous trust funds--Highway 401				
Appropriation, current	BA	**1,000**	.....	.....
Outlays	0	39,501	19,658	15,589
Right-of-way revolving fund (trust revolving fund) 401				
Liquidation of contract authority, current		.....	(25,000)	.....
Outlays	0	7,425	45,000	.....
Total Federal funds Federal Highway Administration	BA	**48,873**	**312,061**	**12,705**
	0	175,239	165,626	253,242
Total Trust funds Federal Highway Administration	BA	**9,068,418**	**8,317,841**	**8,045,150**
	0	8,956,089	8,147,567	8,116,507
National Highway Traffic Safety Administration				
Federal funds				
General and Special Funds:				
Operations and research 401				
Appropriation, current	BA	**58,912**	**51,060**	**4,705** [K] **53,580**
Outlays	0	55,108	60,370	56,150
State and community highway safety 401				
Appropriation, current	BA	**12,593**	.....	.....
Outlays	0	1,285	7,500	1,448
Trust funds				
Trust fund share of highway safety programs 401				
Appropriation, current	BA	**52,963**	**23,840**	**23,315**
Contract authority, current	BA	**—133,000**	**—100,000**	.....
Contract authority, permanent	BA	**199,907**	**202,500**	**101,500**
Liquidation of contract authority, current		(163,800)	(150,200)	(103,552)
Outlays	0	221,754	194,564	126,722
Gifts and donations 401				
Outlays	0	.....	6	.....
Total Federal funds National Highway Traffic Safety Administration	BA	**71,505**	**51,060**	**58,285**
	0	56,393	67,870	57,598
Total Trust funds National Highway Traffic Safety Administration	BA	**119,870**	**126,340**	**124,815**
	0	221,754	194,570	126,722

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Federal Railroad Administration				
Federal funds				
General and Special Funds:				
Office of the administrator 401				
Appropriation, current	BA	**8,338**	**7,022**	**15,600**
Outlays	O	7,774	6,957	13,800
Railroad safety 401				
Appropriation, current	BA	**27,250**	**24,176**	.....
				[K] **29,300**
Outlays	O	29,324	27,442	29,000
Railroad research and development 401				
Appropriation, current	BA	**50,000**	**30,000**	**20,000**
Outlays	O	55,070	30,069	19,500
Rail service assistance 401				
Appropriation, current	BA	**119,423**	**14,500**	**31,675**
Authority to borrow, current	BA	**1,738**	**10,593**	.....
Outlays	O	69,836	102,693	105,812
Conrail labor assistance 603				
Appropriation, current	BA	**69,000**	.....	**20,000**
Appropriation, permanent	BA	**61,600**	.....	.....
Outlays	O	137,100	155,000	75,000
Commuter rail transfer 401				
Appropriation, current	BA	.....	**60,000**	.....
Outlays	O	.....	25,000	35,000
Settlements of railroad litigation 401				
Authority to borrow, current	BA	**2,126,069**	**803,000**	.....
Outlays	O	2,126,069	803,000	.....
Northeast corridor improvement program 401				
Appropriation, current	BA	**350,000**	**170,000**	**115,000**
Outlays	O	218,244	319,500	319,900
Grants to National Railroad Passenger Corporation 401				
Appropriation, current	BA	**881,000**	**569,000**	**600,000**
Appropriation, permanent	BA	.....	**166,000**	.....
Outlays	O	851,431	819,869	610,000
Public Enterprise Funds:				
Alaska Railroad revolving fund 401				
Appropriation, current	BA	**12,640**	**6,160**	.....
Outlays	O	3,863	6,797	11,778
Railroad rehabilitation and improvement financing funds 401				
Authority to borrow, current	BA	**23,766**	**64,300**	.....
Outlays	O	142,506	91,345	61,000
Total Federal funds Federal Railroad Administration	BA	**3,730,824**	**1,924,751**	**831,575**
	O	3,641,217	2,387,672	1,280,790

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Urban Mass Transportation Administration				
Federal funds				
General and Special Funds:				
Urban mass transportation fund 401				
Appropriation, current	BA	**4,661,540**	**3,494,738**	**2,061,000**
				[K] **1,089,075**
Liquidation of contract authority, current		(1,500,000)	(1,200,000)	(681,135)
Outlays	0	3,855,407	3,742,098	3,154,952
Federal Aviation Administration				
Federal funds				
General and Special Funds:				
Operations 402				
Appropriation, current	BA	**1,815,400**	**1,295,000**	**534,806**
			[A] **120,200**	
Outlays	0	1,804,553	1,282,925	500,214
			[A] 120,200	
Facilities, engineering and development 402				
Appropriation, current	BA	**21,155**	**8,797**	.....
Outlays	0	15,742	17,881	4,470
Operation and maintenance, Metropolitan Washington Airports 402				
Appropriation, current	BA	**29,208**	**29,982**	**31,955**
Outlays	0	28,471	29,227	31,159
Construction, Metropolitan Washington Airports 402				
Appropriation, current	BA	**16,200**	**26,700**	**13,080**
Outlays	0	6,423	25,700	31,050
Civil supersonic aircraft development termination 402				
Outlays	0	130	.....	.....
Safety regulation 402				
Outlays	0	42	.....	.....
Public Enterprise Funds:				
Aviation insurance revolving fund 402				
Outlays	0	−2,751	−2,291	−2,064
Trust funds				
Grants-in-aid for airports (Airport and airway trust fund) 402				
Contract authority, current	BA	**450,000**	.....	.....
			[J] **450,000**	[J] **450,000**
Reappropriation	BA	**120,461**	.....	.....
Liquidation of contract authority, current		(595,000)	(471,000)	(234,000)
Outlays	0	469,043	475,000	249,100
				[J] 125,000
Facilities and equipment (Airport and airway trust fund) 402				
Appropriation, current	BA	**350,000**	**260,847**	.....
				[K] **425,000**
				[J] **300,000**
Outlays	0	252,414	258,000	285,000
				[J] 35,270

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Federal Aviation Administration—Con.				
Research, engineering and development (Airport and airway trust fund) 402				
Appropriation, current	BA	**85,000**	**55,800**	.....
				[K] **110,000**
			[A] **16,000**	
				[J] **23,500**
Outlays	0	89,140	58,648	87,837
			[A] 8,000	[A] 7,200
				[J] 6,000
Operations (Airport and airway trust fund) 402				
Appropriation, current	BA	**525,000**	**800,000**	.....
				[K] **2,015,000**
Outlays	0	495,218	800,000	2,015,000
Total Federal funds Federal Aviation Administration	BA	**1,881,963**	**1,480,679**	**579,841**
	0	1,852,610	1,473,642	564,829
Total Trust funds Federal Aviation Administration	BA	**1,530,461**	**1,582,647**	**3,323,500**
	0	1,305,815	1,599,648	2,810,407
Coast Guard				
Federal funds				
General and Special Funds:				
Operating expenses 403				
Appropriation, current	BA	**1,336,973**	**1,356,356**	.....
				[K] **1,510,353**
			[A] **30,500**	
Outlays	0	1,290,414	1,314,967	1,473,353
			[A] 30,500	
Acquisition, construction, and improvements 403				
Appropriation, current	BA	**333,985**	**684,000**	.....
				[K] **19,200**
Outlays	0	223,775	299,387	304,020
Alteration of bridges 403				
Appropriation, current	BA	**15,850**	**8,000**	.....
Outlays	0	19,242	15,974	1,000
Retired pay 403				
Appropriation, current	BA	**244,000**	**279,000**	**336,000**
Outlays	0	239,205	279,000	336,000
Reserve training 403				
Appropriation, current	BA	**49,483**	**49,483**	**11,684**
				[K] **38,410**
Outlays	0	46,769	49,483	50,094
Research, development, test, and evaluation 403				
Appropriation, current	BA	**25,000**	**18,000**	.....
				[K] **15,000**
Outlays	0	25,867	21,000	15,621
State boating safety assistance 403				
Outlays	0	62	1	.....
Allowance for military pay raises 403				
Appropriation, current	BA		[I] **75,000**	[I] **53,275**
Outlays	0		[I] 75,000	[I] 53,275

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Coast Guard—Con.				
National recreational boating safety and facilities improvement fund 403				
Appropriation, current, indefinite	BA	.....	.....	**5,000**
Outlays	0	.....	.....	5,000
Pollution fund 304				
Appropriation, current	BA	**15,000**	.....	.....
Appropriation, permanent, indefinite	BA	**7,100**	**7,000**	**7,000**
Outlays	0	23,768	13,650	9,980
Offshore oil pollution compensation fund 304				
Appropriation, current	BA	.....	**2,000**	.....
Indefinite	BA	**576**	.....	**1,000**
Outlays	0	—667	1,471	916
Deepwater port liability fund 304				
Appropriation, current	BA	**5,000**	**2,000**	.....
Indefinite	BA	.....	.....	**1,000**
Outlays	0	—181	1,880	988
Intragovernmental Funds:				
Coast Guard supply fund 403				
Appropriation, current	BA	**1,500**	**1,320**	.....
Outlays	0	—394	1,320	400
Coast Guard yard fund 403				
Outlays	0	—14,154	27,239	2,000
Trust funds				
Coast Guard general gift fund 403				
Appropriation, permanent, indefinite	BA	**79**	**80**	**80**
Outlays	0	—4	50	50
Special statistical work 403				
Outlays	0	11	.....	.....
Miscellaneous trust revolving funds 403				
Outlays	0	—2	25	25
Total Federal funds Coast Guard	BA	**2,034,467**	**2,512,659**	**1,997,922**
	0	1,853,706	2,130,872	2,252,647
Total Trust funds Coast Guard	BA	**79**	**80**	**80**
	0	5	75	75
Maritime Administration				
Federal funds				
General and Special Funds:				
Ship construction 403				
Appropriation, current	BA	**135,000**	.....	.....
Outlays	0	208,113	208,200	54,300
Operating-differential subsidies 403				
Contract authority, permanent, indefinite	BA	**353,103**	**414,899**	**406,821**
Liquidation of contract authority, current		(333,196)	(417,148)	(454,010)
Outlays	0	334,854	417,148	454,010
Research and development 403				
Appropriation, current	BA	**13,800**	**8,491**	.....
				[K] **16,800**
Outlays	0	17,362	14,184	15,393

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.				
Maritime Administration—Con.				
Operations and training 403				
Appropriation, current	BA	**66,016**	**75,007**	.....
				[K] **71,013**
Outlays	0	66,438	74,886	73,004
Public Enterprise Funds:				
Federal ship financing fund 403				
Outlays	0	−25,727	−58,700	−49,000
Vessel operations revolving fund 403				
Outlays	0	−13,613	.....	.....
War risk insurance revolving fund 403				
Outlays	0	−881	−650	−650
Intragovernmental Funds:				
Consolidated working fund 403				
Outlays	0	9,706	.....	.....
Trust funds				
Special studies, services and projects 403				
Appropriation, permanent, indefinite	BA	**692**	**385**	**385**
Outlays	0	870	385	385
Gifts and bequests 403				
Appropriation, permanent	BA	**54**	**15**	**15**
Outlays	0	.....	15	15
Total Federal funds Maritime Administration	BA	**567,919**	**498,397**	**494,634**
	0	596,252	655,068	547,057
Total Trust funds Maritime Administration	BA	**746**	**400**	**400**
	0	870	400	400
Saint Lawrence Seaway Development Corporation				
Federal funds				
Public Enterprise Funds:				
Saint Lawrence Seaway Development Corporation 403				
Outlays	0	−1,133	252	−2,818
Limitation on administrative expenses		(1,730)	(1,601)	(1,716)
Office of the Inspector General				
Federal funds				
General and Special Funds:				
Salaries and expenses 407				
Appropriation, current	BA	**14,657**	**13,078**	**24,946**
Outlays	0	10,953	13,000	24,225
Research and Special Programs Administration				
Federal funds				
General and Special Funds:				
Research and special programs 407				
Appropriation, current	BA	**30,420**	**17,441**	**21,300**
Outlays	0	25,797	18,500	22,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.					
Research and Special Programs Administration—Con.					
Cooperative automotive research	401				
Appropriation, current		BA	**500**	.....	.....
Outlays		0	288	213	.....
Intragovernmental Funds:					
Working capital fund, Transportation Systems Center	407				
Outlays		0	3,542	1,500	1,500
Total Federal funds Research and Special Programs Administration		BA	**30,920**	**17,441**	**21,300**
		0	29,627	20,213	24,000
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	**36,207**	**34,562**	**41,700**
Outlays		0	34,665	33,040	40,860
Transportation planning, research, and development	407				
Appropriation, current		BA	**9,749**	**3,350**	**7,800**
Outlays		0	13,863	6,600	5,100
Transportation research activities overseas (special foreign currency program)	407				
Outlays		0	1	20	.....
Intragovernmental Funds:					
Limitation on Working capital fund	407				
Outlays		0	3,138	−1,000	.....
Total Federal funds Office of the Secretary		BA	**45,956**	**37,912**	**49,500**
		0	51,667	38,660	45,960
Summary					
Federal funds:					
(As shown in detail above)		BA	**13,088,624**	**10,342,776**	**7,220,783**
		0	12,121,938	10,694,973	8,202,482
Deductions for offsetting receipts:					
Intrafund transactions	902	BA	.....	*−399*	*−890*
		0			
Proprietary receipts from the public	304	BA	.....	*−6,020*	*−6,020*
		0			
	400	BA	*−89,578*	*−51,064*	*−58,026*
		0			
	403	BA			*−200,000*
		0			
	806	BA	*−210*	.....	.....
		0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of Transportation—Con.					
Summary—Con.					
	902	BA			
		O	*—2,651*	*—4,202*	*—4,699*
Total Federal funds		BA	**12,996,185**	**10,281,091**	**6,951,148**
		O	12,029,499	10,633,288	7,932,847
Trust funds:					
(As shown in detail above)		BA	**10,719,574**	**10,027,308**	**11,493,945**
		O	10,484,533	9,942,260	11,054,111
Deductions for offsetting receipts:					
Proprietary receipts from the public	151	BA			
		O	*—2,537*	*—5,721*	*—5,150*
	401	BA			
		O	*—709*	*—2,047*	*—1,300*
	403	BA			
		O	*—692*	*—385*	*—385*
	902	BA			
		O	*—1,579*	.....	.....
Total Trust funds		BA	**10,714,057**	**10,019,155**	**11,487,110**
		O	10,479,016	9,934,107	11,047,276
Total Department of Transportation		BA	**23,710,242**	**20,300,246**	**18,438,258**
		O	22,508,515	20,567,395	18,980,123
Department of the Treasury					
Office of the Secretary					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**58,670**	**52,971**	**59,752**
Outlays		O	55,599	51,911	59,094
Impact aid:					
(Elementary, secondary, and vocational education)	501				
(Appropriation, current)		BA	**639,088**	**443,624**	**287,760**
(Outlays)		O	687,209	554,857	340,190
Higher education facilities loan and insurance	502				
Appropriation, current		BA	**27,656**	**26,850**	**45,143**
				[A] **9,746**	
Appropriation, permanent, indefinite		BA	**1,091**	**37,783**	**134**
Outlays		O	33,622	70,277	49,500
				[A] 9,746	
Presidential election campaign fund	806				
Appropriation, permanent, indefinite		BA	**40,957**	**38,300**	**39,200**
Outlays		O	4,091	5	1,516
Public Enterprise Funds:					
Exchange stabilization fund	155				
Outlays		O	—801,514	—371,814	—410,627

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.				
Office of the Secretary—Con.				
College housing loans 502				
Appropriation, permanent	BA	**279**	**200**	**40**
Outlays	0	18,106	38,142	24,936
Intragovernmental Funds:				
Working capital fund 803				
Outlays	0	−37	−62	−56
Trust funds				
Pershing Hall memorial fund 705				
Appropriation, permanent, indefinite	BA	**4**	**7**	**7**
Outlays	0	4	7	7
Total Federal funds Office of the Secretary	BA	**767,741**	**609,474**	**432,029**
	0	−2,924	353,062	64,553
Total Trust funds Office of the Secretary	BA	**4**	**7**	**7**
	0	4	7	7
Office of Revenue Sharing				
Federal funds				
General and Special Funds:				
Salaries and expenses 851				
Appropriation, current	BA	**6,700**	**6,148**	**6,612**
Outlays	0	6,596	6,138	6,499
Antirecession financial assistance fund 852				
Outlays	0	.....	2,224	.....
Payments to State and local government fiscal assistance trust fund 851				
Appropriation, current	BA	**4,569,949**	**4,566,700**	**4,566,700**
Outlays	0	4,569,949	4,566,700	4,566,700
Trust funds				
State and local government fiscal assistance trust fund 851				
Appropriation, permanent, indefinite	BA	**4,569,949**	**4,566,700**	**4,566,700**
Outlays	0	5,136,892	4,569,972	4,566,700
Total Federal funds Office of Revenue Sharing	BA	**4,576,649**	**4,572,848**	**4,573,312**
	0	4,576,545	4,575,062	4,573,199
Total Trust funds Office of Revenue Sharing	BA	**4,569,949**	**4,566,700**	**4,566,700**
	0	5,136,892	4,569,972	4,566,700
Federal Law Enforcement Training Center				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**13,648**	**12,063**	**12,913**
Outlays	0	13,506	11,822	12,655

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.				
Federal Law Enforcement Training Center—Con.				
Construction, Federal Law Enforcement Training Center 751				
Outlays	0	1,446	3,366	2,560
Total Federal funds Federal Law Enforcement Training Center	BA	**13,648**	**12,063**	**12,913**
	0	14,952	15,188	15,215
Bureau of Government Financial Operations				
Federal funds				
General and Special Funds:				
Salaries and expenses 803				
Appropriation, current	BA	**199,304**	**147,673**	**183,267**
			[A] **81,604**	
Outlays	0	199,150	144,719	179,601
			[A] 79,969	[A] 1,635
Special payment to recipients of certain retirement and survivor benefits 601				
Outlays	0	—4	.....	.....
New York City loan guarantee program 852				
Appropriation, current	BA	**903**	**822**	**310**
Outlays	0	902	931	346
Chrysler Corporation loan guarantee program 376				
Appropriation, current	BA	**1,349**	**1,356**	**1,211**
Outlays	0	835	1,329	1,191
Claims, judgments, and relief acts 806				
Appropriation, permanent, indefinite	BA	**501,336**	**506,000**	**506,000**
Outlays	0	501,518	506,093	506,000
Payments to the Governments of Guam, Virgin Islands and American Samoa 806				
Appropriation, current	BA	**2,173**	.....	.....
Outlays	0	2,111	.....	.....
Interest on uninvested funds 902				
Appropriation, permanent, indefinite	BA	**11,506**	**11,013**	**11,073**
Outlays	0	10,782	11,013	11,073
Payment of Government losses in shipment 803				
Outlays	0	175	200	200
Postal savings system liquidation 806				
Appropriation, current	BA		[A] **200**	
Outlays	0		[A] 200	
Energy security reserve 271				
Outlays	0	6,159	24,505	35,507
Biomass energy development 271				
Appropriation, current	BA	**—974,500**	.....	.....
Outlays	0	3,787	3,000	3,000
Public Enterprise Funds:				
Check forgery insurance fund 803				
Outlays	0	.....	10	10

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.				
Bureau of Government Financial Operations—Con.				
Intragovernmental Funds:				
Fishermen's protective fund 376				
Appropriation, current	BA	**8,300**	.....	.....
Outlays	0	8,998	.....	.....
Trust funds				
Miscellaneous trust funds 806				
Appropriation, permanent, indefinite	BA	**19**	**18**	**18**
Outlays	0	18	18	18
Total Federal funds Bureau of Government Financial Operations	BA	**−249,629**	**748,668**	**701,861**
	0	734,413	771,969	738,563
Total Trust funds Bureau of Government Financial Operations	BA	**19**	**18**	**18**
	0	18	18	18
Bureau of Alcohol, Tobacco and Firearms				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**149,850**	**56,504**	.....
			[A] **22,346**	
Outlays	0	146,513	59,782	.....
			[A] 22,346	
United States Customs Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**498,468**	**508,984**	**530,524**
Outlays	0	499,272	500,036	519,914
Miscellaneous permanent appropriations 852				
Appropriation, permanent, indefinite	BA	**82,450**	**88,000**	**92,000**
Outlays	0	69,575	88,000	92,000
Trust funds				
Refunds, transfers and expenses, unclaimed, abandoned and seized goods 803				
Appropriation, permanent, indefinite	BA	**8,128**	**7,480**	**8,025**
Outlays	0	6,517	7,480	8,025
Total Federal funds United States Customs Service	BA	**580,918**	**596,984**	**622,524**
	0	568,847	588,036	611,914
Total Trust funds United States Customs Service	BA	**8,128**	**7,480**	**8,025**
	0	6,517	7,480	8,025

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.					
Bureau of Engraving and Printing					
Federal funds					
Intragovernmental Funds:					
Bureau of Engraving and Printing fund	803				
Outlays		0	−1,311	3,402	−2,874
Bureau of the Mint					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**61,446**	**44,103**	
					[K] **50,165**
Outlays		0	57,098	43,221	49,161
Expansion and improvements	803				
Appropriation, current		BA		**3,969**	
					[K] **5,200**
Outlays		0		3,890	5,096
Construction of mint facilities	803				
Outlays		0	25	2,930	2,775
Coinage profit fund	803				
Appropriation, permanent, indefinite		BA	**4,430**	**5,300**	**6,600**
Outlays		0	3,832	5,300	6,600
Total Federal funds Bureau of the Mint		BA	**65,876**	**53,372**	**61,965**
		0	60,955	55,341	63,632
Bureau of the Public Debt					
Federal funds					
General and Special Funds:					
Administering the public debt	803				
Appropriation, current		BA	**191,939**	**176,640**	**210,045**
Outlays		0	175,216	175,757	208,995
Internal Revenue Service					
Federal funds					
General and Special Funds:					
Salaries and expenses	803				
Appropriation, current		BA	**164,485**	**148,224**	**171,102**
				[A] **8,084**	
Outlays		0	160,037	145,178	167,680
				[A] 7,939	[A] 145
Taxpayer service and returns processing	803				
Appropriation, current		BA	**837,637**	**812,886**	**957,679**
				[A] **78,232**	
Outlays		0	817,513	796,181	938,526
				[A] 77,919	[A] 313
Examinations and appeals	803				
Appropriation, current		BA	**903,115**	**901,813**	**1,016,634**
				[A] **15,563**	
Outlays		0	889,770	883,280	996,301
				[A] 15,371	[A] 192

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.				
Internal Revenue Service—Con.				
Investigations and collections 803				
Appropriation, current	BA	**574,506**	**602,628**	**771,744**
			[A] **21,604**	
Outlays	0	561,934	590,244	756,309
			[A] 21,246	[A] 358
Payment where energy credit exceeds liability for tax 271				
Appropriation, current	BA	**900**	**440**	**300**
Outlays	0	277	440	300
Payment where credit exceeds liability for tax 609				
Appropriation, permanent, indefinite	BA	**1,317,980**	**1,254,000**	**1,180,000**
Outlays	0	1,317,980	1,254,000	1,180,000
Refunding internal revenue collections, interest 902				
Appropriation, permanent, indefinite	BA	**1,046,322**	**1,711,600**	**1,936,700**
Outlays	0	1,046,322	1,711,600	1,936,700
Internal revenue collections for Puerto Rico 852				
Appropriation, permanent, indefinite	BA	**236,445**	**265,000**	**270,000**
Outlays	0	239,917	265,000	270,000
Public Enterprise Funds:				
Federal tax lien revolving fund 803				
Outlays	0	—561	.....	.....
Total Federal funds Internal Revenue Service	BA	**5,081,390**	**5,820,074**	**6,304,159**
	0	5,033,189	5,768,398	6,246,824
United States Secret Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**178,339**	**223,133**	**294,407**
Outlays	0	181,161	220,672	288,518
Contribution for annuity benefits 751				
Appropriation, permanent, indefinite	BA	**8,149**	**9,000**	**9,000**
Outlays	0	8,119	9,000	9,000
Total Federal funds United States Secret Service	BA	**186,488**	**232,133**	**303,407**
	0	189,280	229,672	297,518
Comptroller of the Currency				
Trust funds				
Assessment funds 376				
Outlays	0	—5,060	—5,945	—7,099
Interest on the Public Debt				
Federal funds				
General and Special Funds:				
Interest on the public debt 901				
Appropriation, current, indefinite	BA			[J] **—329,000**
Appropriation, permanent	BA	**95,419,145**	**115,700,000**	**133,229,000**
Outlays	0	95,419,145	115,700,000	133,229,000
				[J] —329,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.					
Interest on the Public Debt—Con.					
Public debt principal (exchange losses)	901				
Appropriation, permanent		BA	**170,223**	.....	.....
Outlays		0	170,223	.....	.....
Total Federal funds Interest on the Public Debt...		BA	**95,589,368**	**115,700,000**	**132,900,000**
		0	95,589,368	115,700,000	132,900,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**106,954,238**	**128,601,106**	**146,122,215**
		0	107,085,043	128,318,015	145,717,539
Deductions for offsetting receipts:					
Intrafund transactions	803	BA			
		0	*—382*	*—194*	*—175*
	902	BA			
		0	*—3,275,989*	*—4,470,988*	*—4,078,280*
Receipts from off-budget Federal entities	803	BA			
		0	*—210,494*	*—157,981*	*—191,772*
	902	BA			
		0	*—8,619,183*	*—11,956,666*	*—15,253,509*
Proprietary receipts from the public	050	BA			
		0	*—4,223*	*—4,223*	.....
	150	BA			
		0	*—92,990*	*—92,994*	*—92,999*
	151	BA			
		0	*—6,263*	*—15,206*	*—12,218*
	152	BA			
		0	*—12,313*	*—13,234*	*—13,485*
	155	BA			
		0	*—78,734*	*—80,309*	*—81,915*
	800	BA			
		0	*—175,562*	*—91,654*	*—99,565*
	806	BA			
		0	*—20*	.....	.....
	901	BA			
		0	*—85,912*	.....	.....
	902	BA			
		0	*—1,603,048*	*—1,052,071*	*—1,079,707*
Total Federal funds		BA	**92,789,125**	**110,665,586**	**125,218,590**
		0	92,919,930	110,382,495	124,813,914
Trust funds:					
(As shown in detail above)		BA	**4,578,100**	**4,574,205**	**4,574,750**
		0	5,138,371	4,571,532	4,567,651
Interfund transactions	803	BA			
		0	**—113,203**	**—95,520**	**—94,122**
	851	BA			
		0	**—4,573,199**	**—4,566,700**	**—4,566,700**

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Department of the Treasury—Con.					
Summary—Con.					
	902	BA			
		0	.....	**—269,888**	**—175,800**
Total Department of the Treasury		BA	**92,680,823**	**110,307,683**	**124,956,718**
		0	93,371,899	110,021,919	124,544,943
Environmental Protection Agency					
Federal funds					
General and Special Funds:					
Salaries and expenses	304				
Appropriation, current		BA	**561,694**	**555,106**	**261,889**
					[K] **276,224**
Outlays		0	543,378	597,512	548,869
Research and development:					
(Energy supply)	271				
(Appropriation, current)		BA	**94,347**	**41,271**	.....
					[K] **27,511**
(Outlays)		0	101,811	72,305	48,482
(Pollution control and abatement)	304				
(Appropriation, current)		BA	**156,139**	**113,044**	.....
					[K] **81,193**
(Outlays)		0	145,197	134,159	117,166
Total Research and development		BA	**250,486**	**154,315**	**108,704**
		0	247,008	206,464	165,648
Abatement, control, and compliance	304				
Appropriation, current		BA	**534,794**	**372,970**	**27,509**
					[K] **284,066**
Outlays		0	559,390	453,435	387,165
Buildings and facilities	304				
Appropriation, current		BA	**4,115**	**3,621**	**3,000**
Outlays		0	1,455	3,537	3,559
Construction grants	304				
Appropriation, current		BA	**1,604,837**	.....	**2,400,000**
				[A] **2,400,000**	
Liquidation of contract authority, current			(1,700,000)	(1,000,000)	.....
Outlays		0	3,881,173	4,050,000	2,975,000
					[A] 375,000
Scientific activities overseas (Special foreign currency program)	304				
Outlays		0	1,157	1,300	1,200
United States Regulatory Council	304				
Appropriation, current		BA	**2,500**	.....	.....
Outlays		0	2,255	613	.....
Operations, research, and facilities	304				
Outlays		0	2,258	2,000	500
Enforcement	304				
Outlays		0	3,190	3,088	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Environmental Protection Agency—Con.					
Payment to the hazardous substance response trust fund	304				
Appropriation, current		BA	**9,000**	**26,600**	**44,000**
Outlays		0	9,000	26,600	44,000
Public Enterprise Funds:					
Revolving fund for certification and other services	304				
Outlays		0	−63	100	100
Trust funds					
Hazardous substance response trust fund	304				
Appropriation, current		BA	**74,743**	**190,000**	**230,000**
Outlays		0	8,039	117,743	188,000
Miscellaneous contributed funds	304				
Appropriation, permanent, indefinite		BA	**12**	.....	.....
Outlays		0	2	20	20
Summary					
Federal funds:					
(As shown in detail above)		BA	**2,967,426**	**3,512,612**	**3,405,392**
		0	5,250,201	5,344,649	4,501,041
Deductions for offsetting receipts:					
Proprietary receipts from the public	300	BA			
		0	*−606*	*−537*	*−537*
	304	BA			
		0	*−508*	.....	.....
	902	BA			
		0	*−127*	*−14*	*−14*
Total Federal funds		BA	**2,966,185**	**3,512,061**	**3,404,841**
		0	5,248,960	5,344,098	4,500,490
Trust funds:					
(As shown in detail above)		BA	**74,755**	**190,000**	**230,000**
		0	8,041	117,763	188,020
Deductions for offsetting receipts:					
Proprietary receipts from the public	304	BA			
		0	*−12*	*−1,000*	*−1,000*
Total Trust funds		BA	**74,743**	**189,000**	**229,000**
		0	8,029	116,763	187,020
Interfund transactions	304	BA			
		0	**−15,743**	**−26,600**	**−44,000**
Total Environmental Protection Agency		BA	**3,025,185**	**3,674,461**	**3,589,841**
		0	5,241,246	5,434,261	4,643,510

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
National Aeronautics and Space Administration				
Federal funds				
General and Special Funds:				
Research and development:				
(Space flight) 253				
(Appropriation, current)	BA	**2,728,600**	**3,090,100**	.....
				[K] **3,467,800**
(Outlays)	0	2,586,830	2,970,800	3,475,200
(Space science, applications, and technology) 254				
(Appropriation, current)	BA	**994,438**	**1,012,800**	.....
				[K] **1,125,300**
(Outlays)	0	1,023,307	972,700	1,061,600
(Supporting space activities) 255				
(Appropriation, current)	BA	**341,100**	**402,100**	.....
				[K] **508,900**
(Outlays)	0	343,099	372,100	500,100
(Air transportation) 402				
(Appropriation, current)	BA	**271,400**	**233,000**	.....
				[K] **232,000**
(Outlays)	0	275,132	277,200	244,400
Total Research and development	BA	**4,335,538**	**4,738,000**	**5,334,000**
	0	4,228,368	4,592,800	5,281,300
Construction of facilities:				
(Space flight) 253				
(Appropriation, current)	BA	**10,100**	**20,050**	.....
				[K] **21,405**
(Outlays)	0	26,460	23,400	22,600
(Space science, applications, and technology) 254				
(Appropriation, current)	BA	**1,617**	.....	.....
				[K] **1,740**
(Outlays)	0	3,745	3,300	1,400
(Supporting space activities) 255				
(Appropriation, current)	BA	**59,992**	**56,000**	.....
				[K] **56,740**
(Outlays)	0	53,453	59,100	60,900
(Air transportation) 402				
(Appropriation, current)	BA	**44,041**	**22,650**	.....
				[K] **20,115**
(Outlays)	0	63,247	49,100	36,900
Total Construction of facilities	BA	**115,750**	**98,700**	**100,000**
	0	146,905	134,900	121,800
Research and program management:				
(Space flight) 253				
(Appropriation, current)	BA	**448,504**	**467,500**	.....
				[K] **493,830**
(Outlays)	0	439,964	467,500	493,830
(Space science, applications, and technology) 254				
(Appropriation, current)	BA	**363,024**	**368,365**	.....
				[K] **398,795**
(Outlays)	0	357,259	368,365	398,795

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
National Aeronautics and Space Administration—Con.					
(Supporting space activities)	255				
(Appropriation, current)		BA	**49,327**	**49,470**	.....
					[K] **52,075**
(Outlays)		0	47,219	49,470	52,075
(Air transportation)	402				
(Appropriation, current)		BA	**210,545**	**217,965**	.....
					[K] **234,200**
(Outlays)		0	205,842	217,965	234,200
Total Research and program management		BA	**1,071,400**	**1,103,300**	**1,178,900**
		0	1,050,284	1,103,300	1,178,900
Trust funds					
Miscellaneous trust funds	255				
Appropriation, permanent, indefinite		BA	**5**	.....	.....
Outlays		0	108	40	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**5,522,688**	**5,940,000**	**6,612,900**
		0	5,425,557	5,831,000	6,582,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA			
		0	*—4,254*	*—4,400*	*—4,900*
	902	BA			
		0	*—20*	.....	.....
Total Federal funds		BA	**5,518,414**	**5,935,600**	**6,608,000**
		0	5,421,283	5,826,600	6,577,100
Trust funds:					
(As shown in detail above)		BA	**5**	.....	.....
		0	108	40	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	255	BA			
		0	*—2*	.....	.....
Total Trust funds		BA	**3**	.....	.....
		0	106	40	.....
Total National Aeronautics and Space Administration		BA	**5,518,417**	**5,935,600**	**6,608,000**
		0	5,421,389	5,826,640	6,577,100
Veterans Administration					
Federal funds					
General and Special Funds:					
Compensation	701				
Appropriation, current		BA	**8,529,783**	**9,603,900**	**9,521,600**
					[J] **771,000**
					[L] **—146,700**
Outlays		0	8,425,760	9,487,700	9,609,100
					[J] 706,800
				[L] —1,000	[L] —145,700

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Veterans Administration—Con.				
Pensions 701				
Appropriation, current	BA	**3,794,177**	**4,047,600**	**3,981,400**
				[L] **—66,500**
Outlays	0	3,755,107	3,939,800	4,076,800
				[L] —62,400
Burial benefits and miscellaneous assistance 701				
Appropriation, current	BA	**207,684**	**146,700**	**141,000**
Outlays	0	208,135	145,000	140,800
Readjustment benefits 702				
Appropriation, current	BA	**2,349,673**	**1,944,900**	**1,691,100**
				[L] **—25,300**
Outlays	0	2,332,121	1,993,920	1,706,100
				[L] —25,300
Veterans insurance and indemnities 701				
Appropriation, current	BA	**5,406**	**8,500**	**6,400**
Outlays	0	8,714	8,500	6,400
Medical care 703				
Appropriation, current	BA	**6,339,396**	**6,966,418**	**7,495,879**
				[J] **4,692**
Outlays	0	6,320,088	6,944,700	7,364,132
				[J] 4,692
Medical and prosthetic research 703				
Appropriation, current	BA	**140,070**	**128,215**	**137,793**
Outlays	0	135,288	128,215	137,644
Medical administration and miscellaneous operating expenses 703				
Appropriation, current	BA	**52,809**	**55,392**	**55,807**
Outlays	0	49,461	55,392	55,775
General operating expenses 705				
Appropriation, current	BA	**643,251**	**640,132**	**693,582**
			[J] **100**	[J] **100**
				[L] **—223**
Outlays	0	624,133	639,066	691,546
			[J] 100	[J] 100
				[L] —223
Construction, major projects 703				
Appropriation, current	BA	**261,614**	**372,270**	**419,392**
Outlays	0	307,558	351,078	397,754
Construction, minor projects 703				
Appropriation, current	BA	**108,908**	**102,010**	**192,113**
Outlays	0	95,773	83,228	116,549
Grants for construction of state extended care facilities 703				
Appropriation, current	BA	**15,000**	**15,840**	.....
				[K] **18,000**
Outlays	0	9,002	9,123	9,527
Grants to the Republic of the Philippines 703				
Appropriation, current	BA	**1,200**	.....	**500**
Outlays	0	1,202	279	500
Grants for the construction of State veterans cemeteries 705				
Appropriation, current	BA	**5,000**	.....	**2,500**
Outlays	0	674	3,000	5,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Veterans Administration—Con.				
Assistance for health manpower training institutions 703				
Outlays	0	47,175	22,005	21,868
Public Enterprise Funds:				
Construction and operation of garage and parking facilities 703				
Outlays	0	−134	256	.....
Loan guaranty revolving fund 704				
Outlays	0	277,820	13,258	−573,048
Direct loan revolving fund 704				
Outlays	0	−128,274	−67,781	−182,983
Canteen service revolving fund 705				
Outlays	0	−1,632	−3,650	−1,793
Service-disabled veterans insurance fund 701				
Outlays	0	−485	−3,000	−2,000
Veterans reopened insurance fund 701				
Outlays	0	−13,778	−20,800	−18,400
Education loan fund 702				
Outlays	0	987	−4,500	−5,890
Vocational rehabilitation revolving fund 702				
Appropriation, current	BA	**1,250**	.....	.....
Outlays	0	−37	180	185
Servicemen's group life insurance fund 701				
Outlays	0	118	.....	.....
Special therapeutic and rehabilitation activities fund 703				
Outlays	0	−48	−69	−77
Intragovernmental Funds:				
Supply fund 705				
Outlays	0	−841	−800	.....
Trust funds				
Post-Vietnam era veterans education account 702				
Appropriation, permanent, indefinite	BA	**142,245**	**161,600**	**174,400**
Outlays	0	62,777	54,800	55,900
General post fund, national homes 705				
Appropriation, permanent, indefinite	BA	**7,707**	**7,800**	**8,100**
Outlays	0	6,887	7,100	7,400
National service life insurance fund 701				
Appropriation, permanent, indefinite	BA	**1,104,104**	**1,161,900**	**1,256,500**
Outlays	0	965,147	979,000	990,800
United States government life insurance fund 701				
Appropriation, permanent, indefinite	BA	**34,152**	**31,600**	**29,775**
Outlays	0	70,048	62,500	60,000
Veterans special life insurance fund 701				
Outlays	0	−44,194	−51,500	−49,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**22,455,221**	**24,031,977**	**24,894,135**
	0	22,453,887	23,723,200	24,033,458
Deductions for offsetting receipts:				
Proprietary receipts from the public 700	BA	*−2,670*	*−3,056*	*−3,056*
	0			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Veterans Administration—Con.					
Summary—Con.					
	704	BA			*[1] −94,640*
		O			
	806	BA	*17*	*−17*	*−17*
		O			
	902	BA	*−289*	*−150*	*−150*
		O			
Total Federal funds		BA	**22,452,279**	**24,028,754**	**24,796,272**
		O	22,450,945	23,719,977	23,935,595
Trust funds:					
(As shown in detail above)		BA	**1,288,208**	**1,362,900**	**1,468,775**
		O	1,060,665	1,051,900	1,065,100
Deductions for offsetting receipts:					
Proprietary receipts from the public	701	BA	*−463,367*	*−474,218*	*−468,151*
		O			
	702	BA	*−137,600*	*−152,200*	*−161,900*
		O			
Total Trust funds		BA	**687,241**	**736,482**	**838,724**
		O	459,698	425,482	435,049
Interfund transactions	701	BA	**−1,995**	**−1,924**	**−1,878**
		O			
	702	BA	**−4,645**	**−9,400**	**−12,500**
		O			
Total Veterans Administration		BA	**23,132,880**	**24,753,912**	**25,620,618**
		O	22,904,003	24,134,135	24,356,266
Other Independent Agencies					
ACTION					
Federal funds					
General and Special Funds:					
Operating expenses, domestic programs	506				
Appropriation, current		BA	**153,090**	**128,906**	**117,721**
Outlays		O	150,310	132,637	119,354
Trust funds					
Donations and contributions, domestic programs	506				
Appropriation, permanent, indefinite		BA	.....	**2**	**2**
Outlays		O	.....	2	2
Summary					
Federal funds:					
(As shown in detail above)		BA	**153,090**	**128,906**	**117,721**
		O	150,310	132,637	119,354

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
ACTION—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	506	BA			
		O	*—146*	.....	.....
Total Federal funds		BA	**152,944**	**128,906**	**117,721**
		O	150,164	132,637	119,354
Trust funds:					
(As shown in detail above)		BA	.....	**2**	**2**
		O	.....	2	2
Total ACTION		BA	**152,944**	**128,908**	**117,723**
		O	150,164	132,639	119,356
Administrative Conference of the United States					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**1,167**	**1,051**	**1,339**
Outlays		O	1,132	1,017	1,299
Advisory Committee on Federal Pay					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	**190**	**192**	**204**
Outlays		O	106	194	202
Advisory Council on Historic Preservation					
Federal funds					
General and Special Funds:					
Salaries and expenses	303				
Appropriation, current		BA	**1,590**	**1,567**	**1,000**
Outlays		O	1,586	1,582	1,129
Trust funds					
Donations	303				
Appropriation, permanent		BA	.....	**4**	**5**
Outlays		O	—1	5	5
American Battle Monuments Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	705				
Appropriation, current		BA	**9,585**	**10,507**	**10,669**
Outlays		O	8,081	10,419	10,584
Trust funds					
Contributions	705				
Appropriation, permanent, indefinite		BA	**28**	**30**	**30**
Outlays		O	35	30	30

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
American Battle Monuments Commission—Con.				
Summary				
Federal funds:				
(As shown in detail above)	BA	**9,585**	**10,507**	**10,669**
	O	8,081	10,419	10,584
Deductions for offsetting receipts:				
Proprietary receipts from the public 700	BA			
	O	*−6*	*−3*	*−3*
Total Federal funds	BA	**9,579**	**10,504**	**10,666**
	O	8,075	10,416	10,581
Trust funds:				
(As shown in detail above)	BA	**28**	**30**	**30**
	O	35	30	30
Total American Battle Monuments Commission	BA	**9,607**	**10,534**	**10,696**
	O	8,110	10,446	10,611
Architectural and Transportation Barriers Compliance Board				
Federal funds				
General and Special Funds:				
Architectural and Transportation Barriers Compliance Board 751				
Appropriation, current	BA	.....	**1,900**	.....
Outlays	O	.....	1,444	456
Arms Control and Disarmament Agency				
Federal funds				
General and Special Funds:				
Arms control and disarmament activities 153				
Appropriation, current	BA	**17,000**	**16,768**	**19,942**
Outlays	O	15,888	15,716	17,964
Board for International Broadcasting				
Federal funds				
General and Special Funds:				
Grants and expenses 154				
Appropriation, current	BA	**90,743**	.....	.....
			[K] **86,519**	[K] **95,884**
Outlays	O	88,199	86,892	95,305
Central Intelligence Agency				
Federal funds				
General and Special Funds:				
Payment to the Central Intelligence Agency retirement and disability fund 054				
Appropriation, current	BA	**55,300**	**84,600**	**91,300**
Outlays	O	55,300	84,600	91,300

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Civil Aeronautics Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 402				
Appropriation, current	BA	**29,194**	**25,500**	**24,500**
Outlays	0	28,624	25,175	24,625
Payments to air carriers 402				
Appropriation, current	BA	**106,300**	**65,900**	**48,400**
			[A] **20,158**	
Contract authority, permanent	BA	**8,242**	.....	.....
Liquidation of contract authority, current			[A] (8,242)	
Outlays	0	118,545	67,163	44,400
			[A] 20,400	[A] 8,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**143,736**	**111,558**	**72,900**
	0	147,169	112,738	77,025
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA			
	0	*—18*	*—148*	*—148*
Total Civil Aeronautics Board	BA	**143,718**	**111,410**	**72,752**
	0	147,151	112,590	76,877
Commission of Fine Arts				
Federal funds				
General and Special Funds:				
Salaries and expenses 451				
Appropriation, current	BA	**298**	**291**	**319**
Outlays	0	305	291	319
Commission on Civil Rights				
Federal funds				
General and Special Funds:				
Salaries and expenses 751				
Appropriation, current	BA	**12,153**	**12,318**	**11,626**
Outlays	0	12,137	11,900	11,700
Committee for Purchase from the Blind and other Severely Handicapped				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**565**	**524**	**653**
Outlays	0	532	525	622

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Commodity Futures Trading Commission				
Federal funds				
General and Special Funds:				
Commodity Futures Trading Commission 376				
Appropriation, current	BA	**18,781**	**19,924**	**22,999**
Outlays	0	18,298	19,526	22,539
Summary				
Federal funds:				
(As shown in detail above)	BA	**18,781**	**19,924**	**22,999**
	0	18,298	19,526	22,539
Deductions for offsetting receipts:				
Proprietary receipts from the public 370	BA			
	0	*—9*	*—9*	*—9*
Total Commodity Futures Trading Commission	BA	**18,772**	**19,915**	**22,990**
	0	18,289	19,517	22,530
Community Services Administration				
Federal funds				
General and Special Funds:				
Community services program:				
(Social services) 506				
(Appropriation, current)	BA	**524,585**	.....	.....
(Outlays)	0	618,668	184,574	32,572
(Public assistance and other income supplements) 609				
(Outlays)	0	45,528	.....	.....
Total Community services program	BA	**524,585**	.....	.....
	0	664,196	184,574	32,572
Total Federal funds Community Services Administration	BA	**524,585**	.....	.....
	0	664,196	184,574	32,572
Consumer Product Safety Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**42,140**	**31,664**	**33,508**
Outlays	0	40,885	34,354	32,177
Trust funds				
Gifts and contributions 554				
Outlays	0	—15	15	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**42,140**	**31,664**	**33,508**
	0	40,885	34,354	32,177

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Consumer Product Safety Commission—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	550	BA			
		0	*—9*	*—7*	*—7*
Total Federal funds		BA	**42,131**	**31,657**	**33,501**
		0	40,876	34,347	32,170
Trust funds:					
(As shown in detail above)		0	—15	15	.....
Total Consumer Product Safety Commission		BA	**42,131**	**31,657**	**33,501**
		0	40,861	34,362	32,170
Corporation for Public Broadcasting					
Federal funds					
General and Special Funds:					
Public broadcasting fund	503				
Appropriation, current		BA	.....	.....	**—35,000**
Appropriation, permanent		BA	**162,000**	**172,000**	**172,000**
Outlays		0	162,000	172,000	137,000
District of Columbia					
Federal funds					
General and Special Funds:					
Federal payment to the District of Columbia	852				
Appropriation, current		BA	**364,815**	**402,170**	**400,470**
					K 24,400
Outlays		0	364,815	402,170	424,870
Loans to the District of Columbia for capital investment	852				
Appropriation, current		BA	**130,568**	**155,000**	**155,000**
Outlays		0	134,008	145,000	145,000
Repayable advances to the District of Columbia general fund	852				
Appropriation, permanent, indefinite		BA	**80,000**	**80,000**	.....
Outlays		0	80,000	80,000	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**575,383**	**637,170**	**579,870**
		0	578,823	627,170	569,870
Deductions for offsetting receipts:					
Proprietary receipts from the public	852	BA			
		0	*—86,592*	*—148,214*	*—29,370*
Total District of Columbia		BA	**488,791**	**488,956**	**550,500**
		0	492,231	478,956	540,500

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Equal Employment Opportunity Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	751				
Appropriation, current		BA	**141,200**	**139,889**	**144,937**
Outlays		0	134,256	143,000	142,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**141,200**	**139,889**	**144,937**
		0	134,256	143,000	142,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	750	BA			
		0	*—45*	*—53*	*—53*
Total Equal Employment Opportunity Commission		BA	**141,155**	**139,836**	**144,884**
		0	134,211	142,947	141,947
Export-Import Bank of the United States					
Federal funds					
Public Enterprise Funds:					
Export-Import Bank of the United States	155				
Authority to borrow, current, indefinite		BA	**6,908,086**	**3,986,138**	**2,701,253**
Outlays		0	2,066,222	1,854,641	1,917,853
Limitation on administrative expenses			(14,456)	(15,115)	(16,253)
Farm Credit Administration					
Federal funds					
Public Enterprise Funds:					
Revolving fund for administrative expenses	351				
Outlays		0	502	870	.....
Limitation on administrative expenses			(14,132)	(16,113)	.....
				D (259)	
Summary					
Federal funds:					
(As shown in detail above)		0	502	870	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	350	BA			
		0	*—4*	*—2*	*—2*
Total Farm Credit Administration		BA	**—4**	**—2**	**—2**
		0	498	868	—2
Federal Communications Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**80,363**	**76,900**	**74,446**
Outlays		0	80,919	76,191	73,625

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Federal Communications Commission—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**80,363**	**76,900**	**74,446**
		0	80,919	76,191	73,625
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—27*	*—16*	*—16*
Total Federal Communications Commission		BA	**80,336**	**76,884**	**74,430**
		0	80,892	76,175	73,609
Federal Deposit Insurance Corporation					
Trust funds					
Federal Deposit Insurance Corporation	371				
Outlays		0	—1,725,994	—1,800,000	—2,000,000
Federal Election Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Appropriation, current		BA	**9,662**	**8,990**	**9,880**
Outlays		0	9,239	8,320	9,491
Summary					
Federal funds:					
(As shown in detail above)		BA	**9,662**	**8,990**	**9,880**
		0	9,239	8,320	9,491
Deductions for offsetting receipts:					
Proprietary receipts from the public	806	BA			
		0	*—49*	.....	.....
Total Federal Election Commission		BA	**9,613**	**8,990**	**9,880**
		0	9,190	8,320	9,491
Federal Emergency Management Agency					
Federal funds					
General and Special Funds:					
Salaries and expenses:					
(Defense-related activities)	054				
(Appropriation, current)		BA	**38,842**	**39,883**	**52,050**
(Outlays)		0	39,742	39,253	49,658
(Disaster relief and insurance)	453				
(Appropriation, current)		BA	**52,498**	**53,996**	**65,503**
				[A] **1,000**	
(Outlays)		0	54,902	51,681	61,783
				[A] 950	[A] 50
Total Salaries and expenses		BA	**91,340**	**94,879**	**117,553**
		0	94,644	91,884	111,491

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Federal Emergency Management Agency—Con.				
State and local assistance:				
(Defense-related activities) 054				
(Appropriation, current)	BA	**59,182**	**80,705**	**157,844**
(Outlays)	0	60,807	72,487	140,574
(Community development) 451				
(Appropriation, current)	BA	**57,501**	**41,124**	**61,887**
			[A] **1,408**	
(Outlays)	0	58,423	39,307	54,668
			[A] 1,126	[A] 282
Total State and local assistance	BA	**116,683**	**123,237**	**219,731**
	0	119,230	112,920	195,524
Emergency planning assistance:				
(Defense-related activities) 054				
(Appropriation, current)	BA	**44,974**	**53,684**	**179,443**
(Outlays)	0	48,617	50,921	150,321
(Community development) 451				
(Appropriation, current)	BA	**15,987**	**14,222**	**8,560**
(Outlays)	0	17,081	13,536	8,203
Total Emergency planning assistance	BA	**60,961**	**67,906**	**188,003**
	0	65,698	64,457	158,524
Public Enterprise Funds:				
National insurance development fund 451				
Appropriation, current, indefinite	BA	.....	**49,785**	**30,254**
Outlays	0	38,168	40,159	36,000
National flood insurance fund 453				
Authority to borrow, permanent	BA	.....	**92,933**	**61,590**
Outlays	0	54,395	107,273	83,793
Total Federal funds Federal Emergency Management Agency	BA	**268,984**	**428,740**	**617,131**
	0	372,135	416,693	585,332
Federal Energy Regulatory Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**75,374**	**76,177**	**92,500**
Indefinite	BA			[J] **—60,000**
Outlays	0	68,687	76,778	90,000
				[J] —60,000
Other natural gas activities 276				
Appropriation, current	BA	**600**	**600**	**600**
Outlays	0	600	600	600

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Federal Energy Regulatory Commission—Con.				
Payments to states under Federal Power Act 852				
Appropriation, permanent	BA	**391**	**85**	**85**
Outlays	0	40	85	85
Total Federal funds Federal Energy Regulatory Commission	BA	**76,365**	**76,862**	**33,185**
	0	69,327	77,463	30,685
Federal Home Loan Bank Board				
Federal funds				
General and Special Funds:				
Interest adjustment payments 371				
Outlays	0	20	30	30
Public Enterprise Funds:				
Federal Home Loan Bank Board revolving fund 371				
Outlays	0	−3,400	3,393	.....
Limitation on administrative and nonadministrative expenses		(20,744)	(22,320) D (730)	(24,360)
Limitation on nonadministrative expenses		(34,923)	(37,540) D (1,300)	(40,680)
Federal Savings and Loan Insurance Corporation fund 371				
Outlays	0	373,311	35,000	−150,000
Limitation on administrative expenses		(947)	(1,030) D (30)	(1,120)
Total Federal funds Federal Home Loan Bank Board	0	369,931	38,423	−149,970
Federal Labor Relations Authority				
Federal funds				
General and Special Funds:				
Salaries and expenses 805				
Appropriation, current	BA	**16,022**	**14,203**	**15,745**
Outlays	0	15,555	14,203	15,745
Summary				
Federal funds:				
(As shown in detail above)	BA	**16,022**	**14,203**	**15,745**
	0	15,555	14,203	15,745
Deductions for offsetting receipts:				
Proprietary receipts from the public 805	BA			
	0	*−3*	.....	.....
Total Federal Labor Relations Authority	BA	**16,019**	**14,203**	**15,745**
	0	15,552	14,203	15,745

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Federal Maritime Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 403				
Appropriation, current	BA	**12,100**	**11,225**	**10,428**
Outlays	0	11,738	11,067	10,324
Summary				
Federal funds:				
(As shown in detail above)	BA	**12,100**	**11,225**	**10,428**
	0	11,738	11,067	10,324
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA			
	0	*—34*	*—50*	*—50*
Total Federal Maritime Commission	BA	**12,066**	**11,175**	**10,378**
	0	11,704	11,017	10,274
Federal Mediation and Conciliation Service				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**25,919**	**24,552**	**20,678**
				[L] **—488**
Outlays	0	24,328	24,698	21,469
				[L] —456
Summary				
Federal funds:				
(As shown in detail above)	BA	**25,919**	**24,552**	**20,190**
	0	24,328	24,698	21,013
Deductions for offsetting receipts:				
Proprietary receipts from the public 500	BA			
	0	*—1*	*—1*	*—1*
Total Federal Mediation and Conciliation Service..	BA	**25,918**	**24,551**	**20,189**
	0	24,327	24,697	21,012
Federal Mine Safety and Health Review Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**4,344**	**3,319**	**3,686**
Outlays	0	3,706	3,244	3,649
Federal Trade Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**70,774**	**68,774**	**60,838**
Outlays	0	70,124	68,086	61,138

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Federal Trade Commission—Con.				
Summary				
Federal funds:				
(As shown in detail above)	BA	**70,774**	**68,774**	**60,838**
	0	70,124	68,086	61,138
Deductions for offsetting receipts:				
Proprietary receipts from the public 370	BA			
	0	*—42*	*—40*	*—40*
Total Federal Trade Commission	BA	**70,732**	**68,734**	**60,798**
	0	70,082	68,046	61,098
Foundation for Education Assistance				
Federal funds				
General and Special Funds:				
Salaries and expenses:				
(Research and general education aids) 503				
(Appropriation, current)	BA	**253,503**	**238,315**	**243,974**
(Outlays)	0	236,437	242,185	247,011
Salaries and expenses, Inspector General 503				
Appropriation, current	BA	**11,310**	**10,798**	**12,531**
Outlays	0	9,696	10,384	12,332
Guaranteed student loans 502				
Appropriation, current	BA	**2,535,470**	**2,082,834**	**3,397,000**
			[L] —308,988	**[L] —912,369**
Indefinite	BA		**[A] 978,166**	
Outlays	0	2,258,723	2,305,066	3,068,458
			[A] 733,626	[A] 244,540
			[L] —231,741	[L] —761,524
Student financial assistance 502				
Appropriation, current	BA	**3,801,550**	**3,352,480**	**1,800,000**
			[H] —141,500	
Outlays	0	3,906,285	3,512,091	3,253,022
			[H] —22,007	[H] —116,346
Higher and continuing education 502				
Appropriation, current	BA	**337,219**	**317,856**	**232,751**
			[A] 5,184	
			[H] —35,939	
Appropriation, permanent	BA	**2,800**	**2,800**	.....
Reappropriation	BA	**374**	.....	.....
Outlays	0	368,926	347,949	361,289
			[A] 259	[A] 4,147
			[H] —5,228	[H] —23,404
Howard University 502				
Appropriation, current	BA	**133,983**	**139,392**	**145,200**
			[A] 5,808	
Outlays	0	127,206	137,065	156,104
			[A] 5,056	[A] 373

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Foundation for Education Assistance—Con.					
Vocational and adult education	501				
Appropriation, current		BA	**774,478**	**732,505**	
				H —105,741	
					J 500,000
Appropriation, permanent		BA	**7,161**	**7,161**	
Outlays		0	728,428	1,156,715	525,528
				H —37,055	H —51,680
					J 170,000
Compensatory education for the disadvantaged	501				
Appropriation, current		BA	**3,111,620**	**2,892,980**	**1,942,000**
				H —411,933	
Outlays		0	3,353,595	3,006,744	2,882,423
				H —28,809	H —329,619
Special programs and populations	501				
Appropriation, current		BA	**614,471**	**536,880**	**433,000**
				H —65,600	
Outlays		0	735,321	670,555	619,789
				H —4,601	H —41,794
Education for the handicapped	501				
Appropriation, current		BA	**1,025,231**	**1,042,080**	
				H —258,572	
					J 845,668
Outlays		0	1,035,353	1,273,121	1,024,889
				H —7,757	H —186,172
					J 38,265
Bilingual education	501				
Appropriation, current		BA	**161,427**	**138,057**	**94,534**
				H —11,504	
Outlays		0	172,833	151,890	145,831
				H —367	H —8,619
Educational research and statistics	503				
Appropriation, current		BA	**74,561**	**61,978**	**62,392**
Outlays		0	60,480	91,463	106,079
Libraries	503				
Appropriation, current		BA	**84,405**	**80,080**	
				H —22,110	
Outlays		0	80,492	92,304	102,153
				H —5,034	H —9,916
Trust funds					
Special statistical compilations and surveys	503				
Appropriation, permanent, indefinite		BA	**—257**		
Outlays		0	5		
Contributions	503				
Outlays		0	—100		
Summary					
Federal funds:					
(As shown in detail above)		BA	**12,929,563**	**11,263,467**	**8,796,681**
		0	13,073,775	13,393,874	11,433,159
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—10,574*	*—29,205*	*—30,785*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Foundation for Education Assistance—Con.					
	902	BA			
		0	*—846*	*—875*	*—980*
Total Federal funds		BA	**12,918,143**	**11,233,387**	**8,764,916**
		0	13,062,355	13,363,794	11,401,394
Trust funds:					
(As shown in detail above)		BA	**—257**	.....	.....
		0	—95	.....	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	503	BA			
		0	*257*	.....	.....
Total Trust funds		0	162	.....	.....
Total Foundation for Education Assistance		BA	**12,918,143**	**11,233,387**	**8,764,916**
		0	13,062,517	13,363,794	11,401,394
General Services Administration					
Real Property Activities					
Federal funds					
General and Special Funds:					
Real property, miscellaneous accounts	804				
Outlays		0	5	34	.....
Intragovernmental Funds:					
Federal buildings fund	804				
Outlays		0	—154,496	1,918 [A] 857	—169,026
Construction services fund	804				
Outlays		0	12,827	—800	—1,802
Consolidated working fund, real property activities	804				
Outlays		0	—784	.....	.....
Total Federal funds Real Property Activities		0	—142,448	2,009	—170,828
Personal Property Activities					
Federal funds					
General and Special Funds:					
Personal property, operating expenses	804				
Appropriation, current		BA	**165,102**	**144,469**	**90,651** [K] **1,080**
Outlays		0	165,675	142,812	90,634
Intragovernmental Funds:					
General supply fund	804				
Appropriation, current		BA	**150,000**	.....	**15,000**
Outlays		0	—56,609	45,000	12,400
Federal telecommunications fund	804				
Appropriation, current		BA	**2,500**	.....	.....
Outlays		0	—47,003	24,153	1,177

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
Automatic data processing fund 804				
Outlays	0	6,901	−5,700	7,100
Total Federal funds Personal Property Activities..	BA	**317,602**	**144,469**	**106,731**
	0	68,964	206,265	111,311
Records Activities				
Federal funds				
General and Special Funds:				
National Archives and Records Service, operating expenses 804				
Appropriation, current	BA	**88,772**	**75,106**	**85,293**
Outlays	0	84,473	74,312	84,372
Federal Property Resources Activities				
Federal funds				
General and Special Funds:				
Operating expenses, federal property resources service:				
(Defense-related activities) 054				
(Appropriation, current)	BA	**22,846**	**20,906**	**25,213**
(Outlays)	0	21,176	20,689	24,961
(General property and records management) 804				
(Appropriation, current)	BA	**23,230**	**19,085**	**21,753**
(Outlays)	0	22,938	18,886	21,499
Total Operating expenses, federal property resources service	BA	**46,076**	**39,991**	**46,966**
	0	44,114	39,575	46,460
Rare silver dollar program 804				
Outlays	0	526	51	.....
National defense stockpile transaction fund 054				
Appropriation, current	BA	**100,000**	**57,600**	**120,000**
Appropriation, permanent, indefinite	BA	**391**	**67**	.....
Outlays	0	.....	132,358	120,000
Expenses, disposal of surplus real and related personal property 804				
Appropriation, permanent, indefinite	BA	**841**	**1,000**	**1,000**
Outlays	0	809	1,000	1,000
Public Enterprise Funds:				
William Langer Jewel bearing plant revolving fund 054				
Appropriation, current	BA	.....	.....	**396**
Outlays	0	70	.....	396
Total Federal funds Federal Property Resources Activities	BA	**147,308**	**98,658**	**168,362**
	0	45,519	172,984	167,856

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
General Services Administration—Con.				
General Activities				
Federal funds				
General and Special Funds:				
General management and administration, salaries and expenses 804				
Appropriation, current	BA	**125,046**	**111,676**	**127,304**
Outlays	0	114,623	110,433	125,857
Economic Opportunity Act close-out activities 506				
Appropriation, current	BA	.....	**12,000**	.....
Outlays	0	.....	12,000	.....
Office of Inspector General 804				
Appropriation, current	BA	**20,806**	**17,006**	**19,764**
Outlays	0	19,841	16,822	19,555
Allowances and office staff for former Presidents 802				
Appropriation, current	BA	**815**	**1,062**	**1,106**
Outlays	0	711	1,051	1,100
Expenses, presidential transition 802				
Appropriation, current	BA	**3,000**	.....	.....
Outlays	0	2,443	165	.....
Consumer information center 376				
Appropriation, current	BA	**1,331**	**1,290**	**1,299**
Outlays	0	1,742	1,277	1,285
Refunds under Renegotiation Act 902				
Outlays	0	.....	837	.....
Public Enterprise Funds:				
Virgin Islands Corporation liquidation fund 804				
Outlays	0	−330	−217	−150
Intragovernmental Funds:				
Working capital fund 804				
Appropriation, current	BA	**750**	.....	.....
Outlays	0	332	90	−9
Total Federal funds General Activities	BA	**151,748**	**143,034**	**149,473**
	0	139,362	142,458	147,638
Records Activities				
Trust funds				
National archives gift fund 804				
Appropriation, permanent	BA	**94**	**184**	**184**
Outlays	0	54	120	423
National archives trust fund 804				
Outlays	0	−522	−1,325	−1,155
Total Trust funds Records Activities	BA	**94**	**184**	**184**
	0	−468	−1,205	−732
General Activities				
Trust funds				
Unconditional gifts of real, personal, or other property 804				
Outlays	0	−1	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
General Services Administration—Con.					
Summary					
Federal funds:					
(As shown in detail above)		BA	**705,430**	**461,267**	**509,859**
		O	195,870	598,028	340,349
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		O	*4*	.....	.....
Proprietary receipts from the public	054	BA	*9,123*	*—233,829*	*—189,700*
		O			
		BA			[1] *—402,138*
		O			
	800	BA	*—18,940*	*—105,764*	*—261,000*
		O			
		BA			[1] *—15,700*
		O			
	902	BA	*—20*	*—200*	*—200*
		O			
Total Federal funds		BA	**695,597**	**121,474**	**—358,879**
		O	186,037	258,235	—528,389
Trust funds:					
(As shown in detail above)		BA	**94**	**184**	**184**
		O	—469	—1,205	—732
Total General Services Administration		BA	**695,691**	**121,658**	**—358,695**
		O	185,568	257,030	—529,121
Harry S Truman Scholarship Foundation					
Trust funds					
Harry S Truman memorial scholarship trust fund	502				
Appropriation, permanent		BA	**2,720**	**3,457**	**3,590**
Outlays		O	699	1,750	2,034
Historical and Memorial Agencies					
American Revolution Bicentennial Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	806				
Outlays		O	—1	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Historical and Memorial Agencies—Con.				
Other Historical and Memorial Agencies				
Federal funds				
General and Special Funds:				
Franklin Delano Roosevelt Memorial Commission: Salaries and expenses 806				
Appropriation, current	BA	**30**	**29**	.....
Outlays	0	11	15	15
Total Federal funds Historical and Memorial Agencies	BA	**30**	**29**	.....
	0	10	15	15
Indian Claims Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 752				
Outlays	0	−2	.....	.....
Intelligence Community Staff				
Federal funds				
General and Special Funds:				
Intelligence community staff 054				
Appropriation, current	BA	**18,271**	**13,063**	.....
Outlays	0	14,892	15,676	3,736
Summary				
Federal funds:				
(As shown in detail above)	BA	**18,271**	**13,063**	.....
	0	14,892	15,676	3,736
Deductions for offsetting receipts:				
Proprietary receipts from the public 054	BA			
	0	*−887*	.....	.....
Total Intelligence Community Staff	BA	**17,384**	**13,063**	.....
	0	14,005	15,676	3,736
Intragovernmental Agencies				
Advisory Commission on Intergovernmental Relations				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Appropriation, current	BA	**1,822**	**1,681**	**1,920**
Outlays	0	1,917	1,850	1,900
Trust funds				
Contributions 806				
Appropriation, permanent, indefinite	BA	**105**	**100**	**100**
Outlays	0	60	172	100

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Intragovernmental Agencies—Con.					
Appalachian Regional Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	452				
Appropriation, current		BA	**3,192**	**2,900**	.....
Outlays		0	3,194	2,900	39
Intragovernmental Funds:					
Consolidated working fund	452				
Outlays		0	2,076	.....	.....
Trust funds					
Miscellaneous trust funds	452				
Appropriation, permanent, indefinite		BA	**5,823**	**5,000**	.....
Outlays		0	5,709	5,724	388
Summary					
Federal funds:					
(As shown in detail above)		BA	**3,192**	**2,900**	.....
		0	5,270	2,900	39
Trust funds:					
(As shown in detail above)		BA	**5,823**	**5,000**	.....
		0	5,709	5,724	388
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA			
		0	*−2,792*	*−2,500*	.....
Total Trust funds		BA	**3,031**	**2,500**	.....
		0	2,917	3,224	388
Interfund transactions	452	BA			
		0	**−3,031**	**−2,500**	.....
Total Appalachian Regional Commission		BA	**3,192**	**2,900**	.....
		0	5,156	3,624	427
Delaware and Susquehanna River Basin Commissions					
Federal funds					
General and Special Funds:					
Salaries and expenses	301				
Appropriation, current		BA	**234**	**241**	**165**
Outlays		0	175	241	165
Contribution to Delaware River Basin Commission	301				
Appropriation, current		BA	**269**	**269**	**227**
Outlays		0	269	269	227

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Intragovernmental Agencies—Con.				
Delaware and Susquehanna River Basin Commissions—Con.				
Contribution to Susquehanna River Basin Commission 301				
Appropriation, current	BA	**200**	**217**	**185**
Outlays	0	200	217	185
Total Federal funds Delaware and Susquehanna River Basin Commissions	BA	**703**	**727**	**577**
	0	644	727	577
Interstate Commission on the Potomac River Basin				
Federal funds				
General and Special Funds:				
Contribution to Interstate Commission on the Potomac River Basin 304				
Appropriation, current	BA	**55**	**55**	.....
Outlays	0	55	55	.....
Washington Metropolitan Area Transit Authority				
Federal funds				
General and Special Funds:				
Interest payments 401				
Appropriation, current	BA	**65,910**	**51,586**	**51,664**
Outlays	0	61,321	75,014	66,232
Total Federal funds Intragovernmental Agencies	BA	**71,682**	**56,949**	**54,161**
	0	69,207	80,546	68,748
Total Trust funds Intragovernmental Agencies	BA	**3,136**	**2,600**	**100**
	0	2,977	3,396	488
International Communication Agency				
Federal funds				
General and Special Funds:				
Salaries and expenses 154				
Appropriation, current	BA	**429,196**	.....	.....
			[K] **443,286**	[K] **495,443**
Outlays	0	402,993	450,413	482,951
Salaries and expenses (special foreign currency program) 154				
Appropriation, current	BA	**10,253**	.....	.....
			[K] **9,800**	[K] **11,327**
Outlays	0	12,037	11,323	11,881
Center for Cultural and Technical Interchange Between East and West 154				
Appropriation, current	BA	**15,750**	.....	.....
			[K] **16,880**	[K] **18,230**
Outlays	0	14,371	18,259	18,230

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
International Communication Agency—Con.				
Educational, research and training activities 503				
Appropriation, current	BA	**28,288**	**24,000**	**10,314**
			[K] 1,825	**[K] 1,785**
			[H] —6,400	
Outlays	0	24,488	23,840	23,666
			[H] —856	[H] —5,204
Educational, research and training activities overseas (special foreign currency program) 503				
Appropriation, current	BA	**1,000**	**960**	**516**
			[H] —80	
Outlays	0	962	1,216	1,115
			[H] —9	[H] —52
Acquisition and construction of radio facilities 154				
Appropriation, current	BA	**2,562**	.....	.....
			[K] 19,000	**[K] 115,000**
Outlays	0	8,044	19,465	35,295
Miscellaneous expired special foreign currency programs 154				
Outlays	0	72	15	.....
Educational exchange fund, payments by Finland, World War I debt 154				
Outlays	0	8	.....	.....
Trust funds				
Miscellaneous trust funds 154				
Appropriation, permanent, indefinite	BA	**1,266**	**1,053**	**1,053**
Outlays	0	533	2,081	1,053
Summary				
Federal funds:				
(As shown in detail above)	BA	**487,049**	**509,271**	**652,615**
	0	462,975	523,666	567,882
Deductions for offsetting receipts:				
Proprietary receipts from the public 150	BA			
	0	*—156*	*—290*	*—290*
902	BA			
	0	*—6*	*—6*	*—6*
Total Federal funds	BA	**486,887**	**508,975**	**652,319**
	0	462,813	523,370	567,586
Trust funds:				
(As shown in detail above)	BA	**1,266**	**1,053**	**1,053**
	0	533	2,081	1,053
Deductions for offsetting receipts:				
Proprietary receipts from the public 154	BA			
	0	*—973*	*—760*	*—760*
Total Trust funds	BA	**293**	**293**	**293**
	0	—440	1,321	293
Total International Communication Agency	BA	**487,180**	**509,268**	**652,612**
	0	462,373	524,691	567,879

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
International Trade Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 153				
Appropriation, current	BA	**17,215**	**18,200**	**19,737**
			[D] **603**	
Outlays	0	16,193	19,080	19,737
Interstate Commerce Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 401				
Appropriation, current	BA	**82,400**	**70,150**	**69,000**
Outlays	0	75,471	69,929	68,100
Payments for directed rail service 401				
Appropriation, current	BA	**2,500**	.....	.....
			[A] **8,000**	
Outlays	0	8,031	598	.....
			[A] 8,000	
Summary				
Federal funds:				
(As shown in detail above)	BA	**84,900**	**78,150**	**69,000**
	0	83,502	78,527	68,100
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA			
	0	*—9,312*	*—45,064*	*—11,822*
Total Interstate Commerce Commission	BA	**75,588**	**33,086**	**57,178**
	0	74,190	33,463	56,278
Japan-United States Friendship Commission				
Trust funds				
Japan-United States friendship trust fund 154				
Appropriation, current	BA	**1,998**	**1,758**	**1,700**
Outlays	0	—44	2,760	2,500
Legal Services Corporation				
Federal funds				
General and Special Funds:				
Payment to the Legal Services Corporation 752				
Appropriation, current	BA	**321,300**	**120,500**	.....
Outlays	0	324,314	147,605	12,836
Marine Mammal Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 302				
Appropriation, current	BA	**734**	**672**	**594**
Outlays	0	844	774	718

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Merit Systems Protection Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 805				
Appropriation, current	BA	**14,790**	**12,704**	**16,336**
			[A] 4,006	
Outlays	0	16,559	13,603	16,286
			[A] 3,918	[A] 88
Limitation payable under transfers from trust funds		(950)	(700)	(700)
Office of the Special Counsel 805				
Appropriation, current	BA	**4,390**	**3,694**	**4,189**
			[A] 238	
Outlays	0	4,011	4,458	4,179
			[A] 238	
Summary				
Federal funds:				
(As shown in detail above)	BA	**19,180**	**20,642**	**20,525**
	0	20,570	22,217	20,553
Deductions for offsetting receipts:				
Proprietary receipts from the public 805	BA			
	0	*–1*	*–1*	*–1*
Total Merit Systems Protection Board	BA	**19,179**	**20,641**	**20,524**
	0	20,569	22,216	20,552
National Capital Planning Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 451				
Appropriation, current	BA	**2,400**	**2,267**	**2,202**
Outlays	0	2,339	2,267	2,202
National Center for Productivity and Quality of Working Life				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Outlays	0	35	22	.....
National Commission on Libraries and Information Science				
Federal funds				
General and Special Funds:				
Salaries and expenses 503				
Appropriation, current	BA	**691**	**674**	.....
Outlays	0	741	1,048	108
Trust funds				
Contributions 503				
Outlays	0	.....	1	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
National Consumer Cooperative Bank				
Federal funds				
General and Special Funds:				
Salaries and expenses 376				
Appropriation, current	BA	**8,700**	.....	.....
Outlays	0	9,925	2,874	.....
Self-help development and technical assistance 376				
Appropriation, current	BA	**9,200**	**5,000**	.....
Outlays	0	9,575	15,707	.....
Investment in National Consumer Cooperative Bank 376				
Appropriation, current	BA	**87,220**	**47,000**	.....
Public Enterprise Funds:				
National Consumer Cooperative Bank fund 376				
Outlays	0	111,991	67,124	.....
Total Federal funds National Consumer Cooperative Bank	BA	**105,120**	**52,000**	.....
	0	131,491	85,705	.....
National Credit Union Administration				
Federal funds				
Public Enterprise Funds:				
Operating fund 371				
Outlays	0	−956	−78	−28
Credit union share insurance fund 371				
Outlays	0	−20,643	−21,048	−563
Central liquidity facility 371				
Authority to borrow, current	BA	**15,211**	**230,405**	**121,470**
Outlays	0	11,343	114,597	105,000
Total Federal funds National Credit Union Administration	BA	**15,211**	**230,405**	**121,470**
	0	−10,256	93,471	104,409
National Foundation on the Arts and the Humanities				
National Endowment for the Arts				
Federal funds				
General and Special Funds:				
National endowment for the arts: Salaries and expenses 503				
Appropriation, current	BA	**158,795**	**143,040**	**100,875**
Outlays	0	148,113	139,438	142,385
Trust funds				
Gifts and donations (arts) 503				
Outlays	0	512	39	.....
Summary				
Federal funds:				
(As shown in detail above)	BA	**158,795**	**143,040**	**100,875**
	0	148,113	139,438	142,385

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
National Foundation on the Arts and the Humanities—Con.					
National Endowment for the Arts—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	500	BA			
		0	*—1*	.....	.....
	902	BA			
		0	*—7*	*—1*	*—1*
Total Federal funds		BA	**158,787**	**143,039**	**100,874**
		0	148,105	139,437	142,384
Trust funds:					
(As shown in detail above)		0	512	39	.....
Total National Endowment for the Arts		BA	**158,787**	**143,039**	**100,874**
		0	148,617	139,476	142,384
National Endowment for the Humanities					
Federal funds					
General and Special Funds:					
National endowment for the humanities: Salaries and expenses	503				
Appropriation, current		BA	**151,299**	**130,560**	**96,000**
Outlays		0	153,583	128,300	120,900
Trust funds					
Gifts and donations (humanities)	503				
Appropriation, permanent, indefinite		BA	**12,289**	**1,000**	**750**
Outlays		0	11,972	9,431	500
Institute of Museum Services					
Federal funds					
General and Special Funds:					
Institute of Museum Services: Program operations	503				
Appropriation, current		BA	**12,857**	**11,520**	.....
				H —10,877	
Outlays		0	488	20,311	15,622
				H —109	H —7,396
National Institute of Building Sciences					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**613**	**1,440**	.....
Outlays		0	613	1,440	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
National Labor Relations Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**118,488**	**115,200**	**133,000**
Outlays	0	114,664	114,042	131,580
Summary				
Federal funds:				
(As shown in detail above)	BA	**118,488**	**115,200**	**133,000**
	0	114,664	114,042	131,580
Deductions for offsetting receipts:				
Proprietary receipts from the public 500	BA			
	0	*—214*	*—227*	*—247*
Total National Labor Relations Board	BA	**118,274**	**114,973**	**132,753**
	0	114,450	113,815	131,333
National Mediation Board				
Federal funds				
General and Special Funds:				
Salaries and expenses 505				
Appropriation, current	BA	**4,780**	**4,758**	**5,468** [L] **—1,850**
Outlays	0	4,312	4,523	5,355 [L] —1,420
Summary				
Federal funds:				
(As shown in detail above)	BA	**4,780**	**4,758**	**3,618**
	0	4,312	4,523	3,935
Deductions for offsetting receipts:				
Proprietary receipts from the public 500	BA			
	0	*—23*	*—20*	*—20*
Total National Mediation Board	BA	**4,757**	**4,738**	**3,598**
	0	4,289	4,503	3,915
National Science Foundation				
Federal funds				
General and Special Funds:				
Research and related activities 251				
Appropriation, current	BA	**951,801**	**974,575** [H] **—400**	..... [K] **1,055,568**
Outlays	0	904,328	1,032,175 [H] —40	930,700 [H] —340
Scientific activities overseas (special foreign currency program) 251				
Appropriation, current	BA	**5,000**	**3,080**	..... [K] **2,200**
Outlays	0	3,229	3,000	2,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
National Science Foundation—Con.					
Science and engineering education activities	251				
Appropriation, current		BA	**70,704**	**20,900**	.....
					[K] **15,000**
Outlays		0	66,246	60,000	44,500
Intragovernmental Funds:					
Consolidated working fund	251				
Outlays		0	117	1,160	.....
Trust funds					
Donations	251				
Appropriation, permanent, indefinite		BA	**8,664**	**5,200**	**5,200**
Outlays		0	7,511	5,000	5,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,027,505**	**998,155**	**1,072,768**
		0	973,920	1,096,295	977,060
Deductions for offsetting receipts:					
Proprietary receipts from the public	250	BA			
		0	*—505*	*—270*	*—270*
	902	BA			
		0	*—3*	*—30*	*—30*
Total Federal funds		BA	**1,026,997**	**997,855**	**1,072,468**
		0	973,412	1,095,995	976,760
Trust funds:					
(As shown in detail above)		BA	**8,664**	**5,200**	**5,200**
		0	7,511	5,000	5,000
Total National Science Foundation		BA	**1,035,661**	**1,003,055**	**1,077,668**
		0	980,923	1,100,995	981,760
National Transportation Safety Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	407				
Appropriation, current		BA	**18,440**	**17,125**	**17,700**
Outlays		0	18,302	16,900	17,300
Summary					
Federal funds:					
(As shown in detail above)		BA	**18,440**	**17,125**	**17,700**
		0	18,302	16,900	17,300
Deductions for offsetting receipts:					
Proprietary receipts from the public	400	BA			
		0	*—6*	*—6*	*—6*
Total National Transportation Safety Board		BA	**18,434**	**17,119**	**17,694**
		0	18,296	16,894	17,294

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Native Hawaiians Study Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Appropriation, current	BA	.....	.....	**200**
			[A] **175**	
Outlays	0	.....	.....	192
			[A] 167	[A] 8
Neighborhood Reinvestment Corporation				
Federal funds				
General and Special Funds:				
Payment to the Neighborhood Reinvestment Corporation 451				
Appropriation, current	BA	**12,459**	**13,872**	.....
				[K] **15,512**
Outlays	0	12,459	13,872	15,512
Nuclear Regulatory Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**440,561**	**465,700**	**479,500**
Outlays	0	416,866	446,500	450,500
Summary				
Federal funds:				
(As shown in detail above)	BA	**440,561**	**465,700**	**479,500**
	0	416,866	446,500	450,500
Deductions for offsetting receipts:				
Proprietary receipts from the public 270	BA			
	0	*—22*	.....	.....
Total Nuclear Regulatory Commission	BA	**440,539**	**465,700**	**479,500**
	0	416,844	446,500	450,500
Occupational Safety and Health Review Commission				
Federal funds				
General and Special Funds:				
Salaries and expenses 554				
Appropriation, current	BA	**7,806**	**7,092**	**6,316**
Outlays	0	7,654	7,103	6,363
Office of the Federal Inspector for the Alaska Natural Gas Transportation System				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**21,038**	**27,425**	**30,471**
Outlays	0	16,009	26,050	28,901

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Office of Personnel Management					
Federal funds					
General and Special Funds:					
Salaries and expenses	805				
Appropriation, current		BA	**124,133**	**101,207**	**102,618**
Outlays		0	120,654	102,070	103,395
Limitation payable under trust funds			(39,419)	(41,895)	(44,652)
Government payment for annuitants, employees health benefits	551				
Appropriation, current		BA	**757,617**	**792,754**	**1,342,610**
				[A] **303,806**	
Outlays		0	789,444	733,184	1,337,484
				[A] 303,806	
Payment to civil service retirement and disability fund	805				
Appropriation, current		BA	**3,297,774**	**3,297,670**	**3,598,838**
				[A] **303,257**	
Indefinite		BA			[J] **—8,900**
Appropriation, permanent, indefinite		BA	**10,256,000**	**10,701,632**	**11,473,670**
Outlays		0	13,553,774	13,999,302	15,072,508
				[A] 303,257	
					[J] —8,900
Intergovernmental personnel assistance	806				
Appropriation, current		BA	**14,400**	.....	.....
Outlays		0	18,157	8,718	.....
Intragovernmental Funds:					
Revolving fund	805				
Appropriation, current		BA	**1,800**	.....	.....
Outlays		0	1,533	—3,100	300
Trust funds					
Civil service retirement and disability fund	602				
Appropriation, current		BA		[A] **303,257**	
Indefinite		BA			[J] **—7,500**
Appropriation, permanent, indefinite		BA	**28,169,117**	**32,545,926**	**34,262,005**
Outlays		0	17,694,146	19,436,105	21,542,843
				[J] —24,000	[J] —489,000
Employees health benefits fund	551				
Outlays		0	17,883	—143,083	—267,839
Employees life insurance fund	602				
Outlays		0	—479,875	—437,127	—465,076
Retired employees health benefits fund	551				
Outlays		0	371	1,424	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**14,451,724**	**15,500,326**	**16,508,836**
		0	14,483,562	15,447,237	16,504,787
Deductions for offsetting receipts:					
Proprietary receipts from the public	800	BA			
		0	*—319*	*—318*	*—318*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Office of Personnel Management—Con.					
	902	BA			
		0	*—2*	*—3*	*—3*
Total Federal funds		BA	**14,451,403**	**15,500,005**	**16,508,515**
		0	14,483,241	15,446,916	16,504,466
Trust funds:					
(As shown in detail above)		BA	**28,169,117**	**32,849,183**	**34,254,505**
		0	17,232,525	18,833,319	20,320,928
Deductions for offsetting receipts:					
Intrafund transactions	602	BA			
		0	*—7,408*	*—3,000*	*—2,900*
Total Trust funds		BA	**28,161,709**	**32,846,183**	**34,251,605**
		0	17,225,117	18,830,319	20,318,028
Interfund transactions	602	BA			
		0	**—65,773**	**—68,000**	**—68,000**
	805	BA			
		0	**—13,553,669**	**—14,302,559**	**—15,072,508**
		BA			
		0			[J] **8,900**
Total Office of Personnel Management		BA	**28,993,670**	**33,975,629**	**35,628,512**
		0	18,088,916	19,906,676	21,690,886
Panama Canal Commission					
Federal funds					
General and Special Funds:					
Panama Canal Commission fund	403				
Appropriation, current		BA	**764,610**	**420,520**	
					[K] **452,589**
Outlays		0	742,081	427,834	447,428
Summary					
Federal funds:					
(As shown in detail above)		BA	**764,610**	**420,520**	**452,589**
		0	742,081	427,834	447,428
Deductions for offsetting receipts:					
Intrafund transactions	403	BA			
		0	*—350,000*		
Proprietary receipts from the public	403	BA			
		0	*—409,687*	*—430,284*	*—467,930*
Total Panama Canal Commission		BA	**4,923**	**—9,764**	**—15,341**
		0	—17,606	—2,450	—20,502
Pennsylvania Avenue Development Corporation					
Federal funds					
General and Special Funds:					
Salaries and expenses	451				
Appropriation, current		BA	**2,443**	**2,246**	**2,250**
Outlays		0	2,201	2,103	2,140

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Pennsylvania Avenue Development Corporation—Con.				
Public development 451				
Appropriation, current	BA	**14,169**	**13,632**	**8,750**
Outlays	0	16,075	15,230	10,390
Public Enterprise Funds:				
Land acquisition and development fund 451				
Authority to borrow, current	BA	**15,000**	**2,400**	**1,200**
Outlays	0	16,836	14,880	4,600
Trust funds				
Gifts and donations 451				
Appropriation, permanent, indefinite	BA	.....	**170**	.....
Outlays	0	−33	205	.....
Total Federal funds Pennsylvania Avenue Development Corporation	BA	**31,612**	**18,278**	**12,200**
	0	35,112	32,213	17,130
Total Trust funds Pennsylvania Avenue Development Corporation	BA	.....	**170**	.....
	0	−33	205	.....
Postal Service				
Federal funds				
General and Special Funds:				
Payment to the Postal Service fund 372				
Appropriation, current	BA	**1,343,217**	**619,240**	**500,000**
Outlays	0	1,343,217	619,240	500,000
Railroad Retirement Board				
Federal funds				
General and Special Funds:				
Federal windfall subsidy 601				
Appropriation, current	BA	**350,000**	**379,200**	**350,000**
Outlays	0	350,000	379,200	350,000
Milwaukee railroad restructuring, administration 603				
Appropriation, current	BA	.....	**240**	**250**
Outlays	0	−7,780	266	266
Trust funds				
Railroad retirement account 601				
Appropriation, current, indefinite	BA			[1] **−5,493,000**
Appropriation, permanent, indefinite	BA	**4,675,353**	**5,121,000**	**5,493,000**
Outlays	0	5,293,814	5,327,625	5,721,605
Limitation on administration		(36,731)	(45,580)	[1] −5,721,605 (43,580)
Summary				
Federal funds:				
(As shown in detail above)	BA	**350,000**	**379,440**	**350,250**
	0	342,220	379,466	350,266

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Railroad Retirement Board—Con.					
Deductions for offsetting receipts:					
Proprietary receipts from the public	609	BA			
		0	*—2*	.....	.....
Total Federal funds		BA	**349,998**	**379,440**	**350,250**
		0	342,218	379,466	350,266
Trust funds:					
(As shown in detail above)		BA	**4,675,353**	**5,121,000**	.....
		0	5,293,814	5,327,625	.....
Deductions for offsetting receipts:					
Intrafund transactions	902	BA			
		0	*21,590*	*20,000*	*25,000*
		BA			
		0			*[1] —25,000*
Total Trust funds		BA	**4,696,943**	**5,141,000**	.....
		0	5,315,404	5,347,625	.....
Interfund transactions	601	BA			
		0	**—350,000**	.....	.....
Total Railroad Retirement Board		BA	**4,696,941**	**5,520,440**	**350,250**
		0	5,307,622	5,727,091	350,266
Renegotiation Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	054				
Outlays		0	—1	.....	.....
Securities and Exchange Commission					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**80,200**	**82,906**	**84,300**
Outlays		0	78,034	81,596	83,927
Summary					
Federal funds:					
(As shown in detail above)		BA	**80,200**	**82,906**	**84,300**
		0	78,034	81,596	83,927
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*—9*	*—5*	*—5*
Total Securities and Exchange Commission		BA	**80,191**	**82,901**	**84,295**
		0	78,025	81,591	83,922

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Selective Service System					
Federal funds					
General and Special Funds:					
Salaries and expenses	054				
Appropriation, current		BA	**24,654**	**18,633**	**23,386**
				[A] **1,367**	
Outlays		0	27,029	20,420	23,559
				[A] 1,080	[A] 287
Small Business Administration					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**231,945**	**221,945**	**228,000**
Outlays		0	229,092	241,145	244,600
White House Conference on Small Business	376				
Outlays		0	35	.....	.....
Public Enterprise Funds:					
Business loan and investment fund	376				
Appropriation, current		BA	**609,000**	**326,000**	**143,700**
Outlays		0	574,442	359,000	129,900
Disaster loan fund	453				
Appropriation, current		BA	**−10,000**	.....	.....
Authority to borrow, current		BA	**325,000**	.....	.....
Outlays		0	1,100,710	−77,000	−290,000
Lease guarantees revolving fund	376				
Appropriation, current		BA	**4,000**	**3,000**	**7,000**
Outlays		0	3,154	3,000	3,000
Surety bond guarantees revolving fund	376				
Appropriation, current		BA	**30,000**	**19,000**	.....
Outlays		0	15,386	16,000	10,000
Pollution control equipment contract guarantee revolving fund	376				
Outlays		0	−10,273	−16,700	−19,300
Summary					
Federal funds:					
(As shown in detail above)		BA	**1,189,945**	**569,945**	**378,700**
		0	1,912,546	525,445	78,200
Deductions for offsetting receipts:					
Proprietary receipts from the public	370	BA			
		0	*−19*	.....	.....
Total Small Business Administration		BA	**1,189,926**	**569,945**	**378,700**
		0	1,912,527	525,445	78,200
Smithsonian Institution					
Federal funds					
General and Special Funds:					
Salaries and expenses	503				
Appropriation, current		BA	**122,478**	**128,470**	**144,110**
Outlays		0	120,322	127,185	143,785

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Smithsonian Institution—Con.				
Museum programs and related research (special foreign currency program) 503				
Appropriation, current	BA	**3,650**	**4,320**	**2,000**
Outlays	0	2,596	3,000	2,500
Construction and improvements, National Zoological Park 503				
Appropriation, current	BA	**3,290**	**1,104**	**1,550**
Outlays	0	5,559	4,100	1,550
Restoration and renovation of buildings 503				
Appropriation, current	BA	**7,539**	**7,680**	**8,450**
Outlays	0	4,424	8,300	7,950
Construction 503				
Appropriation, current	BA	**5,000**	**960**	**36,500**
Outlays	0	8,145	14,960	9,000
Salaries and expenses, National Gallery of Art 503				
Appropriation, current	BA	**24,651**	**29,815**	**32,673**
Outlays	0	24,034	28,785	31,712
Salaries and expenses, Woodrow Wilson International Center for Scholars 503				
Appropriation, current	BA	**1,830**	**1,872**	**2,255**
Outlays	0	1,731	1,872	2,255
Trust funds				
Smithsonian Institution trust funds 251				
Appropriation, permanent	BA	**100**	**98**	**115**
Outlays	0	111	115	123
Summary				
Federal funds:				
(As shown in detail above)	BA	**168,438**	**174,221**	**227,538**
	0	166,811	188,202	198,752
Deductions for offsetting receipts:				
Proprietary receipts from the public 500	BA			
	0	*—49*	*—4*	*—4*
Total Federal funds	BA	**168,389**	**174,217**	**227,534**
	0	166,762	188,198	198,748
Trust funds:				
(As shown in detail above)	BA	**100**	**98**	**115**
	0	111	115	123
Total Smithsonian Institution	BA	**168,489**	**174,315**	**227,649**
	0	166,873	188,313	198,871
Temporary Study Commissions				
Joint Federal-State Land Use Planning Commission for Alaska				
Federal funds				
General and Special Funds:				
Salaries and expenses 452				
Outlays	0	3	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Temporary Study Commissions—Con.					
Joint Federal-State Land Use Planning Commission for Alaska—Con.					
Trust funds					
Cooperative funds	452				
Appropriation, permanent		BA	−26	.....	.....
Summary					
Federal funds:					
(As shown in detail above)		0	3	.....	.....
Trust funds:					
(As shown in detail above)		BA	−26	.....	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	452	BA	*26*	.....	.....
		0			
Total Trust funds		0	26	.....	.....
Total Joint Federal-State Land Use Planning Commission for Alaska		0	29	.....	.....
Other Temporary Commissions					
Federal funds					
General and Special Funds:					
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses	805				
Appropriation, current		BA	**160**	.....	.....
Outlays		0	157	1	.....
Commission on Wartime Relocation and Internment of Civilians: Salaries and expenses	752				
Appropriation, current		BA	**2,000**	.....	.....
Outlays		0	234	766	.....
Motor Carrier Ratemaking Study Commission: Salaries and expenses	401				
Appropriation, current		BA	**2,000**	.....	.....
Outlays		0	68	1,415	517
National Alcohol Fuels Commission: Salaries and expenses	271				
Outlays		0	1,160	5	.....
National Commission on Air Quality: Salaries and expenses	304				
Appropriation, current		BA	**2,000**	.....	.....
Outlays		0	4,483	92	.....
National Commission on Social Security: Salaries and expenses	601				
Outlays		0	434	79	.....
National Commission on Student Financial Assistance: Salaries and expenses	502				
Appropriation, current		BA	**250**	**960**	**345**
Outlays		0	33	917	503
National Transportation Policy Study Commission: Salaries and expenses	407				
Outlays		0	44	2	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.				
Temporary Study Commissions—Con.				
Other Temporary Commissions—Con.				
Navajo and Hopi Indian Relocation Commission: Salaries and expenses 806				
Appropriation, current	BA	**2,737**	**10,062**	**13,403**
Outlays	0	7,855	9,840	13,403
President's Commission for the Study of Ethical Problems in Medicine: Salaries and expenses 551				
Appropriation, current	BA	**1,500**	**1,440**	.....
Outlays	0	782	1,550	348
President's Commission on Pension Policy: Salaries and expenses 601				
Outlays	0	−974	78	.....
Presidential Commission on World Hunger: Salaries and expenses 806				
Outlays	0	14	.....	.....
Select Commission on Immigration and Refugee Policy: Salaries and expenses 751				
Appropriation, current	BA	**550**	.....	.....
Outlays	0	1,131	21	.....
Total Federal funds Other Temporary Commissions	BA	**11,197**	**12,462**	**13,748**
	0	15,421	14,766	14,771
National Commission on the International Year of the Child				
Federal funds				
General and Special Funds:				
Salaries and expenses 506				
Outlays	0	−14	.....	.....
National Commission on the Observance of International Women's Year, 1975				
Federal funds				
General and Special Funds:				
Salaries and expenses 806				
Outlays	0	39	.....	.....
Total Federal funds Temporary Study Commissions	BA	**11,197**	**12,462**	**13,748**
	0	15,449	14,766	14,771
Total Trust funds Temporary Study Commissions.	0	26	.....	.....
Nuclear Safety Oversight Committee				
Federal funds				
General and Special Funds:				
Salaries and expenses 276				
Appropriation, current	BA	**1,500**	.....	.....
Outlays	0	501	49	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Tennessee Valley Authority					
Federal funds					
Public Enterprise Funds:					
Tennessee Valley Authority fund:					
(Energy supply)	271				
(Authority to borrow, permanent)		BA		**1,627,705**	**1,695,962**
(Outlays)		0	1,766,049	1,940,000	1,550,000
(Area and regional development)	452				
(Appropriation, current)		BA	**202,063**	**129,162**	**119,490** [J] **—990**
(Outlays)		0	161,733	240,000	140,990 [J] —990
Total Tennessee Valley Authority fund		BA	**202,063**	**1,756,867**	**1,814,462**
		0	1,927,782	2,180,000	1,690,000
Summary					
Federal funds:					
(As shown in detail above)		BA	**202,063**	**1,756,867**	**1,814,462**
		0	1,927,782	2,180,000	1,690,000
Deductions for offsetting receipts:					
Proprietary receipts from the public	270	BA			
		0	*—24*	*—24*	*—24*
Total Tennessee Valley Authority		BA	**202,039**	**1,756,843**	**1,814,438**
		0	1,927,758	2,179,976	1,689,976
United States Holocaust Memorial Council					
Federal funds					
General and Special Funds:					
Holocaust Memorial Council	806				
Appropriation, current		BA	**722**	**768**	**820**
Outlays		0	394	975	760
Trust funds					
Gifts and donations	806				
Appropriation, permanent		BA		**100**	**100**
Outlays		0		100	100
United States Metric Board					
Federal funds					
General and Special Funds:					
Salaries and expenses	376				
Appropriation, current		BA	**2,708**	**2,000**	
Outlays		0	2,546	2,464	200
Trust funds					
Gifts and donations	376				
Appropriation, permanent, indefinite		BA	**4**		
Outlays		0	6	6	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
United States Railway Association					
Federal funds					
General and Special Funds:					
Administrative expenses	401				
Appropriation, current		BA	**29,000**	**9,000**	**2,000**
Outlays		0	26,250	13,000	3,000
Payments for purchase of Conrail securities	401				
Appropriation, current		BA	**500,000**	.....	.....
Outlays		0	165,000	15,000	.....
Total Federal funds United States Railway Association		BA	**529,000**	**9,000**	**2,000**
		0	191,250	28,000	3,000
Water Resources Council					
Federal funds					
General and Special Funds:					
Water resources planning	301				
Appropriation, current		BA	**19,777**	**3,888**	.....
Outlays		0	22,912	5,967	1,014
Trust funds					
River Basin Commissions	301				
Appropriation, permanent, indefinite		BA	**10,728**	.....	.....
Outlays		0	13,764	6,207	.....
Summary					
Federal funds:					
(As shown in detail above)		BA	**19,777**	**3,888**	.....
		0	22,912	5,967	1,014
Trust funds:					
(As shown in detail above)		BA	**10,728**	.....	.....
		0	13,764	6,207	.....
Deductions for offsetting receipts:					
Proprietary receipts from the public	301	BA			
		0	*—1,470*	.....	.....
Total Trust funds		BA	**9,258**	.....	.....
		0	12,294	6,207	.....
Interfund transactions	301	BA			
		0	**—9,258**	.....	.....
Total Water Resources Council		BA	**19,777**	**3,888**	.....
		0	25,948	12,174	1,014
Summary					
Federal funds:					
(As shown in detail above)		BA	**45,346,909**	**40,480,256**	**37,460,286**
		0	42,717,857	41,266,785	38,401,797
Deductions for offsetting receipts:					
Intrafund transactions	403	BA			
		0	*—350,000*	.....	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Summary—Con.					
	902	BA	*4*	.....	.....
		O			
Proprietary receipts from the public	054	BA	*8,236*	*—233,829*	*—189,700*
		O			
		BA			[1] *—402,138*
		O			
	150	BA	*—156*	*—290*	*—290*
		O			
	250	BA	*—505*	*—270*	*—270*
		O			
	270	BA	*—46*	*—24*	*—24*
		O			
	350	BA	*—4*	*—2*	*—2*
		O			
	370	BA	*—106*	*—70*	*—70*
		O			
	400	BA	*—9,370*	*—45,268*	*—12,026*
		O			
	403	BA	*—409,687*	*—430,284*	*—467,930*
		O			
	500	BA	*—10,862*	*—29,457*	*—31,057*
		O			
	506	BA	*—146*	.....	.....
		O			
	550	BA	*—9*	*—7*	*—7*
		O			
	609	BA	*—2*	.....	.....
		O			
	700	BA	*—6*	*—3*	*—3*
		O			
	750	BA	*—45*	*—53*	*—53*
		O			
	800	BA	*—19,259*	*—106,082*	*—261,318*
		O			
		BA			[1] *—15,700*
		O			
	805	BA	*—4*	*—1*	*—1*
		O			
	806	BA	*—49*	.....	.....
		O			
	852	BA	*—86,592*	*—148,214*	*—29,370*
		O			
	902	BA	*—884*	*—1,115*	*—1,220*
		O			
Total Federal funds		BA	**44,467,417**	**39,485,287**	**36,049,107**
		O	41,838,365	40,271,816	36,990,618
Trust funds:					
(As shown in detail above)		BA	**32,888,006**	**37,988,339**	**34,267,334**
		O	20,840,600	22,393,382	18,332,031

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Other Independent Agencies—Con.					
Summary—Con.					
Deductions for offsetting receipts:					
Intrafund transactions	602	BA	*—7,408*	*—3,000*	*—2,900*
		0			
	902	BA	*21,590*	*20,000*	*25,000*
		0			
		BA			*[J] —25,000*
		0			
Proprietary receipts from the public	154	BA	*—973*	*—760*	*—760*
		0			
	301	BA	*—1,470*	.....	.....
		0			
	452	BA	*—2,766*	*—2,500*	.....
		0			
	503	BA	*257*	.....	.....
		0			
Total Trust funds		BA	**32,897,236**	**38,002,079**	**34,263,674**
		0	20,849,830	22,407,122	18,328,371
Interfund transactions	301	BA	**—9,258**	.....	.....
		0			
	452	BA	**—3,031**	**—2,500**	.....
		0			
	601	BA	**—350,000**	.....	.....
		0			
	602	BA	**—65,773**	**—68,000**	**—68,000**
		0			
	805	BA	**—13,553,669**	**—14,302,559**	**—15,072,508**
		0			
		BA			**[J] 8,900**
		0			
Total Other Independent Agencies		BA	**63,382,922**	**63,114,307**	**55,181,173**
		0	48,706,464	48,305,879	40,187,381
Allowances					
Allowances for:					
Federal funds					
General and Special Funds:					
Civilian agency pay raises					
Appropriation, current		BA		**[1] 392,000**	**[1] 757,000**
Outlays		0		[1] 376,000	[1] 743,000
Fraud, waste, and abuse					
Appropriation, current		BA	.....	**—1,000,000**	**—1,000,000**
Outlays		0	.....	—1,000,000	—1,000,000
Undistributed debt collections					
Appropriation, current		BA	.....	.....	**—1,000,000**
Outlays		0	.....	.....	—1,000,000

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Allowances—Con.				
Allowances for:—Con.				
Contingencies for:				
Relatively uncontrollable programs				
Appropriation, current	BA	.....	.....	**0**
Outlays	0	.....	.....	0
Other requirements				
Appropriation, current	BA	.....	.....	**0**
Outlays	0	.....	.....	0
Total Federal funds Allowances for:	BA	.....	**−608,000**	**−1,243,000**
	0	.....	−624,000	−1,257,000
Summary				
Federal funds:				
Total Allowances	BA	.....	**−608,000**	**−1,243,000**
	0	.....	−624,000	−1,257,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Budget Totals					
Federal funds:					
(As shown in detail above)		BA	**554,447,203**	**580,883,109**	**615,277,427**
		O	506,098,901	559,142,445	590,365,513
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*—3,815,312*	*—4,688,633*	*—4,310,247*
		O			
Receipts from off-budget Federal entities		BA	*—8,829,677*	*—12,114,647*	*—15,445,281*
		O			
Proprietary receipts from the public		BA	*—8,144,946*	*—10,588,542*	*—9,971,025*
		O			
		BA		*[J] 46,500*	*[J] —1,035,029*
		O			
(Undistributed by agency and function):					
Proprietary receipts from the public:					
Rents and royalties on the Outer Continental Shelf	953	BA	*—10,137,986*	*—7,861,000*	*—18,000,000*
		O			
Federal surplus property disposition	954	BA	.....	.....	*—1,000,000*
		O			
Total deductions		BA	*—30,927,921*	*—35,206,322*	*—49,761,582*
		O			
Federal fund totals		BA	**523,519,282**	**545,676,787**	**565,515,845**
		O	475,170,980	523,936,123	540,603,931
Trust funds:					
(As shown in detail above)		BA	**262,819,420**	**300,933,369**	**321,634,807**
		O	249,972,027	282,540,722	302,274,293
Deductions for offsetting receipts:					
(As shown in detail above):					
Intrafund transactions		BA	*—1,631,278*	*—2,021,862*	*—2,705,759*
		O			
		BA			*[J] 2,234,000*
		O			
Proprietary receipts from the public		BA	*—14,207,155*	*—16,167,758*	*—18,146,170*
		O			
		BA		*[J] 6,000*	*[J] —112,300*
		O			
(Undistributed by agency and function):					
Receipts from off-budget Federal entities:					
Employer share, employee retirement	951	BA	*—1,537,380*	*—2,187,863*	*—2,191,846*
		O			
		BA			*[J] —123,000*
		O			
Total deductions		BA	*—17,375,813*	*—20,371,483*	*—21,045,075*
		O			
Trust fund totals		BA	**245,443,607**	**280,561,886**	**300,589,732**
		O	232,596,214	262,169,239	281,229,218
Interfund transactions (—):					
Employer share, employee retirement	951	BA	**—4,833,796**	**—5,372,567**	**—5,541,725**
		O			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1981 actual	1982 estimate	1983 estimate
Budget Totals—Con.					
		BA			[J] **—496,000**
		0			
Interest received by trust funds	952	BA	**—13,810,388**	**—16,053,114**	**—16,062,500**
		0			
		BA		[J] **—27,000**	[J] **—59,400**
		0			
Applied by agency above		BA	**—31,918,802**	**—39,321,744**	**—42,035,466**
		0			
Total interfund transactions		BA	**—50,562,986**	**—60,774,425**	**—64,195,091**
		0			
Budget totalsΔ		BA	**718,399,903**	**765,464,248**	**801,910,486**
		0	657,204,208	725,330,937	757,638,058

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code	1981 actual	1982 estimate	1983 estimate

Budget Totals—Continued

ΔBudget totals are distributed as follows:

	1982		1983	
	BA	Outlays	BA	Outlays
Federal funds:				
Enacted, pending and initial requests:				
Appropriations	578,613,720	548,508,616	614,800,393	592,282,904
Legislative action proposed (L)	−1,334,726	−838,741	−6,717,590	−7,013,767
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	7,348,640	6,276,556	.....	741,334
Add. authorizing leg. req. (B)	1,971,991	822,170	.....	481,326
Pay:				
Wage-board pay raises (C)	3,056	2,990	.....	66
Civilian pay raises (D)	59,947	58,646	.....	1,301
Rescission proposal (H)	−10,645,445	−219,792	.....	−833,435
To be proposed separately:				
Under proposed legislation (J)	100	100	4,295,695	1,624,809
Allowances	4,865,826	4,531,900	2,898,929	3,080,975
Deductions for offsetting receipts	−35,252,822	−35,252,822	−48,726,553	−48,726,553
Under proposed legislation (J)	46,500	46,500	−1,035,029	−1,035,029
Total Federal funds	545,676,787	523,936,123	565,515,845	540,603,931
Trust funds:				
Enacted, pending and initial requests:				
Appropriations	298,203,293	280,724,301	323,614,817	308,468,194
Legislative action proposed (L)	.....	.....	−15,600	−15,600
Proposed in this budget:				
Supplemental requests:				
Programs:				
Under existing legislation (A)	2,272,699	2,088,573	.....	7,200
Pay:				
Rescission proposal (H)	−9,623	.....	.....	.....
To be proposed separately:				
Under proposed legislation (J)	467,000	−272,152	−1,964,410	−6,185,501
Deductions for offsetting receipts	−20,377,483	−20,377,483	−23,043,775	−23,043,775
Under proposed legislation (J)	6,000	6,000	1,998,700	1,998,700
Total Trust funds	280,561,886	262,169,239	300,589,732	281,229,218
Interfund transactions (−)	−60,774,425	−60,774,425	−64,195,091	−64,195,091
Budget totals	765,464,248	725,330,937	801,910,486	757,638,058

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities				
Department of Agriculture				
Federal funds				
Public Enterprise Funds:				
Rural electrification and telephone revolving fund 271				
Authority to borrow, permanent	BA	**33,984**	**464**	.....
Outlays	0	33,732	.....	.....
Rural telephone bank 452				
Appropriation, current	BA	**22,500**	**30,000**	.....
Authority to borrow, permanent, indefinite	BA	**103,997**	**132,978**	**162,634**
Outlays	0	113,700	156,375	155,430
Total Federal funds Department of Agriculture	BA	**160,481**	**163,442**	**162,634**
	0	147,432	156,375	155,430
Department of Interior				
Federal funds				
General and Special Funds:				
SPR petroleum 274				
Appropriation, current	BA	.....	**3,684,000**	**2,074,060**
Outlays	0	.....	2,834,483	2,774,191
Department of the Treasury—Federal Financing Bank M †				
Funds Appropriated to the President				
International Security Assistance				
Federal funds				
General and Special Funds:				
Foreign military sales credit, FFB (loan guarantee originations) 152				
Authority to borrow, permanent, indefinite	BA	**2,505,300**	**3,320,000**	**4,400,000**
Outlays	0	1,944,783	2,670,000	3,715,000
International Development Assistance				
Federal funds				
Public Enterprise Funds:				
Overseas Private Investment Corporation, FFB (loan asset sales) 151				
Outlays	0	−4,826	−5,777	−5,816
Total Federal funds Funds Appropriated to the President	BA	**2,505,300**	**3,320,000**	**4,400,000**
	0	1,939,957	2,664,223	3,709,184
Department of Agriculture				
Rural Electrification Administration N				
Federal funds				
Public Enterprise Funds:				
REA, FFB (loan asset sales) 271				
Authority to borrow, permanent, indefinite	BA	**683,000**	**623,304**	**524,800**
Outlays	0	683,000	623,304	524,800

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury—Federal Financing Bank—Con.				
Department of Agriculture—Con.				
REA, FFB (loan guarantee originations) 271				
Authority to borrow, permanent, indefinite	BA	**4,007,066**	**4,310,851**	**4,135,735**
Outlays	0	3,917,981	4,309,125	4,129,117
Total Federal funds Rural Electrification Administration	BA	**4,690,066**	**4,934,155**	**4,660,535**
	0	4,600,981	4,932,429	4,653,917
Farmers Home Administration				
Federal funds				
Public Enterprise Funds:				
Agricultural credit insurance fund, FFB (loan asset sales) 351				
Authority to borrow, permanent, indefinite	BA	**6,815,000**	**5,391,213**	**3,070,936**
Outlays	0	5,790,000	1,066,213	−394,064
Rural housing insurance fund, FFB (loan asset sales) 371				
Authority to borrow, permanent, indefinite	BA	**6,045,000**	**5,619,107**	**3,537,403**
Outlays	0	4,045,000	3,249,107	852,403
Rural development insurance fund, FFB (loan asset sales) 452				
Authority to borrow, permanent, indefinite	BA	**1,650,000**	**1,511,181**	**1,196,048**
Outlays	0	1,025,000	1,036,181	691,048
Total Federal funds Farmers Home Administration	BA	**14,510,000**	**12,521,501**	**7,804,387**
	0	10,860,000	5,351,501	1,149,387
Total Federal funds Department of Agriculture	BA	**19,200,066**	**17,455,656**	**12,464,922**
	0	15,460,981	10,283,930	5,803,304
Department of Commerce				
Energy Research and Technology Administration				
Federal funds				
General and Special Funds:				
Energy conservation, electric and hybrid vehicles, FFB (loan guarantee originations) 272				
Authority to borrow, permanent, indefinite	BA	**894**	.....	.....
Outlays	0	894	.....	.....
Geothermal resources development fund, FFB (loan guarantee originations) 271				
Authority to borrow, permanent, indefinite	BA	**17,024**	**27,976**	.....
Outlays	0	17,024	27,976	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury—Federal Financing Bank—Con.				
Department of Commerce—Con.				
Alternative fuels production, FFB (loan guarantee originations) 271				
Authority to borrow, permanent, indefinite	BA	.....	**469,800**	**915,100**
Outlays	0	.....	469,800	915,100
Total Federal funds Energy Research and Technology Administration	BA	**17,918**	**497,776**	**915,100**
	0	17,918	497,776	915,100
Total Federal funds Department of Commerce	BA	**17,918**	**497,776**	**915,100**
	0	17,918	497,776	915,100
Department of Health and Human Services				
Federal funds				
Public Enterprise Funds:				
Medical facilities guarantee and loan fund, FFB (loan asset sales) 551				
Outlays	0	—5,506	—4,696	—5,017
Health maintenance organization loan and loan guarantee fund, FFB (loan asset sales) 551				
Authority to borrow, permanent, indefinite	BA	**15,021**	**28,100**	**16,500**
Outlays	0	13,277	26,600	16,100
Total Federal funds Department of Health and Human Services	BA	**15,021**	**28,100**	**16,500**
	0	7,771	21,904	11,083
Department of Housing and Urban Development				
Housing Programs				
Federal funds				
Public Enterprise Funds:				
Low-rent public housing--loans and other expenses, FFB (loan guarantee originations) 604				
Authority to borrow, permanent, indefinite	BA	**822,343**	**1,261,000**	**1,026,000**
Outlays	0	809,973	1,224,312	969,433
Community Planning and Development				
Federal funds				
General and Special Funds:				
Community development grants, FFB (loan guarantee originations) 451				
Authority to borrow, permanent, indefinite	BA	**45,264**	**110,000**	**120,000**
Outlays	0	34,395	96,000	83,000
Total Federal funds Department of Housing and Urban Development	BA	**867,607**	**1,371,000**	**1,146,000**
	0	844,368	1,320,312	1,052,433

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury–Federal Financing Bank—Con.				
Department of Interior				
Territorial Affairs				
Federal funds				
General and Special Funds:				
Administration of territories, FFB (loan guarantee originations) 806				
Authority to borrow, permanent, indefinite	BA	.....	**30,000**	.....
Outlays	0	−346	29,626	−750
Department of Transportation				
Federal Railroad Administration				
Federal funds				
General and Special Funds:				
Rail service assistance, FFB (loan guarantee originations) 401				
Authority to borrow, permanent, indefinite	BA	**8,000**	**19,199**	**8,275**
Outlays	0	−42,100	−100,951	−16,725
Grants to National Railroad Passenger Corporation, FFB (loan guarantee originations) 401				
Authority to borrow, permanent, indefinite	BA	**1,749,500**	**133,458**	.....
Outlays	0	281,685	133,458	.....
Public Enterprise Funds:				
Railroad rehabilitation and improvement financing fund, FFB (loan guarantee originations) 401				
Authority to borrow, permanent, indefinite	BA	**36,114**	**42,665**	**50,000**
Outlays	0	10,771	31,985	36,060
Total Federal funds Federal Railroad Administration	BA	**1,793,614**	**195,322**	**58,275**
	0	250,356	64,492	19,335
Total Federal funds Department of Transportation	BA	**1,793,614**	**195,322**	**58,275**
	0	250,356	64,492	19,335
Department of the Treasury				
Federal funds				
Intragovernmental Funds:				
Federal Financing Bank [o] 803				
Authority to borrow, permanent, indefinite	BA	**79,277**	.....	.....
Outlays	0	79,277	.....	.....
National Aeronautics and Space Administration				
Federal funds				
General and Special Funds:				
Research and development, FFB (loan guarantee originations) 255				
Authority to borrow, permanent, indefinite	BA	**110,875**	**206,500**	**171,100**
Outlays	0	110,875	206,500	112,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities—Con.				
Department of the Treasury—Federal Financing Bank—Con.				
Other Independent Agencies				
Foundation for Education Assistance				
Federal funds				
Public Enterprise Funds:				
Guarantees of SLMA obligations[P] 502				
Authority to borrow, permanent, indefinite	BA	**1,955,000**	**700,000**	.....
Outlays	0	1,955,000	700,000	.....
General Services Administration				
Federal funds				
Intragovernmental Funds:				
Federal buildings fund, FFB (loan guarantee originations) 804				
Authority to borrow, permanent, indefinite	BA	**14,057**	**34,628**	.....
Outlays	0	13,087	28,135	−7,543
Small Business Administration				
Federal funds				
Public Enterprise Funds:				
Business loan and investment fund, FFB (loan guarantee originations) 376				
Authority to borrow, permanent, indefinite	BA	**165,173**	**275,000**	**240,000**
Outlays	0	130,973	240,000	195,000
SBA, Small business development company loans, FFB (loan asset sales) 376				
Outlays	0	−11,916	−16,000	−16,000
Total Federal funds Small Business Administration	BA	**165,173**	**275,000**	**240,000**
	0	119,057	224,000	179,000
Tennessee Valley Authority				
Federal funds				
Public Enterprise Funds:				
Tennessee Valley Authority fund, Seven States Corp., FFB 271				
Authority to borrow, permanent, indefinite	BA	**3,624,232**	**4,285,100**	**5,288,700**
Outlays	0	237,187	198,000	277,600
Total Federal funds Other Independent Agencies..	BA	**5,758,462**	**5,294,728**	**5,528,700**
	0	2,324,331	1,150,135	449,057
Total Federal funds Department of the Treasury--Federal Financing Bank	BA	**30,348,140**	**28,399,082**	**24,700,597**
	0	21,035,488	16,238,898	12,070,946

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1981 actual	1982 estimate	1983 estimate
Off-Budget Federal Entities—Con.				
Postal Service				
Federal funds				
Public Enterprise Funds:				
Postal Service 372				
Authority to borrow, permanent, indefinite	BA		**347,870**	**1,785,857**
Outlays	0	88,506	553,779	713,437
United States Railway Association				
Federal funds				
Public Enterprise Funds:				
Regional rail reorganization program 401				
Authority to borrow, permanent, indefinite	BA	**228,343**		
Outlays	0	−266,795	−94,407	−12,625
Synthetic Fuels Corporation				
Federal funds				
Public Enterprise Funds:				
Synthetic Fuels Corporation 271				
Contract authority, permanent	BA	**6,170**	**24,505**	**35,507**
Summary				
Federal funds:				
(As shown in detail above)	BA	**30,743,134**	**32,618,899**	**28,758,655**
	0	21,004,631	19,689,128	15,701,379
Budget totals	BA	**718,399,903**	**765,464,248**	**801,910,486**
	0	657,204,208	725,330,937	757,638,058
Total, including off-budget entities	BA	**749,143,037**	**798,083,147**	**830,669,141**
	0	678,208,839	745,020,065	773,339,437

[A] Supplemental under existing legislation.
[B] Supplemental. Additional authorizing legislation required
[C] Supplemental for wage-board pay raises.
[D] Supplemental for civilian pay raises.
[H] Rescission proposal.
[I] Proposed for later transmittal under existing legislation.
[J] Proposed for later transmittal under proposed legislation.
[K] Additional authorizing legislation required.
[L] Legislative action proposed.
[M] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.
[N] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).
[O] Miscellaneous budget authority and outlays not attributed to any single program.
[P] Guaranteed for Government-sponsored enterprise (Student Loan Marketing Association).
‡ In order to reflect the transactions of the Federal Financing Bank (FFB) account on behalf of other agencies, budget authority and outlays of the FFB account are shown by agency, account title, and subfunction of the account being serviced. The non-lending FFB transactions are shown in subfunction 803 (central fiscal operations).

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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 14 presents 5-year projections of the estimated costs of proposed legislation pursuant to section 221(a) of the Legislative Reorganization Act of 1970.
- Tables 15 and 16 provide detailed information on direct loan and loan guarantee activity within the Federal credit control system.
- Tables 17 through 23 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.

NOTE

The 1983 Budget reflects the reclassification of supplementary medical insurance and voluntary hospital insurance enrollee premiums. These premiums, formerly classified as budget receipts, are now classified as proprietary receipts. Accordingly, budget totals have been adjusted retroactively. The adjustment decreases budget receipts and outlays for each year since 1967 by the amount of the premiums collected for that year.

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Table 1. **BUDGET SUMMARY**

(In millions of dollars)

Description	1981 actual	1982 estimate	1983 estimate
THE BUDGET			
Budget authority (largely appropriations):			
Available through current action by Congress:			
Enacted and pending	437,841	439,525	
Proposed in this budget		1,001	453,895
To be requested separately		6,333	7,230
Available without current action by Congress	379,426	434,957	475,787
Deductions for offsetting receipts [1]	−98,867	−116,352	−135,002
Total budget authority	**718,400**	**765,464**	**801,910**
Budget authority, off-budget Federal entities	(30,743)	(32,619)	(28,759)
Budget authority including off-budget Federal entities	(749,143)	(798,083)	(830,669)
Receipts, outlays, and surplus or deficit:			
Receipts:			
Total budget receipts	**599,272**	**626,753**	**666,118**
Outlays:			
Total budget outlays	**657,204**	**725,331**	**757,638**
Outlays, off-budget Federal entities	(21,005)	(19,689)	(15,701)
Outlays, including off-budget Federal entities	(678,209)	(745,020)	(773,339)
Surplus or deficit(−):			
Total budget deficit (−)	**−57,932**	**−98,578**	**−91,520**
Deficit, off-budget Federal entities	−21,005	−19,689	−15,701
Total deficit (−)	−78,936	−118,267	−107,221
THE CREDIT BUDGET [2]			
New obligations and commitments:			
New direct loan obligations	57,194	56,351	48,994
New loan guarantee commitments [3]	76,515	87,065	98,354
Total	133,709	143,416	147,348
Net loans and loan guarantees:			
Net direct loans:			
On-budget	5,153	4,435	1,860
Off-budget	20,920	16,397	12,295
Net loan guarantees [3]	27,972	44,003	46,595
Total	54,045	64,835	60,750
FEDERAL DEBT			
	1980 actual		
Debt outstanding, end of period:			
Gross Federal debt	914,317	1,003,941	1,134,186	1,258,405
Held by:				
Government agencies	199,212	209,507	220,752	236,971
The public	715,105	794,434	913,434	1,021,434
Federal Reserve System	120,846	124,466		
Others	594,259	669,968		

[1] These consist of intragovernmental transactions and proprietary receipts from the public.

[2] In the 1981 and 1982 Budgets, amounts shown for loan guarantees were based on the Federal Government's contingent liability. Those amounts are now based on the full principal amount of loans guaranteed even though the loans may only be partially guaranteed by the Federal Government. (For further discussion of this change, see "Special Analysis F; Federal Credit Programs.")

[3] To avoid double counting, excludes guarantees (or commitments) of loans previously guaranteed and guarantees (or commitments) by one Government account of direct loans made by another Government account.

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

(In millions of dollars)

Description	1981 actual	1982 estimate	1983 estimate
Budget receipts by source:			
Individual income taxes	285,917	298,578	304,533
Corporation income taxes	61,137	46,752	65,269
Social insurance taxes and contributions	182,720	206,481	222,510
Excise taxes	40,839	42,993	41,663
Estate and gift taxes	6,787	7,162	5,948
Customs duties	8,083	8,870	9,390
Miscellaneous receipts	13,790	15,917	16,805
Total budget receipts	599,272	626,753	666,118
Budget outlays by function:			
National defense [1]	159,765	187,497	221,068
International affairs	11,130	11,074	11,968
General science, space, and technology	6,359	6,942	7,633
Energy	10,277	6,413	4,215
Natural resources and environment	13,525	12,626	9,911
Agriculture	5,572	8,633	4,494
Commerce and housing credit	3,946	3,265	1,591
Transportation [2]	23,381	21,228	19,628
Community and regional development	9,394	8,366	7,263
Education, training, employment, and social services	31,402	27,770	21,552
Health	65,982	73,437	78,105
Income security	225,099	250,870	261,736
(Social security)	(137,970)	(154,643)	(173,536)
(Other)	(87,129)	(96,227)	(88,200)
Veterans benefits and services	22,988	24,155	24,383
Administration of justice	4,698	4,521	4,592
General government	4,614	5,146	5,008
General purpose fiscal assistance	6,856	6,417	6,686
Interest	82,537	99,095	112,536
Allowances [3]		−624	−1,257
Undistributed offsetting receipts	−30,320	−31,502	−43,474
Total budget outlays	657,204	725,331	757,638
Budget surplus or deficit (−)	−57,932	−98,578	−91,520
Budget authority by function:			
National defense [1]	182,405	218,865	263,033
International affairs	24,812	18,482	18,126
General science, space, and technology	6,533	6,995	7,800
Energy	6,769	4,846	4,330
Natural resources and environment	11,128	10,030	8,440
Agriculture	6,646	9,609	6,865
Commerce and housing credit	6,537	6,275	3,419
Transportation [2]	24,920	20,996	19,102
Community and regional development	8,143	6,621	6,658
Education, training, employment, and social services	30,550	23,507	18,794
Health	68,936	79,234	77,808
Income security	249,918	252,322	257,576
(Social security)	(132,950)	(150,128)	(168,574)
(Other)	(116,968)	(102,194)	(89,002)
Veterans benefits and services	23,167	24,789	25,660
Administration of justice	4,343	4,339	4,525
General government	5,125	5,152	5,259
General purpose fiscal assistance	6,251	6,419	6,696
Interest	82,537	99,094	112,536
Allowances [3]		−608	−1,243
Undistributed offsetting receipts	−30,320	−31,502	−43,474
Total budget authority	718,400	765,464	801,910

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowance for military pay raises for the Coast Guard.
[3] Includes allowances for civilian agency pay raises and contingencies.

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Table 3. BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Legislative branch	1,247	1,423	1,465	1,209	1,502	1,450
The Judiciary	653	741	842	637	730	824
Executive Office of the President	103	90	102	96	92	99
Funds appropriated to the President	14,662	11,036	11,483	7,010	6,370	6,936
Agriculture	28,169	30,251	24,748	26,034	29,442	23,533
Commerce [1]	11,160	10,044	9,730	11,484	11,646	9,862
Defense—Military [2] [3]	178,386	214,060	257,469	156,096	182,800	215,900
Defense—Civil	3,097	2,918	2,292	3,148	2,991	2,286
Health and Human Services [2]	225,844	251,358	268,411	228,115	252,938	274,165
Housing and Urban Development	33,350	13,020	685	14,033	14,614	13,130
Interior [1] [2]	6,359	2,929	3,270	6,775	3,139	3,270
Justice [1] [2]	2,457	2,454	2,644	2,752	2,643	2,727
Labor	29,452	26,623	26,418	30,084	32,075	26,451
State	2,332	2,541	2,673	1,897	2,183	2,447
Transportation [4]	23,710	20,300	18,438	22,509	20,567	18,980
Treasury [2]	92,681	110,308	124,957	93,372	110,022	124,545
Environmental Protection Agency	3,025	3,674	3,590	5,241	5,434	4,644
National Aeronautics and Space Administration	5,518	5,936	6,608	5,421	5,827	6,577
Veterans Administration	23,133	24,754	25,621	22,904	24,134	24,356
Other independent agencies [1] [2]	63,383	63,114	55,181	48,706	48,306	40,187
Allowances [5]		−608	−1,243		−624	−1,257
Undistributed offsetting receipts:						
Employer share, employee retirement	−6,371	−7,560	−8,353	−6,371	−7,560	−8,353
Interest received by trust funds	−13,810	−16,080	−16,122	−13,810	−16,080	−16,122
Rents and royalties on the Outer Continental Shelf lands	−10,138	−7,861	−18,000	−10,138	−7,861	−18,000
Federal surplus property disposition			−1,000			−1,000
Total budget authority and outlays	718,400	765,464	801,910	657,204	725,331	757,638
MEMORANDUM						
Portion available through current action by Congress	437,841	446,859	461,125	274,380	300,333	309,132
Portion available without current action by Congress	379,425	434,957	475,787	289,644	340,338	387,036
Outlays from obligated balances [6]				140,506	155,481	165,530
Outlays from unobligated balances [6]				51,540	45,531	30,942
Deductions for offsetting receipts:						
Intragovernmental transactions	−66,377	−81,787	−86,737	−66,377	−81,787	−86,737
Proprietary receipts from the public	−32,490	−34,565	−47,265	−32,490	−34,565	−47,265
Total budget authority and outlays	718,400	765,464	801,910	657,204	725,331	757,638

[1] The buget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes allowances for civilian and military pay raises for Department of Defense.

[4] Includes allowance for military pay raises for the Coast Guard.

[5] Includes allowances for civilian agency pay raises and contingencies.

[6] Outlays from appropriations to liquidate contract authority are included as outlays from balances.

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Table 4. **BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS**

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1981 actual	1982 estimate	1983 estimate	1981 actual	1982 estimate	1983 estimate
Legislative branch	1,224	1,401	1,412	1,045	1,255	1,271
The Judiciary	647	734	835	592	673	763
Executive Office of the President	103	90	102	86	74	85
Funds appropriated to the President	11,980	7,533	8,894	2,426	3,193	3,357
Agriculture	25,067	28,091	23,502	22,926	25,116	19,310
Commerce [1]	11,209	11,914	9,870	4,925	7,698	5,348
Defense—Military [2] [3]	176,861	214,677	257,954	112,936	130,494	148,939
Defense—Civil	3,120	2,943	2,771	2,259	2,151	1,977
Health and Human Services [2]	61,243	64,476	64,067	49,670	55,507	56,358
Housing and Urban Development	31,736	11,569	592	1,304	1,250	1,061
Interior [1] [2]	8,710	5,184	5,520	5,423	3,693	3,911
Justice [1] [2]	2,470	2,488	2,666	2,114	2,185	2,415
Labor	13,363	11,636	8,919	10,344	10,068	7,737
State	2,023	2,229	2,341	1,533	1,711	1,882
Transportation [4]	14,121	11,751	10,382	7,988	6,940	6,277
Treasury [2]	8,114	8,975	8,842	8,617	8,545	8,358
Environmental Protection Agency	3,042	3,703	3,635	808	813	904
National Aeronautics and Space Administration	5,523	5,940	6,613	3,940	4,115	4,760
Veterans Administration	22,455	24,032	24,894	20,183	21,487	22,217
Other independent agencies [1] [2]	34,831	28,100	18,557	15,259	13,989	13,475
Allowances [5]	.....	−608	−1,243	.....	−624	−1,273
Total budget authority and outlays from budget authority available through current action by Congress	**437,841**	**446,859**	**461,125**	**274,380**	**300,333**	**309,132**
MEMORANDUM						
Appropriations and outlays from appropriations to liquidate contract authority: [6]						
Defense—Military	620	44	.....	620	44	.....
Housing and Urban Development	8,268	10,029	10,938	.....	.....	.....
Transportation	11,392	10,308	9,696	11,212	10,264	9,495
Environmental Protection Agency	1,700	1,000	.....	1,700	1,000	.....
Other independent agencies	.....	8	.....	.....	8	.....
Total appropriations and outlays from appropriations to liquidate contract authority	21,980	21,389	20,634	13,532	11,316	9,495

[1] The buget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes allowances for civilian and military pay raises for Department of Defense.

[4] Includes allowance for military pay raises for the Coast Guard.

[5] Includes allowances for civilian agency pay raises and contingencies.

[6] Excluded from budget authority and outlays above.

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Table 5. **RELATION OF BUDGET AUTHORITY TO OUTLAYS**

(In millions of dollars)

Description	1981 actual	1982 estimate	1983 estimate
Budget authority available through current action by Congress:			
Enacted, pending, or recommended herein:			
Appropriations [1]	401,750	423,356	455,774
Contract authority	25,529	5,562	−5,256
Authority to borrow	10,212	10,841	3,377
Reappropriations and reauthorizations	350	768	.....
To be requested separately:			
Appropriations [1]	.....	5,883	6,595
Contract authority	.....	450	450
Authority to borrow	.....	.....	185
Total budget authority available through current action by Congress (table 4)	**437,841**	**446,859**	**461,125**
Budget authority available without current action by Congress (permanent authorizations):			
Appropriations [1]	351,696	406,850	449,597
Contract authority	24,878	23,791	24,162
Authority to borrow	2,852	4,316	2,028
Deductions for offsetting receipts (table 11):			
Intragovernmental transactions	−66,377	−81,787	−86,737
Proprietary receipts from the public	−32,490	−34,565	−48,265
Total budget authority for the year (table 3)	**718,400**	**765,464**	**801,910**
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 7)	296,298	280,654	298,616
Written off (rescinded, lapsed, etc.) [2]	−21,226	1,703	8,460
Carried forward at end of year (table 7)	−280,654	−298,616	−319,903
Obligations incurred, net (table 6)	**712,818**	**749,205**	**789,083**
Obligated balances:			
Brought forward at start of year, funded (table 7)	478,181	522,190	532,229
Adjustments in expired accounts	−352	−2,005	−436
Adjustments in unexpired accounts	−11,252	−11,831	−13,636
Deficiency appropriations	*	*	.....
Carried forward at end of year (table 7)	−522,190	−532,229	−549,602
Budget outlays (table 3)	**657,204**	**725,331**	**757,638**
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	435,513	441,551	459,398
Budget authority [3]	523,519	545,677	565,516
Obligations incurred, net [3]	525,660	542,243	565,643
Budget outlays [3]	475,171	523,936	540,604

*$500 thousand or less.

[1] Excludes appropriations to liquidate contract authority:

	1981 actual	*1982 estimate*	*1983 estimate*
Enacted, pending, or recommended herein	31,502	32,310	32,901

[2] Includes redemption of agency debt and capital transfers to the general fund.

[3] Amounts are net of intrafund transactions, receipts from off-budget Federal entities, and proprietary receipts from the public.

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Table 6. **OBLIGATIONS INCURRED, NET**

(In millions of dollars)

Department or other unit	1981 actual	1982 estimate	1983 estimate
Legislative branch	1,241	1,543	1,478
The Judiciary	649	738	835
Executive Office of the President	102	90	102
Funds appropriated to the President:			
International Security Assistance	2,545	3,224	4,583
International Development Assistance	2,437	2,730	2,903
Other	7,446	4,954	4,053
Agriculture	27,257	28,472	22,798
Commerce [1]	11,458	13,778	9,403
Defense—Military [2] [3]	174,856	206,124	248,197
Defense—Civil	3,143	3,104	2,436
Health and Human Services [2]	229,758	251,090	271,626
Housing and Urban Development	37,672	12,798	13,461
Interior [1] [2]	6,620	2,844	2,953
Justice [1] [2]	2,400	2,520	2,651
Labor	29,589	31,225	26,659
State	2,029	2,363	2,414
Transportation [4]	23,322	21,100	18,664
Treasury [2]	92,789	110,090	124,455
Environmental Protection Agency	5,250	4,744	3,622
National Aeronautics and Space Administration	5,673	6,412	6,622
Veterans Administration	23,081	24,292	24,861
Other independent agencies:			
Export-Import Bank	5,780	2,635	1,892
Federal Deposit Insurance Corporation	−1,582	−1,846	−2,049
Federal Home Loan Bank Board	446	199	30
Foundation for Education Assistance [2]	13,767	11,547	9,218
General Services Administration	392	281	−370
Office of Personnel Management	18,829	20,361	22,373
U.S. Postal Service	1,343	619	500
Railroad Retirement Board	5,032	5,681	350
All other independent agencies [1] [2]	9,814	7,604	7,083
Allowances [5]		−608	−1,243
Undistributed offsetting receipts	−30,320	−31,502	−43,474
Total	712,818	749,205	789,083
MEMORANDUM			
Federal funds	525,660	542,243	565,643
Trust funds	237,721	267,737	287,636
Interfund transactions	−50,563	−60,774	−64,195
Total	712,818	749,205	789,083

[1] The buget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes allowances for civilian and military pay raises for Department of Defense.

[4] Includes allowance for military pay raises for the Coast Guard.

[5] Includes allowances for civilian agency pay raises and contingencies.

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Table 7. BALANCES OF BUDGET AUTHORITY

(In millions of dollars)

Department or other unit	Start 1981		End 1981		End 1982		End 1983	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	204	251	216	247	257	127	285	115
The Judiciary	58	76	57	75	65	78	76	85
Executive Office of the President	16	.....	20	.....	18	.....	21	.....
Funds appropriated to the President:								
International Security Assistance	5,490	123	4,916	.....	4,716	.....	5,544	.....
International Development Assistance	7,359	13,124	7,447	13,110	7,820	13,089	8,239	13,142
Other	28,654	3,510	32,343	6,643	36,703	6,063	40,047	5,963
Agriculture	11,473	4,459	12,656	1,593	11,652	2,244	10,917	2,761
Commerce [1]	7,693	7,022	7,597	6,318	9,755	200	9,296	532
Defense—Military [2] [3]	68,010	24,237	86,340	26,539	109,664	33,833	141,961	43,104
Defense—Civil	767	395	758	350	871	165	1,021	21
Health and Human Services [2]	23,578	41,567	25,150	37,606	23,302	36,029	20,763	32,790
Housing and Urban Development	244,150	11,980	260,454	12,655	247,981	22,623	235,365	21,095
Interior [1] [2]	5,179	2,799	4,905	1,848	2,734	1,498	2,403	1,576
Justice [1] [2]	834	134	472	152	349	84	272	78
Labor	3,182	15,583	2,556	15,472	1,536	10,648	1,307	10,407
State	459	725	568	996	748	1,173	714	1,433
Transportation [4]	23,861	7,840	24,704	8,065	25,234	7,491	24,918	7,264
Treasury [2]	2,360	25,977	1,759	25,946	1,826	28,414	1,736	28,842
Environmental Protection Agency	12,772	3,050	12,446	1,142	11,756	72	10,734	40
National Aeronautics and Space Administration	1,212	705	1,457	550	2,042	74	2,087	60
Veterans Administration	2,872	11,263	3,015	11,200	3,173	11,629	3,678	12,358
Other independent agencies:								
Export-Import Bank	5,737	184	8,877	.....	9,026	.....	8,336	.....
Federal Deposit Insurance Corporation	401	12,778	544	11,360	498	13,206	449	15,255
Federal Home Loan Bank Board	73	9,686	149	9,240	309	9,041	490	9,011
Foundation for Education Assistance [2]	9,616	2,403	10,253	1,466	8,436	1,152	6,253	699
General Services Administration	473	431	633	769	657	594	815	605
Office of Personnel Management	5,377	72,651	6,116	82,812	6,570	96,426	7,253	109,682
Railroad Retirement Board	805	1,914	529	1,457	*	*	*	*
All other independent agencies [1] [2]	5,515	21,431	5,254	3,046	4,516	2,663	4,592	2,984
Allowances [5]	.....	.....	.....	.....	16	.....	30	.....
Total	478,181	296,298	522,190	280,654	532,229	298,616	549,602	319,903
MEMORANDUM								
Federal funds	427,252	138,902	466,187	115,668	471,140	123,945	482,112	132,275
Trust funds	50,928	157,396	56,003	164,986	61,089	174,671	67,490	187,629
Total	478,181	296,298	522,190	280,654	532,229	298,616	549,602	319,903

*$500 thousand or less.

[1] The buget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[2] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[3] Includes balances of allowances for civilian and military pay raises for Department of Defense.

[4] Includes balances of allowances for military pay raises for the Coast Guard.

[5] Includes balances of allowances for civilian agency pay raises and contingencies.

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Table 8. **FULL-TIME EQUIVALENT OF TOTAL FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH** [1]

(Excluding the Postal Service)

	Fiscal year				
	1981 estimate [2]	1982 revised Budget estimate [3]	1982 current estimate	1983 estimate	1984 estimate
Agriculture	117,300	121,000	117,000	111,000	108,900
Commerce [4 5]	52,600	45,500	45,600	40,500	38,200
Defense—civil functions	34,400	32,300	32,300	30,700	29,100
Health and Human Services [6]	148,400	154,400	147,600	141,400	137,600
Housing and Urban Development	16,100	15,700	14,900	14,400	14,100
Interior [5 6]	85,900	87,400	85,000	81,600	79,300
Justice [5 6]	56,900	55,100	56,400	55,800	54,400
Labor	22,600	21,600	19,200	18,600	18,400
State	23,400	22,900	23,000	23,300	23,500
Transportation [4]	58,800	69,300	60,100	61,900	62,500
Treasury [6]	123,900	124,400	122,200	123,000	122,200
Environmental Protection Agency	12,700	12,900	12,200	10,500	10,500
National Aeronautics and Space Administration	22,600	22,700	22,500	22,000	22,000
Veterans Administration	214,100	209,600	215,900	216,800	218,900
Other:					
Foundation for Education Assistance [6]	6,200	5,300	5,400	4,800	4,800
General Services Administration	34,000	32,800	32,300	31,000	29,500
International Communication Agency [6]	7,900	7,600	7,900	7,900	7,900
International Development Cooperation Agency	5,800	5,800	5,700	5,600	5,400
Nuclear Regulatory Commission	3,400	3,400	3,400	3,400	3,300
Office of Personnel Management	7,200	6,600	6,400	5,900	5,800
Panama Canal Commission	8,900	9,100	9,000	9,000	9,000
Small Business Administration	5,000	4,700	4,500	4,200	4,100
Tennessee Valley Authority	50,100	44,800	42,500	41,400	40,300
Miscellaneous [5 6]	45,500	47,200	43,100	40,700	39,900
Undistributed reduction	.....	.....	.....	.....	−2,500
Subtotal	1,163,700	1,162,100	1,134,100	1,105,400	1,087,100
Defense—military functions [6 7]	947,000	937,700	945,200	947,300	947,000
Subtotal	2,110,700	2,099,800	2,079,300	2,052,700	2,034,100
Contingencies [8]	.....	1,000	1,000	1,000	1,000
Total	2,110,700	2,100,800	2,080,300	2,053,700	2,035,100

[1] Excludes developmental positions under the worker-trainee opportunity program (WTOP) as well as certain statutory exemptions.
[2] Data are estimated because most executive branch agencies were not reporting full-time equivalent (FTE) information prior to October 1981.
[3] As contained in the revised 1982 Budget, transmitted to the Congress in March 1981.
[4] Reflects the transfer, during 1981, of the Maritime Administration from the Department of Commerce to the Department of Transportation.
[5] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Employment data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.
[6] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Employment data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.
[7] Section 904 of the 1982 Defense Authorization Act (Public Law 97–86) exempts the Department of Defense from full-time equivalent employment controls.
[8] Subject to later distribution.

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Table 9. **BUDGET FINANCING AND OUTSTANDING DEBT**

(In millions of dollars)

BUDGET FINANCING

	1981 actual	1982 estimate	1983 estimate
Budget surplus or deficit (—)	—57,932	—98,578	—91,520
Deficit (—), off-budget Federal entities	—21,005	—19,689	—15,701
Total deficit (—)	—78,936	—118,267	—107,221
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and other monetary assets	—1,668	3,700	.....
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc.[1]	—1,301	329	326
Deposit fund balances	2,125	—1,709	—1,621
Seigniorage on coins	450	553	516
Total, means of financing other than borrowing from the public	—393	2,873	—779
Total requirements for borrowing from the public	—79,329	—115,394	—108,000
Transfer of debt holdings [2]	.....	—3,606	.....
Change in debt held by the public	**79,329**	**119,000**	**108,000**
Nonbank investors	73,292		
Commercial banks	2,417		
Federal Reserve System	3,620		

OUTSTANDING DEBT, END OF YEAR

	1980 actual			
Gross Federal debt:				
Debt issued by Treasury	907,701	997,855	1,129,114	1,253,420
Debt issued by other agencies	6,616	6,086	5,072	4,985
Total gross Federal debt	914,317	1,003,941	1,134,186	1,258,405
Held by:				
Government agencies	199,212	209,507	220,752	236,971
The public	715,105	794,434	913,434	1,021,434
Federal Reserve System	120,846	124,466		
Others	594,259	669,968		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	907,701	997,855	1,129,114	1,253,420
Treasury debt not subject to limitation	—608	—607	—607	—607
Agency debt subject to limitation	1,629	1,570	1,527	1,472
Total debt subject to statutory limitation [3]	**908,723**	**998,818**	**1,130,034**	**1,254,285**

[1] Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as an offsetting change in assets, certain collections in transit.

[2] As of September 30, 1982, $3,606 million of Federal debt held by trust funds are estimated to be reclassified as debt held by the public, because under proposed legislation the ownership of the assets of the railroad retirement account is to be transferred to a newly created private rail industry pension corporation.

[3] The statutory debt limit is permanently established at $400 billion. Public Law 97–49 temporarily increased the statutory debt limit to $1,079.8 billion through September 30, 1982. Legislation is required to change the limitation.

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Table 10. **BUDGET RECEIPTS BY SOURCE**

(In millions of dollars)

Source	1981 actual	1982 estimate	1983 estimate
Individual income taxes:			
Withheld	256,332	276,275	278,738
Other	76,885	75,304	78,570
Proposed legislation		80	3,548
Gross individual income taxes	333,217	351,659	360,856
Refunds	−47,299	−53,081	−56,323
Net individual income taxes	**285,917**	**298,578**	**304,533**
Corporation income taxes:			
Existing law	73,733	57,776	65,256
Proposed legislation		70	9,084
Refunds	−12,596	−11,094	−9,071
Net corporation income taxes	**61,137**	**46,752**	**65,269**
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance	117,757	126,409	135,076
Proposed legislation			1,199
Disability insurance	12,418	21,255	24,368
Proposed legislation			221
Hospital insurance	30,340	34,881	38,033
Proposed legislation			633
Railroad retirement	2,457	2,982	3,178
Proposed legislation			−3,178
Total employment taxes and contributions	162,973	185,527	199,530
Unemployment insurance:			
State taxes deposited in Treasury[1]	12,366	12,544	14,253
Federal unemployment tax receipts[1]	3,221	3,689	3,988
Railroad unemployment tax receipts[1]	176	228	228
Total unemployment insurance	15,763	16,461	18,469
Other retirement contributions:			
Federal employees' retirement—employee contributions	3,908	4,409	4,427
Contributions for non-Federal employees[2]	76	84	85
Total other retirement contributions	3,984	4,493	4,511
Total social insurance taxes and contributions	**182,720**	**206,481**	**222,510**
Excise taxes:			
Federal funds:			
Alcohol taxes:			
Distilled spirits	3,819	4,182	4,080
Beer	1,604	1,672	1,644
Rectification tax	*		
Wines	244	243	245
Special taxes in connection with liquor occupations	21	21	21
Refunds	−82	−84	−87
Total alcohol taxes	5,606	6,034	5,903
Tobacco taxes:			
Cigarettes	2,539	2,694	2,622
Cigars	40	40	40
Cigarette papers and tubes	1	1	1
Other	3	3	3
Refunds	−3	−3	−3
Total tobacco taxes	2,581	2,735	2,663
Manufacturers' excise taxes:			
Gasoline	32	30	30

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1981 actual	1982 estimate	1983 estimate
Firearms, shells, and cartridges	97	90	99
Fishing rods, creels, etc	23	37	40
Pistols and revolvers	27	27	30
Bows and arrows	7	7	7
Gas guzzler tax	.....	1	1
Windfall profit tax	23,290	24,196	21,275
Refunds	−18	−98	−48
Total manufacturers' excise taxes	23,459	24,290	21,434
Miscellaneous excise taxes:			
General and toll telephone and teletype service	999	796	656
Wagering taxes, including occupational taxes	13	16	20
Employee pension plans	5	3	3
Tax on foundations	90	80	78
Foreign insurance policies	75	86	97
Other	1	1	1
Refunds	−75	−20	−10
Total miscellaneous excise taxes	1,108	962	845
General fund collections associated with airway taxes:			
Existing law	1,180	1,265	1,458
Proposed legislation	.....	−146	−1,458
Total general fund collections associated with airway taxes	1,180	1,119	.....
Undistributed Federal tax deposits and unapplied collections	194	143	222
Total Federal fund excise taxes	34,128	35,283	31,066
Trust funds:			
Highway:			
Gasoline	4,016	3,978	3,928
Trucks, buses, and trailers	664	847	1,184
Tires, innertubes, and tread rubber	644	653	662
Diesel fuel used on highways	561	575	613
Use-tax on certain vehicles	237	264	270
Truck parts and accessories	234	305	338
Lubricating oils	101	105	105
Proposed legislation	.....	.....	.....
Refunds	−152	−145	−143
Total highway trust fund	6,305	6,582	6,957
Airport and airway:			
Amounts received prior to 10/1/80 transferred from general fund	25	.....	.....
Proposed legislation	.....	280	2,661
Refunds	−4	.....	.....
Total airport and airway trust fund	21	280	2,661
Black lung disability insurance trust fund	237	507	612
Inland waterway trust fund	20	58	67
Hazardous substances response trust fund	128	283	299
Total trust fund excise taxes	6,711	7,710	10,596
Total excise taxes	**40,839**	**42,993**	**41,663**
Estate and gift taxes	**6,787**	**7,162**	**5,948**
Customs duties [3]	**8,083**	**8,870**	**9,390**
Miscellaneous receipts: [4]			
Miscellaneous taxes	97	106	112
Deposit of earnings, Federal Reserve System	12,834	14,974	15,809
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	69	72	74

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Table 10. **BUDGET RECEIPTS BY SOURCE—Continued**

(In millions of dollars)

Source	1981 actual	1982 estimate	1983 estimate
Proposed legislation		26	46
Administrative action		15	26
Patent and copyright fees	30	30	5
Registration and filing fees	160	136	129
Import fees on crude oil and petroleum products	−4		
Coal mining reclamation fees	192	211	217
Miscellaneous fees for permits, licenses, etc	45	31	27
Miscellaneous fees for regulatory and judicial services	62	66	95
Fees for legal and judicial services	*		
Proposed legislation			10
Total fees for permits and regulatory and judicial services	556	586	630
Fines, penalties, and forfeitures	274	229	236
War reparations and recoveries under military occupation	5	5	5
Gifts and contributions	31	16	14
Refunds and recoveries	−7		
Total miscellaneous receipts	**13,790**	**15,917**	**16,805**
Total budget receipts	**599,272**	**626,753**	**666,118**
MEMORANDUM			
Federal funds	410,422	412,817	433,664
Trust funds	239,413	274,710	296,650
Interfund transactions	−50,563	−60,774	−64,195

*$500 thousand or less.

[1] 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.

[2] 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.

[3] Includes both Federal and trust funds. Trust fund amounts in customs duties are: 1981, $60 million; 1982, $30 million; and 1983, $30 million.

[4] Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1981, $75 million; 1982, $80 million; and 1983, $88 million.

Note.—Estimates for 1982 and 1983 include effects of proposed legislation and administrative action.

Note.—The 1983 Budget reflects the reclassification of supplemental medical insurance (SMI) enrollee premiums and voluntary hospital insurance premiums, formerly classified as budget receipts, as proprietary receipts.

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Table 11. **OFFSETTING RECEIPTS BY TYPE**

(In millions of dollars)

Type	1981 actual	1982 estimate	1983 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions:			
Interest on Government capital in enterprises	3,276	4,471	4,078
Other	539	218	232
Total Federal intrafunds	3,815	4,689	4,310
Trust intrafund transactions: [1]			
Railroad retirement/social security	1,614	2,001	.....
Other	17	21	472
Total trust intrafunds	1,631	2,022	472
Total intrafund transactions	5,447	6,710	4,782
Interfund transactions:			
Distributed by agency and function:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Old-age and survivors insurance	150	140	139
Military service credits, various programs	662	910	923
Supplementary medical insurance	8,747	13,323	14,318
Hospital insurance	693	808	889
Railroad dual benefits	350	.....	.....
Supplementary retirement contributions	13,827	14,618	15,407
Unemployment insurance	1,277	4,153	4,743
Other	623	306	133
Miscellaneous contributions:			
State and local government fiscal assistance	4,570	4,567	4,567
Other	304	132	148
Subtotal	31,202	38,956	41,266
Trust fund payments to Federal funds:			
Repayment of loans or advances to trust funds	600	.....	500
Charges for services to trust funds	113	96	94
Other	3	270	176
Subtotal	716	365	770
Total interfunds distributed by agency and function	31,919	39,322	42,035
Undistributed by agency and function:			
Employer share, employee retirement:			
Civil service retirement and disability insurance	3,043	3,301	3,313
Old-age, survivors, disability, and hospital insurance (contribution as employer) [2]	1,762	2,042	2,694
Other Federal employees retirement	29	30	30
Total employer share, employee retirement	4,834	5,373	6,038
Interest received by trust funds	13,810	16,080	16,122
Total interfunds undistributed by agency and function	18,644	21,453	22,160
Total interfund transactions	50,563	60,774	64,195
Total intrabudgetary transactions	56,010	67,485	68,977
Receipts from off-budget Federal entities:			
Distributed by agency and function:			
Interest on loans to Government-owned enterprises	8,619	11,957	15,254
Surplus income, Federal Financing Bank	210	158	192
Total distributed by agency and function	8,830	12,115	15,445

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1981 actual	1982 estimate	1983 estimate
INTRAGOVERNMENTAL TRANSACTIONS—Continued			
Undistributed by agency and function:			
Employer share, employee retirement	1,537	2,188	2,315
Total receipts from off-budget Federal entities	10,367	14,303	17,760
Total intragovernmental transactions	66,377	81,787	86,737
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency and function:			
Interest:			
Interest on loans, Foreign Assistance Act	331	356	377
Interest on foreign military credit sales	53	74	89
Interest on loans to United Kingdom	54	52	51
Other interest on foreign loans and deferred foreign collections	77	59	59
Interest on deposits in tax and loan accounts	1,204	675	723
Other interest (domestic-civil) [3]	400	396	1,036
Other interest (domestic-national defense)	18	19	19
Total interest	2,136	1,632	2,354
Dividends and other earnings	98	5	6
Rents:			
Rent and bonuses from land leases, etc	44	155	102
Rent of land and other real property [3]	112	170	189
Rent of equipment and other personal property	32	32	33
Total rents	187	357	324
Royalties [3]	1,471	1,362	1,378
Sale of products:			
Sale of timber and other natural land products [3]	953	1,284	1,857
Sale of minerals and mineral products [3]	982	1,126	1,090
Sale of power and other utilities	412	460	562
Sale of other products	27	23	31
Recovery of mint manufacturing expense	63	58	63
Total sale of products	2,437	2,951	3,604
Fees and other charges for services and special benefits:			
Medicare premiums and other charges (trust fund)	3,340	3,856	4,392
Revenues for enrichment of uranium	.....	1,805	.....
Veterans life insurance (trust funds)	463	474	468
Tolls and other revenues, Panama Canal	410	430	468
Other [3]	779	1,010	1,848
Total fees and other charges	4,992	7,575	7,176
Sale of Government property:			
Sale of land and other real property [3]	44	105	261
Sale of equipment and other personal property:			
Sale from the stockpile of strategic and critical materials	−9	234	592
Military assistance program sales (trust fund)	9,454	10,827	12,197
Other	78	15	15
Sale of scrap and salvage material [3]	93	129	129
Total sale of property	9,660	11,310	13,194
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	306	353	407
Foreign military credit sales	211	192	148
Dollar conversion of foreign currency	85	85	85
Repayment of loans to United Kingdom	79	80	82
Other	213	339	179

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Table 11. **OFFSETTING RECEIPTS BY TYPE—Continued**

(In millions of dollars)

Type	1981 actual	1982 estimate	1983 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Continued			
Total realization upon loans and investments	893	1,050	900
Recoveries and refunds [3]	638	462	328
Deposits in clearing accounts	−160		
Total proprietary receipts from the public distributed by agency and function	22,352	26,704	29,265
Undistributed by agency and function:			
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses	7,852	4,871	14,701
Royalties	2,286	2,990	3,299
Federal surplus property disposition			1,000
Total proprietary receipts from the public undistributed by agency and function	10,138	7,861	19,000
Total proprietary receipts from the public [4]	32,490	34,565	48,265
Total offsetting receipts	98,867	116,352	135,002

[1] 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.

[2] Includes provision for covered Federal civilian employees and military personnel.

[3] Includes both Federal funds and trust funds.

[4] Consists of:

	1981 actual	*1982 estimate*	*1983 estimate*
Federal funds	18,283	18,403	30,006
Trust funds	14,207	16,162	18,258

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	36,930	38,489	44,896
Retired military personnel	13,840	15,036	16,511
Operation and maintenance [1]	55,548	62,271	69,392
Procurement	48,025	65,701	89,547
Research, development, test, and evaluation	16,609	20,058	24,257
Military construction [1]	3,398	5,026	5,436
Other [2]	4,700	2,715	3,708
Allowances	.....	5,399	4,226
Deductions for offsetting receipts	−665	−636	−502
Total 051	178,386	214,060	257,469
053 Atomic energy defense activities:			
Department of Commerce [3]	3,651	4,673	5,506
054 Defense-related activities:			
Other independent agencies:			
Central Intelligence Agency	55	85	91
Federal Emergency Management Agency	143	174	389
General Services Administration	123	79	146
Intelligence Community Staff	18	13	.....
Selective Service System	25	20	23
Deductions for offsetting receipts	8	−234	−592
Total 054	373	137	58
Deductions for offsetting receipts [4]	−4	−4	.....
Total national defense	182,405	218,865	263,033
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [2]	3,071	3,373	3,710
Department of Agriculture	1,229	1,000	1,028
Department of State	510	540	459
Department of Transportation (trust funds)	4	7	7
Deductions for offsetting receipts	−315	−389	−439
Total 151	4,499	4,529	4,764
152 International security assistance:			
Funds appropriated to the President	2,773	3,699	4,830
Department of State	.....	.....	5
Deductions for offsetting receipts	−231	−213	−171
Total 152	2,543	3,486	4,663
153 Conduct of foreign affairs:			
Funds appropriated to the President	28	34	35
Department of Justice	*	1	1
Department of State [2]	1,681	1,870	2,077
Other independent agencies:			
Arms Control and Disarmament Agency	17	17	20
International Trade Commission	17	19	20
Deductions for offsetting receipts	−272	−316	−344
Total 153	1,471	1,624	1,809
154 Foreign information and exchange activities:			
Funds appropriated to the President	.....	10	8
Other independent agencies:			
Board for International Broadcasting	91	87	96
International Communication Agency [1 2]	459	490	641
Japan-United States Friendship Commission (trust funds)	2	2	2

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Deductions for offsetting receipts	−1	−1	−1
Total 154	551	588	746
155 International financial programs:			
Funds appropriated to the President [2]	18,469	15,273	15,819
Other independent agencies: Export-Import Bank of the United States	6,908	3,986	2,701
Deductions for offsetting receipts	−9,533	−10,907	−12,279
Total 155	15,844	8,352	6,241
Deductions for offsetting receipts [4]	−95	−97	−97
Total international affairs	24,812	18,482	18,126
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Commerce [3]	504	529	601
Other independent agencies:			
National Science Foundation [2]	1,036	1,003	1,078
Smithsonian Institution (trust funds)	*	*	*
Total 251	1,541	1,533	1,679
253 Space flight:			
National Aeronautics and Space Administration	3,187	3,578	3,983
254 Space, science, applications, and technology:			
National Aeronautics and Space Administration	1,359	1,381	1,526
255 Supporting space activities:			
National Aeronautics and Space Administration [2]	450	508	618
Deductions for offsetting receipts	−*		
Total 255	450	508	618
Deductions for offsetting receipts [4]	−5	−5	−5
Total general science, space, and technology	6,533	6,995	7,800
270 ENERGY			
271 Energy supply:			
Department of Agriculture	28	30	30
Department of Commerce [2 3]	3,869	4,525	2,171
Department of the Interior [3]	501	741	952
Department of the Treasury	−974	*	*
Environmental Protection Agency	94	41	28
Other independent agencies: Tennessee Valley Authority		1,628	1,696
Deductions for offsetting receipts	−1,296	−3,275	−1,459
Total 271	2,224	3,689	3,418
272 Energy conservation:			
Department of Commerce [3]	728	163	27
Department of Housing and Urban Development	*		
Total 272	728	163	27
274 Emergency energy preparedness:			
Department of the Interior [3]	3,333	191	242
Deductions for offsetting receipts	−542		
Total 274	2,791	191	242
276 Energy information, policy, and regulation:			
Department of Commerce [3]	406	288	216
Department of Justice [3]	143	13	20

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Other independent agencies:			
Federal Energy Regulatory Commission [3]	76	77	33
Nuclear Regulatory Commission	441	466	480
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	21	27	30
Nuclear Safety Oversight Committee	2	.....	.....
Deductions for offsetting receipts	.....	.....	−67
Total 276	1,089	871	712
Deductions for offsetting receipts [4]	−62	−69	−69
Total energy	6,769	4,846	4,330
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [2]	222	217	144
Department of Defense—Civil [2]	3,171	2,982	2,804
Department of the Interior [2]	820	779	948
Department of State	17	12	12
Other independent agencies:			
Delaware and Susquehanna River Basin Commissions	1	1	1
Water Resources Council [2]	31	4	.....
Deductions for offsetting receipts	−99	−78	−533
Total 301	4,163	3,916	3,376
302 Conservation and land management:			
Department of Agriculture [2]	2,633	2,329	2,211
Department of Commerce	52	−5	6
Department of the Interior [2]	786	759	702
Department of State	8	8	9
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−730	−1,062	−1,536
Total 302	2,749	2,031	1,393
303 Recreational resources:			
Department of Agriculture	.....	26	8
Department of Defense—Civil	6	6	7
Department of the Interior [2]	1,283	1,197	1,148
Other independent agencies: Advisory Council on Historic Preservation [2]	2	2	1
Deductions for offsetting receipts	−3	−3	−9
Total 303	1,287	1,228	1,156
304 Pollution control and abatement:			
Department of Agriculture	20	.....	.....
Department of Transportation	28	11	9
Environmental Protection Agency [2]	2,948	3,661	3,608
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	.....
Other temporary commissions	2	.....	.....
Deductions for offsetting receipts	−16	−34	−51
Total 304	2,981	3,639	3,566
306 Other natural resources:			
Department of Commerce [2]	783	849	764
Department of the Interior [2]	736	718	712
Deductions for offsetting receipts	−18	−19	−6
Total 306	1,500	1,548	1,470
Deductions for offsetting receipts [4]	−1,553	−2,330	−2,520
Total natural resources and environment	11,128	10,030	8,440

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture	5,049	8,037	5,289
352 Agricultural research and services:			
Department of Agriculture [2]	1,637	1,653	1,664
Deductions for offsetting receipts	−78	−77	−84
Total 352	1,559	1,576	1,580
Deductions for offsetting receipts [4]	38	−4	−4
Total agriculture	6,646	9,609	6,865
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	596	1,583	1,112
Department of Housing and Urban Development	2,567	2,248	413
Other independent agencies: National Credit Union Administration	15	230	121
Total 371	3,178	4,061	1,646
372 Postal Service:			
Other independent agencies: Postal Service	1,343	619	500
376 Other advancement of commerce:			
Legislative branch	36	33	39
Department of Commerce [2]	778	755	635
Department of Housing and Urban Development	5	5	6
Department of the Treasury	10	1	1
Other independent agencies:			
Commodity Futures Trading Commission	19	20	23
Federal Communications Commission	80	77	74
Federal Trade Commission	71	69	61
General Services Administration	1	1	1
National Consumer Cooperative Bank	105	52	.....
National Institute of Building Sciences	1	1	.....
Securities and Exchange Commission	80	83	84
Small Business Administration	875	570	379
United States Metric Board [2]	3	2	.....
Deductions for offsetting receipts	−41	−67	−23
Total 376	2,022	1,603	1,282
Deductions for offsetting receipts [4]	−7	−8	−8
Total commerce and housing credit	6,537	6,275	3,419
400 TRANSPORTATION			
401 Ground transportation:			
Department of the Interior (trust funds)	−12	.....	.....
Department of Transportation [2]	17,567	14,220	12,196
Other independent agencies:			
Washington Metropolitan Area Transit Authority	66	52	52
Interstate Commerce Commission	85	78	69
Other temporary commissions	2	.....	.....
United States Railway Association	529	9	2
Deductions for offsetting receipts	−1	−2	−1
Total 401	18,236	14,357	12,317
402 Air transportation:			
Department of Transportation [2]	3,412	3,063	3,903
National Aeronautics and Space Administration	526	474	486
Other independent agencies: Civil Aeronautics Board	144	112	73

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Total 402	4,082	3,648	4,463
403 Water transportation:			
Department of Transportation [2]	2,576	2,926	2,431
Allowance		75	53
Other independent agencies:			
Federal Maritime Commission	12	11	10
Panama Canal Commission	765	421	453
Deductions for offsetting receipts	−760	−431	−668
Total 403	2,592	3,002	2,279
407 Other transportation:			
Department of Transportation	91	68	96
Other independent agencies: National Transportation Safety Board	18	17	18
Total 407	109	86	113
Deductions for offsetting receipts [4]	−99	−97	−70
Total transportation	24,920	20,996	19,102
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development [2]	4,691	4,144	4,329
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency	73	107	101
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	12	14	16
Pennsylvania Avenue Development Corporation [2]	32	18	12
Total 451	4,811	4,286	4,460
452 Area and regional development:			
Funds appropriated to the President	299	150	
Department of Agriculture	701	585	754
Department of Commerce [2 3]	534	202	15
Department of the Interior [2]	1,278	1,178	1,255
Other independent agencies:			
Appalachian Regional Commission [2]	9	8	
Joint Federal-State Land Use Planning Commission for Alaska (trust funds)	−*		
Tennessee Valley Authority	202	129	118
Deductions for offsetting receipts	−397	−325	−343
Total 452	2,626	1,928	1,801
453 Disaster relief and insurance:			
Funds appropriated to the President [2]	359	302	325
Department of Agriculture	10	9	
Other independent agencies:			
Federal Emergency Management Agency	52	148	127
Small Business Administration	315		
Total 453	737	459	452
Deductions for offsetting receipts [4]	−30	−51	−55
Total community and regional development	8,143	6,621	6,658
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Health and Human Services [1]	5	5	5
Department of the Interior [1]	375	335	309

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Department of the Treasury [1]	639	444	288
Other independent agencies: Foundation for Education Assistance [1]	5,694	4,496	3,815
Total 501	6,713	5,280	4,417
502 Higher education:			
Department of Health and Human Services [1]	70	75	77
Department of the Treasury [1]	29	75	45
Other independent agencies:			
Foundation for Education Assistance [1]	6,811	6,398	4,663
Harry S. Truman Scholarship Foundation (trust funds)	3	3	4
Other temporary commissions	*	1	*
Total 502	6,913	6,552	4,789
503 Research and general education aids:			
Legislative branch [2]	151	162	178
Department of Commerce	20	18	.....
Other independent agencies:			
Corporation for Public Broadcasting	162	172	137
Foundation for Education Assistance [1 2]	424	369	319
International Communciation Agency [1]	29	20	13
National Commission on Libraries and Information Science	1	1	.....
National Endowment for the Arts	159	143	101
National Endowment for the Humanities [2]	164	132	97
Institute of Museum Services [1]	13	1	.....
Smithsonian Institution	168	174	228
Deductions for offsetting receipts	−4	−5	−12
Total 503	1,286	1,186	1,060
504 Training and employment:			
Department of Health and Human Services	365	246	.....
Department of Labor [2]	8,744	3,700	2,955
Total 504	9,109	3,945	2,955
505 Other labor services:			
Department of Labor	456	440	480
Other independent agencies:			
Committee for Purchase from the Blind and Other Severely Handicapped	1	1	1
Federal Mediation and Conciliation Service	26	25	20
National Labor Relations Board	118	115	133
National Mediation Board	5	5	4
Total 505	606	585	637
506 Social services:			
Department of Health and Human Services [1]	5,251	5,845	4,851
Department of Housing and Urban Development	7	4	.....
Other independent agencies:			
ACTION [2]	153	129	118
Community Services Administration	525	.....	.....
General Services Administration	.....	12	.....
Deductions for offsetting receipts	−*	.....	.....
Total 506	5,935	5,989	4,968
Deductions for offsetting receipts [4]	−13	−31	−32
Total education, training, employment, and social services	30,550	23,507	18,794
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [2]	75,624	91,051	90,931

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Other independent agencies:			
Office of Personnel Management	758	1,097	1,343
Other temporary commissions	2	1	
Deductions for offsetting receipts	−12,921	−18,194	−19,806
Total 551	63,462	73,955	72,468
552 Health research:			
Department of Health and Human Services	3,757	3,824	3,969
553 Education and training of health care work force:			
Department of Health and Human Services	665	460	337
554 Consumer and occupational health and safety:			
Department of Agriculture	311	308	320
Department of Health and Human Services	355	328	356
Department of Labor	362	338	336
Other independent agencies:			
Consumer Product Safety Commission	42	32	34
Federal Mine Safety and Health Review Commission	4	3	4
Occupational Safety and Health Review Commission	8	7	6
Deductions for offsetting receipts	−5	−4	−4
Total 554	1,077	1,012	1,052
Deductions for offsetting receipts [4]	−25	−16	−17
Total health	68,936	79,234	77,808
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services [2]	136,338	154,072	170,531
Department of Labor [2]	1,257	1,038	777
Other independent agencies: Railroad Retirement Board [2]	5,025	5,500	350
Deductions for offsetting receipts	−3,190	−3,080	−917
Total 601	139,431	157,531	170,741
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	11	11	10
Department of Labor	279	345	336
Department of State (trust funds)	393	433	463
Other independent agencies: Office of Personnel Management (trust funds)	28,169	32,849	34,255
Deductions for offsetting receipts	−75	−71	−71
Total 602	28,777	33,567	34,992
603 Unemployment compensation:			
Department of Labor [2]	20,794	25,159	27,472
Department of Transportation	131		20
Other independent agencies: Railroad Retirement Board		*	*
Deductions for offsetting receipts	−1,877	−4,153	−5,243
Total 603	19,048	21,006	22,249
604 Housing assistance:			
Department of Agriculture	50	33	210
Department of Housing and Urban Development	26,055	6,616	−4,064
Total 604	26,105	6,649	−3,854
605 Food and nutrition assistance:			
Department of Agriculture	16,576	15,786	13,786
Deductions for offsetting receipts	−3	−1	−1
Total 605	16,573	15,785	13,784

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
609 Other income security:			
Department of Health and Human Services	18,670	16,534	18,487
Department of the Treasury	1,318	1,254	1,180
Deductions for offsetting receipts	−3	−3	−3
Total 609	19,985	17,784	19,664
Total income security	249,918	252,322	257,576
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [2]	13,675	15,000	15,494
Deductions for offsetting receipts	−465	−476	−470
Total 701	13,210	14,524	15,024
702 Veterans education, training, and rehabilitation:			
Veterans Administration [2]	2,493	2,106	1,840
Deductions for offsetting receipts	−142	−162	−174
Total 702	2,351	1,945	1,666
703 Hospital and medical care for veterans:			
Veterans Administration	6,919	7,640	8,324
704 Veterans housing:			
Deductions for offsetting receipts			−95
705 Other veterans benefits and services:			
Department of Defense—Civil [2]	27	28	33
Department of the Treasury (trust funds)	*	*	*
Veterans Administration [2]	656	648	704
Other independent agencies: American Battle Monuments Commission [2]	10	11	11
Deductions for offsetting receipts	−3	−4	−5
Total 705	690	683	743
Deductions for offsetting receipts [4]	−3	−3	−3
Total veterans benefits and services	23,167	24,789	25,660
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Health and Human Services	17	17	19
Department of Housing and Urban Development	28	27	28
Department of Justice [1]	1,301	1,448	1,619
Department of the Treasury	848	832	847
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Architectural and Transportation Barriers Compliance Board		2	
Commission on Civil Rights	12	12	12
Equal Employment Opportunity Commission	141	140	145
Other temporary commissions	1		
Total 751	2,350	2,479	2,671
752 Federal litigative and judicial activities:			
Legislative branch	11	13	15
The Judiciary	647	734	835
Department of Justice	504	521	576
Other independent agencies:			
Legal Services Corporation	321	120	
Other temporary commissions	2		
Total 752	1,485	1,388	1,427

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
753 Federal correctional activities:			
Department of Justice	352	367	383
754 Criminal justice assistance:			
Department of Justice	169	140	67
Deductions for offsetting receipts [4]	−13	−35	−23
Total administration of justice	4,343	4,339	4,525
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch [2]	1,036	1,198	1,221
Deductions for offsetting receipts	−4	−4	−4
Total 801	1,031	1,194	1,217
802 Executive direction and management:			
Executive Office of the President	103	90	102
Funds appropriated to the President	1	1	1
Other independent agencies: General Services Administration	4	1	1
Deductions for offsetting receipts	−*		
Total 802	108	92	104
803 Central fiscal operations:			
Department of the Treasury [2]	3,004	3,109	3,440
Deductions for offsetting receipts	−325	−254	−287
Total 803	2,679	2,855	3,154
804 General property and records management:			
Other independent agencies: General Services Administration [2]	577	369	362
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	16	14	16
Merit Systems Protection Board	19	21	21
Office of Personnel Management	13,680	14,404	15,166
Other temporary commissions	*		
Deductions for offsetting receipts	−13,554	−14,303	−15,064
Total 805	162	136	139
806 Other general government:			
Legislative branch	24	27	29
Department of the Interior [2]	315	189	135
Department of the Treasury [2]	544	545	545
Other independent agencies:			
Federal Election Commission	10	9	10
Other historical and memorial agencies	*	*	
Advisory Commission on Intergovernmental Relations [2]	2	2	2
Native Hawaiians Study Commission		*	*
Office of Personnel Management	14		
Other temporary commissions	3	10	13
United States Holocaust Memorial Council [2]	1	1	1
Deductions for offsetting receipts	−149	−75	−75
Total 806	763	707	660
Deductions for offsetting receipts [4]	−195	−200	−377
Total general government	5,125	5,152	5,259

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [2]	9,147	9,140	9,140
Deductions for offsetting receipts	−4,573	−4,567	−4,567
Total 851	4,573	4,573	4,573
852 Other general purpose fiscal assistance:			
Department of Agriculture	241	242	342
Department of Defense—Civil	5	5	6
Department of the Interior [3]	622	756	862
Department of the Treasury	320	354	362
Other independent agencies:			
District of Columbia	575	637	580
Federal Energy Regulatory Commission [3]	*	*	*
Deductions for offsetting receipts	−87	−148	−29
Total 852	1,678	1,846	2,123
Total general purpose fiscal assistance	6,251	6,419	6,696
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	95,589	115,700	132,900
Deductions for offsetting receipts	−86		
Total 901	95,503	115,700	132,900
902 Other interest:			
Department of the Treasury	1,058	1,723	1,948
Deductions for offsetting receipts	−14,024	−18,328	−22,312
Total 902	−12,966	−16,606	−20,364
Total interest	82,537	99,094	112,536
Allowances for:			
Civilian agency pay raises		392	757
Contingencies for other requirements			
Fraud, waste, and abuse		−1,000	−1,000
Undistributed debt collection			−1,000
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	−4,834	−5,373	−6,038
Receipts from off-budget Federal agencies	−1,537	−2,188	−2,315
Total, employer share, employee retirement	−6,371	−7,560	−8,353
Interest received by trust funds	−13,810	−16,080	−16,122
Rents and royalties on the Outer Continental Shelf	−10,138	−7,861	−18,000
Federal surplus property disposition			−1,000
Total budget authority	718,400	765,464	801,910
MEMORANDUM			
Federal funds	523,519	545,677	565,516
Trust funds	245,444	280,562	300,590
Interfund transactions	−50,563	−60,774	−64,195

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
ADDENDUM			
Budget authority of off-budget Federal entities:			
150 INTERNATIONAL AFFAIRS			
152 International security assistance:			
Federal Financing Bank (Funds appropriated to the President)	2,505	3,320	4,400
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
255 Supporting space activities:			
Federal Financing Bank (National Aeronautics and Space Administration)	111	206	171
270 ENERGY			
271 Energy supply:			
Department of Agriculture	34	*	
Federal Financing Bank (Department of Agriculture) [5]	4,690	4,934	4,661
Federal Financing Bank (Department of Commerce) [3]	17	498	915
Federal Financing Bank (Tennessee Valley Authority)	3,624	4,285	5,289
Synthetic Fuels Corporation	6	25	36
Total energy supply	8,371	9,742	10,900
272 Energy conservation:			
Federal Financing Bank (Department of Commerce) [3]	1		
274 Emergency energy preparedness:			
Department of the Interior		3,684	2,074
Total energy	8,372	13,426	12,974
350 AGRICULTURE			
351 Farm income stabilization:			
Federal Financing Bank (Department of Agriculture)	6,815	5,391	3,071
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Federal Financing Bank (Department of Agriculture)	6,045	5,619	3,537
372 Postal Service:			
Postal Service		348	1,786
376 Other advancement and regulation of commerce:			
Federal Financing Bank (Small Business Administration)	165	275	240
Total commerce and housing credit	6,210	6,242	5,563
400 TRANSPORTATION			
401 Ground transportation:			
Federal Financing Bank (Department of Transportation)	1,794	195	58
United States Railway Association	228		
Total ground transportation	2,022	195	58
Total transportation	2,022	195	58
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Federal Financing Bank (Department of Housing and Urban Development)	45	110	120
452 Area and regional development:			
Department of Agriculture	126	163	163
Federal Financing Bank (Department of Agriculture)	1,650	1,511	1,196
Total area and regional development	1,776	1,674	1,359

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Total community and regional development	1,822	1,784	1,479
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
502 Higher education:			
Federal Financing Bank (Foundation for Education Assistance) [1] [6]	1,955	700	.....
550 HEALTH			
551 Health care services:			
Federal Financing Bank (Department of Health and Human Services)	15	28	16
600 INCOME SECURITY			
604 Housing assistance:			
Federal Financing Bank (Department of Housing and Urban Development)	822	1,261	1,026
800 GENERAL GOVERNMENT			
803 Central fiscal operations:			
Federal Financing Bank (Department of the Treasury) [7]	79	.....	.....
804 General property and records management:			
Federal Financing Bank (General Services Administration)	14	35	.....
806 Other general government:			
Federal Financing Bank (Department of the Interior)	.....	30	.....
Total general government	93	65	.....
Budget authority, off-budget Federal entities	30,743	32,619	28,759
Budget authority including off-budget Federal entities	749,143	798,083	830,669

*$500 thousand or less.

[1] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[2] Includes both Federal and trust funds.

[3] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[4] Excludes offsetting receipts which have been distributed by subfunction above.

[5] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).

[6] Guaranteed for government-sponsored enterprise (Student Loan Marketing Association).

[7] Miscellaneous budget authority not attributed to any single program.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	36,409	38,284	44,534
Retired military personnel	13,729	15,000	16,471
Operation and maintenance [1]	51,920	60,585	67,279
Procurement	35,191	41,325	55,144
Research, development, test, and evaluation	15,278	18,299	22,200
Military construction [1]	2,463	2,744	3,975
Other [2]	1,772	2,118	2,377
Allowances		5,081	4,422
Deductions for offsetting receipts	−665	−636	−502
Total 051	156,096	182,800	215,900
053 Atomic energy defense activities:			
Department of Commerce [3]	3,398	4,498	5,155
054 Defense-related activities:			
Department of Health and Human Services	*	*	
Other independent agencies:			
Central Intelligence Agency	55	85	91
Federal Emergency Management Agency	149	163	341
General Services Administration	21	153	145
Intelligence Community Staff	15	16	4
Renegotiation Board	−*		
Selective Service System	27	22	24
Deductions for offsetting receipts	8	−234	−592
Total 054	276	204	13
Deductions for offsetting receipts [4]	−4	−4	
Total national defense	159,765	187,497	221,068
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [2]	2,864	3,013	3,237
Department of Agriculture	1,248	1,141	1,028
Department of State	412	506	494
Department of Transportation [2]	5	7	7
Deductions for offsetting receipts	−315	−389	−439
Total 151	4,215	4,277	4,327
152 International security assistance:			
Funds appropriated to the President	3,361	3,698	4,003
Department of State			4
Deductions for offsetting receipts	−231	−213	−171
Total 152	3,131	3,485	3,835
153 Conduct of foreign affairs:			
Funds appropriated to the President	18	43	35
Department of Justice	1	1	1
Department of State [2]	1,568	1,781	2,064
Other independent agencies:			
Arms Control and Disarmament Agency	16	16	18
International Trade Commission	16	19	20
Deductions for offsetting receipts	−272	−316	−344
Total 153	1,347	1,543	1,794
154 Foreign information and exchange activities:			
Funds appropriated to the President		9	8
Other independent agencies:			
Board for International Broadcasting	88	87	95

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
International Communication Agency [1, 2]	438	502	549
Japan-United States Friendship Commission (trust funds)	—*	3	2
Deductions for offsetting receipts	—1	—1	—1
Total 154	525	599	655
155 International financial programs:			
Funds appropriated to the President [2]	10,275	10,690	12,227
Department of the Treasury	—802	—372	—411
Other independent agencies: Export-Import Bank of the United States	2,066	1,855	1,918
Deductions for offsetting receipts	—9,533	—10,907	—12,279
Total 155	2,007	1,265	1,455
Deductions for offsetting receipts [4]	—95	—97	—97
Total international affairs	11,130	11,074	11,968
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Commerce [3]	501	559	589
Other independent agencies:			
National Science Foundation [2]	981	1,101	982
Smithsonian Institution (trust funds)	*	*	*
Total 251	1,483	1,660	1,572
253 Space flight:			
National Aeronautics and Space Administration	3,053	3,462	3,992
254 Space, science, applications, and technology:			
National Aeronautics and Space Administration	1,384	1,344	1,462
255 Supporting space activities:			
National Aeronautics and Space Administration [2]	444	481	613
Deductions for offsetting receipts	—*		
Total 225	444	481	613
Deductions for offsetting receipts [4]	—5	—5	—5
Total general science, space, and technology	6,359	6,942	7,633
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President	92	18	
Department of Agriculture	28	30	30
Department of Commerce [2 3]	4,229	5,177	1,955
Department of the Interior [3]	428	565	802
Department of the Treasury	10	28	39
Environmental Protection Agency	102	72	48
Other independent agencies:			
Other temporary commissions	1	*	
Tennessee Valley Authority	1,766	1,940	1,550
Deductions for offsetting receipts	—1,296	—3,275	—1,459
Total 271	5,362	4,554	2,965
272 Energy conservation:			
Department of Commerce [3]	757	736	326
Department of Housing and Urban Development	*		
Total 272	757	736	326
274 Emergency energy preparedness:			
Department of the Interior [3]	3,822	227	302

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Deductions for offsetting receipts	−542		
Total 274	3,280	227	302
276 Energy information, policy, and regulation:			
Department of Commerce [3]	369	370	225
Department of Justice [3]	69	44	23
Other independent agencies:			
Federal Energy Regulatory Commission [3]	69	77	31
Nuclear Regulatory Commission	417	446	450
Office of the Federal Inspector for the Alaska Natural Gas Transportation System	16	26	29
Nuclear Safety Oversight Committee	1	*	
Deductions for offsetting receipts			−67
Total 276	940	964	690
Deductions for offsetting receipts [4]	−62	−69	−69
Total energy	10,277	6,413	4,215
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [2]	234	227	170
Department of Defense—Civil [2]	3,222	3,054	2,798
Department of the Interior [2]	804	866	948
Department of State	17	25	22
Other independent agencies:			
Delaware and Susquehanna River Basin Commissions	1	1	1
Water Resources Council [2]	37	12	1
Deductions for offsetting receipts	−99	−78	−533
Total 301	4,215	4,106	3,407
302 Conservation and land management:			
Department of Agriculture [2]	2,518	2,540	2,374
Department of Commerce	55	45	16
Department of the Interior [2]	725	718	659
Department of State	8	8	9
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−730	−1,062	−1,536
Total 302	2,576	2,249	1,521
303 Recreational resources:			
Department of Agriculture	*	21	11
Department of Defense—Civil	6	6	7
Department of the Interior [2]	1,628	1,622	1,372
Other independent agencies: Advisory Council on Historic Preservation [2]	2	2	1
Deductions for offsetting receipts	−3	−3	−9
Total 303	1,632	1,648	1,383
304 Pollution control and abatement:			
Department of Agriculture	2	11	12
Department of Transportation	23	17	12
Environmental Protection Agency [2]	5,156	5,390	4,641
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	
Other temporary commissions	4	*	
Deductions for offsetting receipts	−16	−34	−51
Total 304	5,169	5,384	4,613
306 Other natural resources:			
Department of Commerce [2]	774	867	790

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Department of the Interior [2]	729	721	722
Deductions for offsetting receipts	−18	−19	−6
Total 306	1,485	1,569	1,507
Deductions for offsetting receipts [4]	−1,553	−2,330	−2,520
Total natural resources and environment	13,525	12,626	9,911
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture	3,992	7,040	2,926
Other independent agencies: Farm Credit Administration	1	1	.....
Total 351	3,993	7,041	2,926
352 Agricultural research and services:			
Department of Agriculture [2]	1,619	1,673	1,656
Deductions for offsetting receipts	−78	−77	−84
Total 352	1,540	1,596	1,572
Deductions for offsetting receipts [4]	38	−4	−4
Total agriculture	5,572	8,633	4,494
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	−129	1,095	1,619
Department of Housing and Urban Development	2,147	1,498	242
Other independent agencies:			
Federal Deposit Insurance Corporation (trust funds)	−1,726	−1,800	−2,000
Federal Home Loan Bank Board	370	38	−150
National Credit Union Administration	−10	93	104
Total 371	651	925	−184
372 Postal Service:			
Other independent agencies: Postal Service	1,343	619	500
376 Other advancement of commerce:			
Legislative branch	8	90	39
Department of Commerce [2]	799	767	659
Department of Housing and Urban Development	−7	3	4
Department of the Treasury [2]	5	−5	−6
Other independent agencies:			
Commodity Futures Trading Commission	18	20	23
Federal Communications Commission	81	76	74
Federal Trade Commission	70	68	61
General Services Administration	2	1	1
National Center for Productivity and Quality of Working Life	*	*	.....
National Consumer Cooperative Bank	131	86	.....
National Institute of Building Sciences	1	1	.....
Securities and Exchange Commission	78	82	84
Small Business Administration	812	602	368
United States Metric Board [2]	3	2	*
Deductions for offsetting receipts	−41	−67	−23
Total 376	1,959	1,728	1,284
Deductions for offsetting receipts [4]	−7	−8	−8
Total commerce and housing credit	3,946	3,265	1,591

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(*In millions of dollars*)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
400 TRANSPORTATION			
401 Ground transportation:			
Department of Agriculture (trust funds)	*	1	
Department of the Interior (trust funds)	*	3	*
Department of Transportation [2]	16,764	14,544	12,908
Other independent agencies:			
Washington Metropolitan Area Transit Authority	61	75	66
Interstate Commerce Commission	84	79	68
Other temporary commissions	*	1	1
United States Railway Association	191	28	3
Deductions for offsetting receipts	−1	−2	−1
Total 401	17,100	14,728	13,045
402 Air transportation:			
Department of Transportation [2]	3,158	3,073	3,375
National Aeronautics and Space Administration	544	544	516
Other independent agencies: Civil Aeronautics Board	147	113	77
Total 402	3,850	3,730	3,968
403 Water transportation:			
Department of Transportation [2]	2,427	2,695	2,732
Allowance		75	53
Other independent agencies:			
Federal Maritime Commission	12	11	10
Panama Canal Commission	742	428	447
Deductions for offsetting receipts	−760	−431	−668
Total 403	2,420	2,778	2,575
407 Other transportation:			
Department of Transportation	92	72	94
Other independent agencies:			
National Transportation Safety Board	18	17	17
Other temporary commissions	*	*	
Total 407	110	89	111
Deductions for offsetting receipts [4]	−99	−97	−70
Total transportation	23,381	21,228	19,628
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Housing and Urban Development [2]	4,948	4,923	4,215
Other independent agencies:			
Commission of Fine Arts	*	*	*
Federal Emergency Management Agency	114	94	99
National Capital Planning Commission	2	2	2
Neighborhood Reinvestment Corporation	12	14	16
Pennsylvania Avenue Development Corporation [2]	35	32	17
Total 451	5,111	5,066	4,349
452 Area and regional development:			
Funds appropriated to the President	337	298	289
Department of Agriculture	839	1,066	1,217
Department of Commerce [2 3]	747	552	337
Department of Health and Human Services	26	−21	−2
Department of the Interior [2]	984	1,030	1,093
Other independent agencies:			
Appalachian Regional Commission [2]	11	9	*
Joint Federal-State Land Use Planning Commission for Alaska	*		
Tennessee Valley Authority	162	240	140

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Deductions for offsetting receipts	−397	−325	−343
Total 452	2,708	2,848	2,732
453 Disaster relief and insurance:			
Funds appropriated to the President [2]	401	406	381
Department of Agriculture	16	18	
Department of Commerce	1	*	
Department of Housing and Urban Development	−23	−5	
Other independent agencies:			
Federal Emergency Management Agency	109	160	146
Small Business Administration	1,101	−77	−290
Total 453	1,604	503	237
Deductions for offsetting receipts [4]	−30	−51	−55
Total community and regional development	9,394	8,366	7,263
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Health and Human Services [1]	5	5	5
Department of the Interior [1]	326	351	333
Department of the Treasury [1]	687	555	340
Other independent agencies: Foundation for Education Assistance [1]	6,026	6,180	4,789
Total 501	7,043	7,092	5,467
502 Higher education:			
Department of Health and Human Services [1]	79	82	84
Department of Housing and Urban Development	−3	−3	−2
Department of the Treasury [1]	52	118	74
Other independent agencies:			
Foundation for Education Assistance [1]	6,661	6,782	6,187
Harry S Truman Scholarship Foundation (trust funds)	1	2	2
Other temporary commissions	*	1	1
Total 502	6,790	6,982	6,346
503 Research and general education aids:			
Legislative branch [2]	151	170	176
Department of Commerce	20	25	24
Other independent agencies:			
Corporation for Public Broadcasting	162	172	137
Foundation for Education Assistance [1 2]	387	431	458
International Communication Agency [1]	25	24	20
National Commission on Libraries and Information Science [2]	1	1	*
National Endowment for the Arts [2]	149	139	142
National Endowment for the Humanities [2]	166	138	121
Institute of Museum Services [1]	*	20	8
Smithsonian Institution	167	188	199
Deductions for offsetting receipts	−4	−5	−12
Total 503	1,223	1,304	1,273
504 Training and employment:			
Department of Commerce	*	6	
Department of Health and Human Services	381	269	11
Department of Labor [2]	8,860	5,165	2,753
Total 504	9,241	5,439	2,764
505 Other labor services:			
Department of Labor [2]	443	441	476

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	1	1	1
Federal Mediation and Conciliation Service	24	25	21
National Labor Relations Board	115	114	132
National Mediation Board	4	5	4
Total 505	587	584	633
506 Social services:			
Department of Health and Human Services [1]	5,756	6,067	4,947
Department of Housing and Urban Development	5	4	3
Other independent agencies:			
ACTION [2]	150	133	119
Community Services Administration	619	185	33
General Services Administration		12	
National Commission on the International Year of the Child	—*		
Deduction for offsetting receipts	—*		
Total 506	6,531	6,400	5,101
Deductions for offsetting receipts [4]	—13	—31	—32
Total education, training, employment, and social services	31,402	27,770	21,552
550 HEALTH			
551 Health care services:			
Department of Health and Human Services [2]	72,463	85,259	91,411
Other independent agencies:			
Office of Personnel Management [2]	808	895	1,070
Other temporary commissions	1	2	*
Deductions for offsetting receipts	—12,921	—18,194	—19,806
Total 551	60,351	67,961	72,675
552 Health research:			
Department of Health and Human Services	3,836	3,839	3,942
Department of Housing and Urban Development	—1	—*	—*
Total 552	3,836	3,839	3,941
553 Education and training of health care work force:			
Department of Health and Human Services	779	637	451
554 Consumer and occupational health and safety:			
Executive Office of the President	—*	*	
Department of Agriculture	311	309	320
Department of Health and Human Services	337	334	362
Department of Labor [2]	347	333	335
Other independent agencies:			
Consumer Product Safety Commission [2]	41	34	32
Federal Mine Safety and Health Review Commission	4	3	4
Occupational Safety and Health Review Commission	8	7	6
Deductions for offseting receipts	—5	—4	—4
Total 554	1,042	1,017	1,055
Deductions for offsetting receipts [4]	—25	—16	—17
Total health	65,982	73,437	78,105
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health and Human Services [2]	141,345	158,586	175,494
Department of Labor [2]	1,225	1,054	724
Department of the Treasury	—*		

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Other independent agencies:			
Railroad Retirement Board [2]	5,644	5,707	350
Other temporary commissions	−1	*	
Deductions for offsetting receipts	−3,190	−3,080	−917
Total 601	145,024	162,268	175,650
602 Federal employee retirement and disability:			
Legislative branch (trust funds)	*	*	*
The Judiciary (trust funds)	2	3	2
Department of Labor	238	269	336
Department of State (trust funds)	168	186	206
Other independent agencies: Office of Personnel Management (trust funds)	17,214	18,975	20,589
Deductions for offsetting receipts	−75	−71	−71
Total 602	17,547	19,361	21,062
603 Unemployment compensation:			
Department of Labor [2]	21,412	29,210	27,766
Department of Transportation	137	155	75
Other independent agencies: Railroad Retirement Board	−8	*	*
Deductions for offsetting receipts	−1,877	−4,153	−5,243
Total 603	19,664	25,213	22,598
604 Housing assistance:			
Department of Agriculture	45	44	204
Department of Housing and Urban Development	6,896	8,203	8,680
Total 604	6,942	8,247	8,884
605 Food and nutrition assistance:			
Department of Agriculture	16,205	15,570	13,773
Deductions for offsetting receipts	−3	−1	−1
Total 605	16,202	15,569	13,772
609 Other income security:			
Department of Health and Human Services	18,360	18,962	18,594
Department of State	−*		
Department of the Treasury	1,318	1,254	1,180
Other independent agencies: Community Services Administration	46		
Deductions for offsetting receipts	−3	−3	−3
Total 609	19,721	20,213	19,770
Total income security	225,099	250,870	261,736
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [2]	13,375	14,546	15,313
Deductions for offsetting receipts	−465	−476	−470
Total 701	12,909	14,070	14,843
702 Veterans education, training, and rehabilitation:			
Veterans Administration [2]	2,396	2,044	1,731
Deductions for offsetting receipts	−142	−162	−174
Total 702	2,254	1,883	1,557
703 Hospital and medical care for veterans:			
Veterans Administration	6,965	7,594	8,108
704 Veterans housing:			
Department of Housing and Urban Development	51	−14	−13
Veterans Administration	150	−55	−756

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Deductions for offsetting receipts			−95
Total 704	201	−68	−863
705 Other veterans benefits and services:			
Department of Defense—Civil [2]	28	28	33
Department of the Treasury (trust funds)	*	*	*
Veterans Administration [2]	629	645	702
Other independent agencies: American Battle Monuments Commission [2]	8	10	11
Deductions for offsetting receipts	−3	−4	−5
Total 705	662	680	741
Deductions for offsetting receipts [4]	−3	−3	−3
Total veterans benefits and services	22,988	24,155	24,383
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Health and Human Services	19	17	19
Department of Housing and Urban Development	22	29	28
Department of Justice [1]	1,344	1,437	1,608
Department of the Treasury	850	827	833
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Architectural and Transportation Barriers Compliance Board		1	*
Commission on Civil Rights	12	12	12
Equal Employment Opportunity Commission	134	143	142
Other temporary commissions	1	*	
Total 751	2,384	2,468	2,643
752 Federal litigative and judicial activities:			
Legislative branch	11	13	15
The Judiciary	640	731	825
Department of Justice	517	502	570
Other independent agencies:			
Indian Claims Commission	−*		
Legal Services Corporation	324	148	13
Other temporary commissions	*	1	
Total 752	1,493	1,393	1,423
753 Federal correctional activities:			
Department of Justice [2]	361	376	386
754 Criminal justice assistance:			
Department of Justice	473	318	162
Deductions for offsetting receipts [4]	−13	−35	−23
Total administration of justice	4,698	4,521	4,592
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch [2]	1,041	1,204	1,209
Deductions for offsetting receipts	−4	−4	−4
Total 801	1,036	1,200	1,204
802 Executive direction and management:			
Executive Office of the President	96	92	99
Funds appropriated to the President	*	1	1
Other independent agencies: General Services Administration	3	1	1
Deductions for offsetting receipts	−*		

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
Total 802	99	94	101
803 Central fiscal operations:			
Department of the Treasury [2]	2,925	3,056	3,378
Deductions for offsetting receipts	−325	−254	−287
Total 803	2,600	2,802	3,092
804 General property and records management:			
Other independent agencies: General Services Administration [2]	169	428	192
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Federal Labor Relations Authority	16	14	16
Merit Systems Protection Board	21	22	21
Office of Personnel Management	13,676	14,402	15,167
Other temporary commissions	*	*	
Deductions for offsetting receipts	−13,554	−14,303	−15,064
Total 805	159	136	140
806 Other general government:			
Legislative branch	10	35	28
The Judiciary	*	*	
Department of the Interior [2]	339	190	170
Department of the Treasury [2]	508	506	508
Other independent agencies:			
Federal Election Commission	9	8	9
American Revolution Bicentennial Administration	−*		
Other historical and memorial agencies	*	*	*
Advisory Commission on Intergovernmental Relations [2]	2	2	2
Native Hawaiians Study Commission		*	*
Office of Personnel Management	18	9	
Other temporary commissions	8	10	13
National Commission on the Observance of International Women's Year, 1975	*		
United States Holocaust Memorial Council [2]	*	1	1
Deductions for offsetting receipts	−149	−75	−75
Total 806	745	687	656
Deductions for offsetting receipts [4]	−195	−200	−377
Total general government	4,614	5,146	5,008
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [2]	9,713	9,143	9,140
Deductions for offsetting receipts	−4,573	−4,567	−4,567
Total 851	5,140	4,576	4,573
852 Other general purpose fiscal assistance:			
Department of Agriculture	241	242	342
Department of Defense—Civil	5	5	5
Department of the Interior [3]	667	759	862
Department of the Treasury	310	356	362
Other independent agencies:			
District of Columbia	579	627	570
Federal Energy Regulatory Commission [3]	*	*	*
Deductions for offsetting receipts	−87	−148	−29
Total 852	1,716	1,841	2,113
Total general purpose fiscal assistance	6,856	6,417	6,686

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	95,589	115,700	132,900
Deductions for offsetting receipts	−86		
Total 901	95,503	115,700	132,900
902 Other interest:			
Department of the Treasury	1,057	1,723	1,948
Other independent agencies: General Services Administration		1	
Deductions for offsetting receipts	−14,024	−18,328	−22,312
Total 902	−12,967	−16,605	−20,364
Total interest	82,537	99,095	112,536
Allowances for:			
Civilian agency pay raises		376	743
Contingencies for other requirements			
Fraud, waste, and abuse		−1,000	−1,000
Undistributed debt collection			−1,000
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	−4,834	−5,373	−6,038
Receipts from off-budget Federal agencies	−1,537	−2,188	−2,315
Total, employer share, employee retirement	−6,371	−7,560	−8,353
Interest received by trust funds	−13,810	−16,080	−16,122
Rents and royalties on the Outer Continental Shelf	−10,138	−7,861	−18,000
Federal surplus property disposition			−1,000
Total outlays	657,204	725,331	757,638
MEMORANDUM			
Federal funds	475,171	523,936	540,604
Trust funds	232,596	262,169	281,229
Interfund transactions	−50,563	−60,774	−64,195

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(*In millions of dollars*)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
ADDENDUM			
Outlays of off-budget Federal entities: [5]			
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Federal Financing Bank (Funds appropriated to the President)	−5	−6	−6
152 International security assistance:			
Federal Financing Bank (Funds appropriated to the President)	1,945	2,670	3,715
Total, international affairs	1,940	2,664	3,709
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
255 Supporting space activities:			
Federal Financing Bank (National Aeronautics and Space Administration)	111	206	112
270 ENERGY			
271 Energy supply:			
Department of Agriculture	34		
Federal Financing Bank (Department of Agriculture) [6]	4,601	4,932	4,654
Federal Financing Bank (Department of Commerce) [3]	17	498	915
Federal Financing Bank (Tennessee Valley Authority)	237	198	278
Total energy supply	4,889	5,628	5,847
272 Energy conservation:			
Federal Financing Bank (Department of Commerce) [3]	1		
274 Emergency energy preparedness:			
Department of the Interior		2,834	2,774
Total energy	4,890	8,463	8,621
350 AGRICULTURE			
351 Farm income stabilization:			
Federal Financing Bank (Department of Agriculture)	5,790	1,066	−394
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Federal Financing Bank (Department of Agriculture)	4,045	3,249	852
372 Postal Service:			
Postal Service	89	554	713
376 Other advancement and regulation of commerce:			
Federal Financing Bank (Small Business Administration)	119	224	179
Total commerce and housing credit	4,253	4,027	1,745
400 TRANSPORTATION			
401 Ground transportation:			
Federal Financing Bank (Department of Transportation)	250	64	19
United States Railway Association	−267	−94	−13
Total ground transportation	−16	−30	7
Total transportation	−16	−30	7

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1981 actual	1982 estimate	1983 estimate
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Federal Financing Bank (Department of Housing and Urban Development)	34	96	83
452 Area and regional development:			
Department of Agriculture	114	156	155
Federal Financing Bank (Department of Agriculture)	1,025	1,036	691
Total area and regional development	1,139	1,193	846
Total community and regional development	1,173	1,289	929
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
502 Higher education:			
Federal Financing Bank (Foundation for Education Assistance) [1] [7]	1,955	700	.....
550 HEALTH			
551 Health care services:			
Federal Financing Bank (Department of Health and Human Services)	8	22	11
600 INCOME SECURITY			
604 Housing assistance:			
Federal Financing Bank (Department of Housing and Urban Development)	810	1,224	969
800 GENERAL GOVERNMENT			
803 Central fiscal operations:			
Federal Financing Bank (Department of the Treasury) [8]	79	.....	.....
804 General property and records management:			
Federal Financing Bank (General Services Administration)	13	28	−8
806 Other general government:			
Federal Financing Bank (Department of the Interior)	−*	30	−1
Total general government	92	58	−8
Outlays, off-budget Federal entities	21,005	19,689	15,701
Outlays including off-budget Federal entities	678,209	745,020	773,339

*$500 thousand or less.

[1] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Budget data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.

[2] Includes both Federal and trust funds.

[3] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Budget data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.

[4] Excludes offsetting receipts which have been distributed by subfunction above.

[5] Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.

[6] Off-budget Federal entity (Rural Electrification and Telephone Revolving Fund).

[7] Guaranteed for government-sponsored enterprise (Student Loan Marketing Association).

[8] Miscellaneous outlays not attributed to any single program.

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Table 14. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1983 BUDGET, PROJECTION OF COSTS***

(In millions of dollars)

		Estimates						Explanation
		1982	1983	1984	1985	1986	1987	
Commerce:								
Nuclear waste disposal fund	BA	.....	185	.....	.....	.....	.....	A proposed nuclear waste disposal facility would be funded by utility payments into a revolving fund.
	0	.....	−115	−250	−284	−362	−281	
Housing and Urban Development:								
Section 8 subsidized housing vouchers	BA	.....	1,066	1,228	1,987	4,845	1,171	This proposal would reform the Section 8 existing housing program by eliminating the federally-imposed maximum fair market rent ceilings that can be charged by landlords. The tenant would receive a regionally determined amount of assistance in the form of a voucher to rent a standard quality housing unit.
	0	.....	71	246	578	1,383	2,199	
Rental rehabilitation grants	BA	.....	150	150	150	150	150	This proposal would provide funds to States and localities to cover up to half the cost of rehabilitating multi-family rental properties. It would be linked to the proposed subsidized housing voucher program and principally benefit low-income tenants. This program would replace the Section 8 moderate rehabilitation program and the rehabilitation loan fund.
	0	.....	.....	75	150	150	150	
Transportation:								
Federal Aviation Administration programs	BA	341	858	808	1,035	1,185	1,380	This proposal would fund expanded programs for research and development and capital acquisition to modernize the national airspace system. Revised user fees to fund these expanded programs are also being proposed.
	0	332	422	573	821	940	1,057	
Veterans' Administration:								
Compensation	BA	.....	771	1,438	1,969	2,525	3,040	This proposal would provide an 8.1% cost-of-living increase to beneficiaries.
	0	.....	707	1,383	1,925	2,479	2,997	

*This table is supplied pursuant to the requirements of sec. 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510). Estimates shown 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; and they do not reflect in all cases reductions in the costs of other programs that may come about as a result of the adoption of the proposals. Since the economic assumptions and circumstances that these programs are based upon may change, the estimates do not represent a commitment to the amounts to be included in future years.

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Table 15. **NEW DIRECT LOAN OBLIGATIONS BY AGENCY**

(In millions of dollars)

Department or other unit	1981 actual	1982 estimate	1983 estimate
ON-BUDGET AGENCIES			
Funds Appropriated to the President	1,339	1,539	3,217
Agriculture	23,687	24,966	19,429
Commerce	69	44	.....
Health and Human Services	63	54	40
Housing and Urban Development	5,429	4,766	1,772
Interior	38	83	123
Labor	*	3	3
State	1	1	1
Transportation	75	188	59
Treasury	138	344	100
Veterans Administration	987	878	936
Other independent agencies:			
District of Columbia	214	225	145
Export-Import Bank	5,431	4,400	3,830
Foundation for Education Assistance	421	589	548
National Credit Union Administration	75	336	478
Small Business Administration	2,393	1,352	994
All other independent agencies	498	94	80
Subtotal, on-budget agencies	**40,857**	**39,861**	**31,754**
OFF-BUDGET AGENCIES			
Rural Electrification Administration	1,260	1,285	885
Federal Financing Bank (FFB)	30,269	28,377	24,701
United States Railway Association	17	1	.....
Subtotal, off-budget agencies	**31,545**	**29,663**	**25,586**
Subtotal on- and off-budget agencies	**72,402**	**69,524**	**57,340**
Less: Loan assets sold to the FFB	−15,208	−13,173	−8,346
Total	**57,194**	**56,351**	**48,994**

* Less than $50 thousand.

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Table 16. **NEW LOAN GUARANTEE COMMITMENTS BY AGENCY**

(In millions of dollars)

Department or other unit	1981 actual	1982 estimate	1983 estimate
Funds Appropriated to the President	2,776	3,334	4,179
Agriculture [1]	22,583	20,072	14,215
Commerce	3,507	134	25
Health and Human Services	69	116	104
Housing and Urban Development	85,284	95,027	93,171
Interior	1	58	24
Transportation	1,472	866	600
Treasury	700	1,000	.....
Veterans Administration	11,718	19,542	22,451
National Aeronautics and Space Administration	111	206	171
Other independent agencies:			
Export-Import Bank	7,416	8,000	8,000
Foundation for Education Assistance	9,717	10,200	10,300
Small Business Administration	3,617	3,156	2,850
Tennessee Valley Authority	3,624	4,285	5,289
All other independent agencies	135	135	75
Subtotal, guaranteed loans (gross)	**152,729**	**166,130**	**161,455**
Less:			
Secondary guaranteed loans	−44,113	−48,700	−38,400
Guaranteed loans held as direct loans	−32,101	−30,365	−24,701
Total	**76,515**	**87,065**	**98,354**

[1] Includes Rural Electrification Administration off-budget activities as follows: 1981, $5,131 million; 1982, $4,245 million; 1983, $3,760 million.

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Table 17. **CONTROLLABILITY OF BUDGET OUTLAYS, 1973–83**

(Dollars in billions)

	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	50.6	57.5	68.3	76.0	20.7	87.5	96.1	106.7	121.8	143.2	159.9	175.6
Federal employees' retirement and insurance	13.0	15.0	18.4	21.2	5.7	24.0	26.7	30.0	34.7	40.5	44.7	48.7
(Military retired pay)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.3)	(11.9)	(13.7)	(15.0)	(16.6)
(Other)	(8.6)	(9.9)	(12.1)	(13.9)	(3.7)	(15.8)	(17.5)	(19.7)	(22.8)	(26.8)	(29.7)	(32.1)
Unemployment assistance	5.4	6.1	13.5	19.5	4.0	15.3	11.8	10.7	18.0	19.5	25.1	22.7
Medical care	14.1	17.2	21.6	26.3	7.0	31.4	35.9	41.6	49.0	59.3	67.6	76.0
Assistance to students	2.8	3.3	4.7	5.7	.8	3.8	3.9	3.7	3.9	4.7	5.1	5.1
Food and nutrition assistance [1]	.....	.....	1.6	1.9	.4	2.8	2.7	3.0	3.5	3.5	2.8	3.0
Public assistance and related programs	8.5	10.2	12.6	14.6	3.7	15.7	16.6	16.4	18.6	20.8	21.5	21.1
All other relatively uncontrollable payments for individuals	1.6	1.8	2.0	1.9	.5	2.0	2.0	2.7	3.0	3.0	2.9	2.8
Subtotal, payments for individuals	96.0	111.1	142.6	167.0	42.7	182.5	195.6	214.8	252.5	294.5	329.6	354.9
Net interest [2]	17.3	21.4	23.2	26.7	6.9	29.9	35.4	42.6	52.5	68.7	83.0	96.8
General revenue sharing	6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.8	6.8	5.1	4.6	4.6
Farm price supports (CCC)	3.6	1.0	.6	.6	.7	3.5	5.5	3.7	2.9	4.1	6.5	1.8
Other open-ended programs and fixed costs	3.7	3.9	2.6	3.3	.8	2.1	3.5	1.5	6.5	4.0	0.7	−2.2
Total, open-ended programs and fixed costs	127.3	143.6	175.2	203.8	52.8	224.7	246.9	269.5	321.2	376.4	424.3	455.8
(National defense)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.2)	(10.4)	(12.1)	(13.9)	(15.2)	(16.8)
(Civilian programs)	(122.9)	(138.4)	(168.9)	(196.5)	(50.8)	(216.5)	(237.7)	(259.1)	(309.2)	(362.5)	(409.1)	(439.0)
Outlays from prior-year contracts and obligations: [3]												
National defense	17.7	20.4	22.3	17.9	7.7	18.5	28.2	30.9	36.5	41.5	55.0	70.2
Civilian programs	23.7	25.6	31.0	35.8	13.4	40.3	48.7	54.4	66.7	67.1	65.3	59.5
Total, outlays from prior-year contracts and obligations	41.4	46.0	53.3	53.7	21.1	58.8	76.9	85.3	103.2	108.6	120.3	129.7

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Total, relatively uncontrollable outlays	**168.6**	**189.6**	**228.4**	**257.5**	**73.8**	**283.5**	**323.8**	**354.8**	**424.4**	**485.0**	**544.7**	**585.5**
Relatively controllable outlays:												
National defense	52.5	52.2	57.0	64.2	12.7	70.8	67.8	76.4	87.3	104.5	117.4	134.2
Civilian programs [1]	27.5	29.5	42.8	47.0	8.7	50.8	61.8	65.1	70.8	74.0	70.8	46.3
(Under current law) [4]	(79.9)	(81.7)	(99.8)	(111.2)	(21.3)	(121.6)	(129.6)	(141.4)	(158.1)	(178.6)	(188.9)	(190.1)
Under proposed legislation in:												
(Open-ended programs and fixed costs) [4]											(−.9)	(−8.9)
(Other relatively controllable programs) [4]											(.2)	(−.7)
Total, relatively controllable outlays	**79.9**	**81.7**	**99.8**	**111.2**	**21.3**	**121.6**	**129.6**	**141.4**	**158.1**	**178.6**	**188.2**	**180.5**
Undistributed employer share, employee retirement [5]	**−2.9**	**−3.3**	**−4.0**	**−4.2**	**−1.0**	**−4.5**	**−5.0**	**−5.3**	**−5.8**	**−6.4**	**−7.6**	**−8.4**
Total budget outlays	**245.6**	**267.9**	**324.3**	**364.5**	**94.2**	**400.5**	**448.4**	**491.0**	**576.7**	**657.2**	**725.3**	**757.6**
MEMORANDUM—Percent of total outlays												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	39.1%	41.5%	44.0%	45.8%	45.4%	45.6%	43.6%	43.7%	43.8%	44.8%	45.4%	46.9%
Other	12.7	12.1	10.0	10.1	10.7	10.5	11.4	11.1	11.9	12.5	13.1	13.3
Total open-ended programs and fixed costs	51.8	53.6	54.0	55.9	56.0	56.1	55.1	54.9	55.7	57.3	58.5	60.2
Outlays from prior-year contracts and obligations	16.8	17.2	16.4	14.7	22.4	14.7	17.1	17.4	17.9	16.5	16.6	17.1
Total relatively uncontrollable outlays	**68.7**	**70.8**	**70.4**	**70.7**	**78.4**	**70.8**	**72.2**	**72.3**	**73.6**	**73.8**	**75.1**	**77.3**
Relatively controllable outlays	**32.5**	**30.5**	**30.8**	**30.5**	**22.6**	**30.4**	**28.9**	**28.8**	**27.4**	**27.2**	**25.9**	**23.8**
Undistributed employer share, employee retirement [5]	**−1.2**	**−1.2**	**−1.2**	**−1.2**	**−1.0**	**−1.1**	**−1.1**	**−1.1**	**−1.0**	**−1.0**	**−1.0**	**−1.1**
Total budget outlays	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] Some programs that were previously classified as relatively uncontrollable under open-ended programs and fixed costs are now classified as relatively controllable civilian programs.
[2] Proposed legislation decreases net interest by $27 million in 1982 and $75 million in 1983.
[3] Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs".
[4] The national defense portion of these are as follows: For outlays under current law, $117.4 billion in 1982 and $134.5 billion in 1983; for proposed legislation affecting open-ended programs and fixed costs, −$0.1 billion in 1983 and for proposed legislation affecting other relatively controllable programs, $46 million in 1982 and $−0.2 billion in 1983.
[5] Includes −$619 million in 1983 of proceeds from proposed legislation to cover Federal employees under the hospital insurance trust fund.

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Table 18. **BUDGET RECEIPTS BY SOURCE, 1973–83**

(In millions of dollars)

Source	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
Individual income taxes	103,246	118,952	122,386	131,603	38,801	157,626	180,988	217,841	244,069	285,917	298,578	304,533
Corporation income taxes	36,153	38,620	40,621	41,409	8,460	54,892	59,952	65,677	64,600	61,137	46,752	65,269
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance	40,703	47,778	55,207	58,703	15,886	68,032	73,141	83,410	96,581	117,757	126,409	136,275
Disability insurance	5,381	6,147	7,250	7,686	2,130	8,786	12,250	14,584	16,639	12,418	21,255	24,589
Hospital insurance	7,603	10,551	11,252	11,987	3,457	13,474	16,668	19,874	23,217	30,340	34,881	38,666
Railroad retirement	1,189	1,411	1,489	1,525	328	1,908	1,822	2,190	2,312	2,457	2,982	.....
Total employment taxes and contributions	54,876	65,888	75,199	79,901	21,801	92,199	103,881	120,058	138,748	162,973	185,527	199,530
Unemployment insurance	6,051	6,837	6,771	8,054	2,698	11,312	13,850	15,387	15,336	15,763	16,461	18,469
Other retirement contributions:												
Federal employees' retirement—employee contributions	2,146	2,302	2,513	2,760	707	2,915	3,174	3,428	3,660	3,908	4,409	4,427
Contributions for non-Federal employees	41	45	52	54	13	59	62	66	59	76	84	85
Total other retirement contributions	2,187	2,347	2,565	2,814	720	2,974	3,237	3,494	3,719	3,984	4,493	4,511
Total social insurance taxes and contributions	63,115	75,071	84,534	90,769	25,219	106,485	120,967	138,939	157,803	182,720	206,481	222,510
Excise taxes:												
Federal funds:												
Alcohol	5,040	5,248	5,238	5,318	1,279	5,295	5,492	5,531	5,601	5,606	6,034	5,903

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Tobacco	2,274	2,435	2,312	2,484	622	2,393	2,444	2,492	2,443	2,581	2,735	2,663
Windfall profit tax									5,959	23,290	24,196	21,275
Other	2,522	2,060	1,850	2,810	620	1,960	2,118	1,785	1,560	2,651	2,318	1,226
Total Federal fund excise taxes	9,836	9,743	9,400	10,612	2,520	9,648	10,054	9,808	15,563	34,128	35,283	31,066
Trust funds:												
Highway	5,665	6,260	6,188	5,413	1,676	6,709	6,904	7,189	6,620	6,305	6,582	6,957
Airport and airway	758	840	962	938	277	1,191	1,326	1,526	1,874	21	280	2,661
Black lung disability insurance							92	222	272	237	507	612
Inland waterway										20	58	67
Hazardous substances response										128	283	299
Total trust fund excise taxes	6,424	7,100	7,151	6,351	1,953	7,900	8,323	8,937	8,766	6,711	7,710	10,596
Total excise taxes	16,260	16,844	16,551	16,963	4,473	17,548	18,376	18,745	24,329	40,839	42,993	41,663
Estate and gift taxes	4,917	5,035	4,611	5,216	1,455	7,327	5,285	5,411	6,389	6,787	7,162	5,948
Custom duties	3,188	3,334	3,676	4,074	1,212	5,150	6,573	7,439	7,174	8,083	8,870	9,390
Miscellaneous receipts:												
Deposit of earnings by Federal Reserve System	3,495	4,845	5,777	5,451	1,500	5,908	6,641	8,327	11,767	12,834	14,974	15,809
Other miscellaneous receipts	425	523	935	2,576	111	623	778	925	981	956	943	996
Total miscellaneous receipts [1]	3,920	5,368	6,712	8,027	1,611	6,531	7,419	9,251	12,748	13,790	15,917	16,805
Total budget receipts	**230,799**	**263,224**	**279,090**	**298,060**	**81,232**	**355,559**	**399,561**	**463,302**	**517,112**	**599,272**	**626,753**	**666,118**
MEMORANDUM												
Federal funds	161,357	181,219	187,505	201,099	54,085	241,312	270,490	316,366	350,856	410,422	412,817	433,664
Trust funds	90,766	103,138	116,683	131,750	31,530	150,560	165,568	186,988	210,930	239,413	274,710	296,650
Interfund transactions	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−44,674	−50,563	−60,774	−64,195

[1] Includes both Federal and trust funds.

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1973–83**

(In millions of dollars)

Function	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
050 National defense:												
051 Department of Defense—Military:												
Military personnel	23,246	23,728	24,968	25,064	6,358	25,715	27,075	28,407	30,842	36,409	38,284	44,534
Retired military personnel	4,390	5,128	6,242	7,296	1,947	8,216	9,171	10,279	11,920	13,729	15,000	16,471
Operation and maintenance	21,069	22,478	26,297	27,837	7,232	30,587	33,578	36,424	44,770	51,920	60,585	67,279
Procurement	15,654	15,241	16,042	15,964	3,766	18,178	19,976	25,404	29,021	35,191	41,325	55,144
Research and development	8,157	8,582	8,866	8,923	2,206	9,795	10,508	11,152	13,127	15,278	18,299	22,200
Military construction and other [1]	707	2,393	2,486	2,809	370	3,065	2,734	3,346	3,161	3,570	9,307	10,271
Subtotal, 051	73,223	77,550	84,900	87,891	21,880	95,557	103,042	115,013	132,840	156,096	182,800	215,900
053 Atomic energy defense activities	1,409	1,486	1,506	1,565	435	1,936	2,070	2,541	2,878	3,398	4,498	5,155
054 Defense-related activities	−88	−1,242	−850	−23	−9	8	76	129	142	276	204	13
Deductions for offsetting receipts	**−4**	**−13**	**−4**	**−3**	1	−*	**−2**	**−3**	**−4**	**−4**	**−4**	
Total national defense	**74,541**	**77,781**	**85,552**	**89,430**	**22,307**	**97,501**	**105,186**	**117,681**	**135,856**	**159,765**	**187,497**	**221,068**
150 International affairs:												
151 Foreign economic and financial assistance	1,770	2,470	3,202	2,711	1,114	2,850	2,721	2,989	3,703	4,215	4,277	4,327
152 International security assistance	1,366	1,813	2,395	1,846	1,234	1,623	2,392	2,319	2,800	3,131	3,485	3,835
153 Conduct of foreign affairs	475	606	658	726	262	981	1,128	1,310	1,367	1,347	1,543	1,794
154 Foreign information and exchange activities	295	320	348	382	115	386	423	465	534	525	599	655
155 International financial programs	211	527	421	4	−509	−913	−642	−881	2,425	2,007	1,265	1,455
Deductions for offsetting receipts	**−50**	**−56**	**−103**	**−115**	**−27**	**−108**	**−100**	**−110**	**−96**	**−95**	**−97**	**−97**
Total international affairs	**4,066**	**5,681**	**6,922**	**5,554**	**2,191**	**4,819**	**5,922**	**6,091**	**10,733**	**11,130**	**11,074**	**11,968**

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250 General science, space, and technology:												
251 General science and basic research	961	1,017	1,038	1,035	292	1,078	1,160	1,298	1,381	1,483	1,660	1,572
253 Space flight	1,726	1,694	1,661	2,000	525	2,252	2,260	2,217	2,594	3,053	3,462	3,992
254 Space, science, applications, and technology	1,041	947	958	980	251	1,006	972	1,153	1,346	1,384	1,344	1,462
255 Supporting space activities	304	322	334	358	94	343	354	383	405	444	481	613
Deductions for offsetting receipts	**−2**	**−3**	**−2**	**−3**	**−1**	**−2**	**−4**	**−10**	**−3**	**−5**	**−5**	**−5**
Total general science, space, and technology	**4,030**	**3,977**	**3,989**	**4,370**	**1,161**	**4,677**	**4,742**	**5,041**	**5,722**	**6,359**	**6,942**	**7,633**
270 Energy:												
271 Energy supply	975	517	1,742	2,508	603	3,265	3,970	4,900	4,574	5,362	4,554	2,965
272 Energy conservation		3	48	51	38	143	221	252	568	757	736	326
274 Emergency energy preparedness			33	65	32	123	897	1,021	342	3,280	227	302
276 Energy information, policy, and regulation	231	331	389	558	146	664	798	742	882	940	964	690
Deductions for offsetting receipts	**−26**	**−14**	**−43**	**−55**	**−25**	**−23**	**−25**	**−59**	**−53**	**−62**	**−69**	**−69**
Total energy	**1,179**	**837**	**2,169**	**3,127**	**794**	**4,172**	**5,861**	**6,856**	**6,313**	**10,277**	**6,413**	**4,215**
300 Natural resources and environment:												
301 Water resources	2,249	2,228	2,634	2,773	813	3,242	3,468	3,897	4,294	4,215	4,106	3,407
302 Conservation and land management	725	740	1,300	1,245	477	1,279	1,984	1,884	2,328	2,576	2,249	1,521
303 Recreational resources	566	665	825	895	256	1,014	1,439	1,513	1,707	1,632	1,648	1,383
304 Pollution control and abatement	1,122	2,035	2,523	3,067	1,091	4,279	3,964	4,706	5,510	5,169	5,384	4,613
306 Other natural resources	570	673	762	897	229	973	1,157	1,273	1,412	1,485	1,569	1,507
Deductions for offsetting receipts	**−469**	**−672**	**−707**	**−752**	**−334**	**−786**	**−1,087**	**−1,183**	**−1,439**	**−1,553**	**−2,330**	**−2,520**
Total natural resources and environment	**4,763**	**5,670**	**7,336**	**8,124**	**2,532**	**10,000**	**10,925**	**12,091**	**13,812**	**13,525**	**12,626**	**9,911**
350 Agriculture:												
351 Farm income stabilization	4,099	1,458	785	1,574	343	4,485	6,588	4,850	3,459	3,993	7,041	2,926

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1973–83—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
352 Agricultural research and services	755	772	876	921	240	1,052	1,129	1,340	1,398	1,540	1,596	1,572
Deductions for offsetting receipts	**−3**	**−3**	**−2**	**7**	**1**	**−11**	**14**	**48**	**−95**	**38**	**−4**	**−4**
Total agriculture	**4,852**	**2,227**	**1,659**	**2,502**	**584**	**5,526**	**7,731**	**6,238**	**4,762**	**5,572**	**8,633**	**4,494**
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance	−1,198	1,513	2,791	1,209	271	−3,280	210	−677	3,696	651	925	−184
372 Postal Service	1,567	1,698	1,877	1,720	938	2,267	1,778	1,787	1,677	1,343	619	500
376 Other advancement of commerce	562	721	944	868	183	1,115	1,348	1,469	2,415	1,959	1,728	1,284
Deductions for offsetting receipts	**−6**	**−7**	**−5**	**−4**	**−***	**−4**	**−6**	*****	**−***	**−7**	**−8**	**−8**
Total commerce and housing credit	**924**	**3,925**	**5,607**	**3,792**	**1,392**	**98**	**3,331**	**2,579**	**7,788**	**3,946**	**3,265**	**1,591**
400 Transportation:												
401 Ground transportation	5,640	5,583	6,501	9,305	2,284	10,037	10,355	12,064	15,079	17,100	14,728	13,045
402 Air transportation	2,177	2,236	2,408	2,557	587	2,816	3,277	3,392	3,762	3,850	3,730	3,968
403 Water transportation [2]	1,231	1,354	1,459	1,558	417	1,749	1,854	1,977	2,235	2,420	2,778	2,575
407 Other transportation	56	57	74	65	28	76	61	93	104	110	89	111
Deductions for offsetting receipts	**−39**	**−57**	**−55**	**−48**	**−11**	**−42**	**−102**	**−67**	**−60**	**−99**	**−97**	**−70**
Total transportation	**9,065**	**9,172**	**10,388**	**13,435**	**3,304**	**14,636**	**15,445**	**17,459**	**21,120**	**23,381**	**21,228**	**19,628**
450 Community and regional development:												
451 Community development	2,044	2,108	2,297	2,765	886	3,406	3,302	3,995	4,878	5,111	5,066	4,349
452 Area and regional development	983	1,263	1,061	1,496	350	2,309	4,921	3,959	3,180	2,708	2,848	2,732
453 Disaster relief and insurance	1,580	782	398	522	111	649	2,871	1,611	2,043	1,604	503	237
Deductions for offsetting receipts	**−12**	**−19**	**−17**	**−15**	**−6**	**−16**	**−23**	**−23**	**−32**	**−30**	**−51**	**−55**
Total community and regional development	**4,595**	**4,134**	**3,738**	**4,767**	**1,340**	**6,348**	**11,070**	**9,542**	**10,068**	**9,394**	**8,366**	**7,263**

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500 Education, training, employment, and social services:												
501 Elementary, secondary, and vocational education	3,336	3,329	4,176	4,190	1,067	4,589	5,125	6,019	6,732	7,043	7,092	5,467
502 Higher education	1,532	1,349	2,050	2,663	739	3,104	3,486	4,528	5,694	6,790	6,982	6,346
503 Research and general education aids	661	860	947	774	186	927	1,082	1,233	1,357	1,223	1,304	1,273
504 Training and employment	3,283	2,910	4,063	6,288	1,912	6,877	10,784	10,833	10,345	9,241	5,439	2,764
505 Other labor services	202	219	259	301	83	374	410	488	551	587	584	633
506 Social services	3,724	3,683	4,380	4,526	1,176	5,122	5,588	6,592	6,116	6,531	6,400	5,101
Deductions for offsetting receipts	**−3**	**−5**	**−5**	**−5**	**−1**	**−7**	**−12**	**−8**	**−28**	**−13**	**−31**	**−32**
Total education, training, employment, and social services	**12,735**	**12,344**	**15,870**	**18,737**	**5,162**	**20,985**	**26,463**	**29,685**	**30,767**	**31,402**	**27,770**	**21,552**
550 Health:												
551 Health care services	14,579	17,344	22,335	27,503	7,202	32,320	36,660	42,469	50,075	60,351	67,961	72,675
552 Health research	1,566	1,652	1,923	2,341	536	2,543	2,822	3,023	3,442	3,836	3,839	3,941
553 Education and training of health care work force	858	844	856	982	275	981	930	583	719	779	637	451
554 Consumer and occupational health and safety	406	529	632	685	168	747	838	896	1,001	1,042	1,017	1,055
Deductions for offsetting receipts	**−3**	**−6**	**−5**	**−8**	**−1**	**−10**	**−18**	**−10**	**−17**	**−25**	**−16**	**−17**
Total health	**17,405**	**20,364**	**25,742**	**31,503**	**8,181**	**36,582**	**41,232**	**46,962**	**55,220**	**65,982**	**73,437**	**78,105**
600 Income security:												
601 General retirement and disability insurance:												
Social security	48,288	54,936	63,648	72,664	19,763	83,861	92,242	102,595	117,117	137,970	154,643	173,536
Other	3,396	3,678	5,700	4,486	1,166	4,765	4,984	5,858	6,567	7,054	7,625	2,115
Subtotal, 601	51,684	58,614	69,348	77,150	20,929	88,626	97,225	108,453	123,684	145,024	162,268	175,650
602 Federal employee retirement and disability	4,502	5,645	6,980	8,174	2,319	9,503	10,665	12,379	14,675	17,547	19,361	21,062
603 Unemployment compensation	5,356	6,065	13,459	19,452	3,994	15,258	11,769	10,742	18,023	19,664	25,213	22,598
604 Housing assistance	1,631	1,825	2,058	2,499	662	2,968	3,677	4,367	5,514	6,942	8,247	8,884

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1973–83—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
605 Food and nutrition assistance	3,641	4,433	6,642	7,958	1,824	8,527	8,927	10,786	14,015	16,202	15,569	13,772
609 Other income security	6,151	7,855	10,088	12,157	3,069	13,017	13,916	13,432	17,190	19,721	20,213	19,770
Total income security	**72,965**	**84,437**	**108,576**	**127,390**	**32,797**	**137,900**	**146,180**	**160,159**	**193,100**	**225,099**	**250,870**	**261,736**
700 Veterans benefits and services:												
701 Income security for veterans	6,533	6,789	7,860	8,350	2,082	9,216	9,745	10,780	11,688	12,909	14,070	14,843
702 Veterans education, training, and rehabilitation	2,801	3,249	4,593	5,531	784	3,710	3,365	2,760	2,342	2,254	1,883	1,557
703 Hospital and medical care for veterans	2,711	3,006	3,665	4,046	1,039	4,708	5,254	5,611	6,515	6,965	7,594	8,108
704 Veterans housing	−381	−15	24	−72	−50	−145	28	154	−23	201	−68	−863
705 Other veterans benefits and services	350	359	458	578	110	549	585	627	665	662	680	741
Deductions for offsetting receipts	**−2**	**−2**	**−2**	**−2**	**−1**	**−1**	**−3**	**−4**	**−2**	**−3**	**−3**	**−3**
Total veterans benefits and services	**12,013**	**13,386**	**16,597**	**18,432**	**3,962**	**18,038**	**18,974**	**19,928**	**21,183**	**22,988**	**24,155**	**24,383**
750 Administration of justice:												
751 Federal law enforcement activities	984	1,091	1,349	1,498	407	1,673	1,831	1,992	2,237	2,384	2,468	2,643
752 Federal litigative and judicial activities	390	426	549	697	213	842	943	1,130	1,347	1,493	1,393	1,423
753 Federal correctional activities	140	179	200	208	57	240	307	337	342	361	376	386
754 Criminal justice assistance	624	770	853	921	213	847	729	710	656	473	318	162
Deductions for offsetting receipts	**−7**	**−5**	**−9**	**−4**	**−31**	**−2**	**−8**	**−17**	**−11**	**−13**	**−35**	**−23**
Total administration of justice	**2,131**	**2,462**	**2,942**	**3,320**	**859**	**3,600**	**3,802**	**4,153**	**4,570**	**4,698**	**4,521**	**4,592**
800 General government:												
801 Legislative functions	433	516	588	673	181	841	900	914	1,032	1,036	1,200	1,204
802 Executive direction and management	71	117	63	68	16	76	73	81	97	99	94	101

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803 Central fiscal operations	1,209	1,329	1,752	1,819	435	1,804	2,124	2,330	2,522	2,600	2,802	3,092
804 General property and records management	911	1,032	420	98	68	143	217	238	364	169	428	192
805 Central personnel management	66	74	88	107	25	100	129	127	154	159	136	140
806 Other general government	157	363	420	393	227	390	450	524	559	745	687	656
Deductions for offsetting receipts	**−278**	**−189**	**−199**	**−210**	**−68**	**−186**	**−188**	**−120**	**−224**	**−195**	**−200**	**−377**
Total general government	**2,568**	**3,243**	**3,133**	**2,948**	**883**	**3,169**	**3,706**	**4,093**	**4,505**	**4,614**	**5,146**	**5,008**
850 General purpose fiscal assistance:												
851 General revenue sharing	6,636	6,106	6,130	6,240	1,588	6,762	6,830	6,854	6,835	5,140	4,576	4,573
852 Other general purpose fiscal assistance	715	784	1,057	994	504	2,737	2,772	1,518	1,749	1,716	1,841	2,113
Total general purpose fiscal assistance	**7,351**	**6,890**	**7,187**	**7,235**	**2,092**	**9,499**	**9,601**	**8,372**	**8,584**	**6,856**	**6,417**	**6,686**
900 Interest:												
901 Interest on the public debt	24,167	29,319	32,665	37,063	8,102	41,900	48,695	59,837	74,781	95,503	115,700	132,900
902 Other interest	−1,385	−1,287	−1,754	−2,552	−885	−3,891	−4,729	−7,281	−10,278	−12,967	−16,605	−20,364
Total interest	**22,782**	**28,032**	**30,911**	**34,511**	**7,216**	**38,009**	**43,966**	**52,556**	**64,504**	**82,537**	**99,095**	**112,536**
Allowances:												
Civilian agency pay raises											376	743
Contingencies for:												
Relatively uncontrollable programs												
Other											−1,000	−2,000
Total allowances											**−624**	**−1,257**
950 Undistributed offsetting receipts:												
951 Employer share, employee retirement	−2,927	−3,319	−3,980	−4,242	−985	−4,548	−4,983	−5,271	−5,787	−6,371	−7,560	−8,353
952 Interest received by trust funds	−5,436	−6,583	−7,667	−7,800	−270	−8,131	−8,530	−9,950	−12,045	−13,810	−16,080	−16,122

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1973–83—Continued**

(in millions of dollars)

Function	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
953 Rents and royalties on the Outer Continental Shelf	−3,956	−6,748	−2,428	−2,662	−1,311	−2,374	−2,259	−3,267	−4,101	−10,138	−7,861	−18,000
954 Federal surplus property disposition												−1,000
Total undistributed offsetting receipts	**−12,318**	**−16,651**	**−14,075**	**−14,704**	**−2,567**	**−15,053**	**−15,772**	**−18,488**	**−21,933**	**−30,320**	**−31,502**	**−43,474**
Total budget outlays	**245,647**	**267,912**	**324,245**	**364,473**	**94,188**	**400,506**	**448,368**	**490,997**	**576,675**	**657,204**	**725,331**	**757,638**
MEMORANDUM												
Federal Funds	186,951	199,918	240,081	269,921	65,088	295,756	331,991	362,396	419,220	475,171	523,936	540,604
Trust Funds	80,021	89,126	109,261	129,341	33,482	141,063	152,874	168,653	202,129	232,596	262,169	281,229
Interfund transactions	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−36,498	−40,052	−44,674	−50,563	−60,774	−64,195
OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES [3]												
150 International affairs:												
151 Foreign economic and financial assistance			*5*			*39*	*−4*	*−4*	*−4*	*−5*	*−6*	*−6*
152 International security assistance			*112*	*787*	*208*	*1,409*	*1,462*	*1,293*	*1,932*	*1,945*	*2,670*	*3,715*
Total international affairs			*117*	*787*	*208*	*1,448*	*1,458*	*1,289*	*1,928*	*1,940*	*2,664*	*3,709*
250 General science, space, and technology:												
255 Supporting space activities						*57*	*180*	*184*	*107*	*111*	*206*	*112*
Total general science, space, and technology						*57*	*180*	*184*	*107*	*111*	*206*	*112*
270 Energy:												
271 Energy supply	*51*	*484*	*731*	*1,072*	*319*	*1,616*	*2,155*	*2,317*	*3,843*	*4,889*	*5,628*	*5,847*

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272 Energy conservation									*1*	*1*		
274 Emergency energy preparedness											*2,834*	*2,774*
Total energy	*51*	*484*	*731*	*1,072*	*319*	*1,616*	*2,155*	*2,317*	*3,844*	*4,890*	*8,463*	*8,621*
350 Agriculture:												
351 Farm income stabilization			*1,375*	*675*	*400*	*1,250*	*3,640*	*5,045*	*3,982*	*5,790*	*1,066*	*—394*
Total agriculture			*1,375*	*675*	*400*	*1,250*	*3,640*	*5,045*	*3,982*	*5,790*	*1,066*	*—394*
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance			*3,175*	*2,550*	*250*	*3,105*	*3,360*	*2,930*	*1,906*	*4,045*	*3,249*	*852*
372 Postal Service		*773*	*1,112*	*1,085*	*—726*	*—173*	*—496*	*—891*	*—431*	*89*	*554*	*713*
376 Other advancement of commerce			*47*	*188*	*15*	*58*	*54*	*68*	*127*	*119*	*224*	*179*
Total commerce and housing credit		*773*	*4,335*	*3,823*	*—461*	*2,990*	*2,917*	*2,107*	*1,601*	*4,253*	*4,027*	*1,745*
400 Transportation:												
401 Ground transportation			*528*	*302*	*52*	*189*	*76*	*64*	*197*	*—16*	*—30*	*7*
Total transportation			*528*	*302*	*52*	*189*	*76*	*64*	*197*	*—16*	*—30*	*7*
450 Community and regional development:												
451 Community development			*21*	*6*	*10*	*5*	*—4*	*5*	*29*	*34*	*96*	*83*
452 Area and regional development	*9*	*88*	*560*	*668*	*217*	*669*	*773*	*931*	*1,151*	*1,139*	*1,193*	*846*
Total community and regional development	*9*	*88*	*581*	*675*	*227*	*674*	*769*	*936*	*1,180*	*1,173*	*1,289*	*929*
500 Education, training, employment, and social services:												
502 Higher education		*100*	*140*	*160*	*5*	*105*	*235*	*530*	*1,070*	*1,955*	*700*	
Total education, training, employment, and social services		*100*	*140*	*160*	*5*	*105*	*235*	*530*	*1,070*	*1,955*	*700*	

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Table 19. **BUDGET OUTLAYS BY FUNCTION, 1973–83—Continued**

(In millions of dollars)

Function	Actual										Estimate	
	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983
550 Health:												
551 Health care services		*2*	*60*	*56*	*7*	*56*	*39*	*17*	*22*	*8*	*22*	*11*
Total health		*2*	*60*	*56*	*7*	*56*	*39*	*17*	*22*	*8*	*22*	*11*
600 Income security:												
604 Housing assistance									*119*	*810*	*1,224*	*969*
Total income security									*119*	*810*	*1,224*	*969*
800 General government:												
803 Central fiscal operations			*175*	*−268*	*−60*	*114*	*−81*	*−110*	*148*	*79*		
804 General property and records management			*45*	*24*	*6*	*67*	*128*	*90*	*40*	*13*	*28*	*−8*
806 Other general government						*58*	*−**	*−**	*9*	***	*30*	*−1*
Total general government			*221*	*−244*	*−53*	*239*	*47*	*−21*	*197*	*92*	*58*	*−8*
850 General purpose fiscal assistance:												
852 Other general fiscal assistance					*1,082*	*75*	*−1,157*					
Total general purpose fiscal assistance					*1,082*	*75*	*−1,157*					
Total outlays of off-budget Federal entities	*60*	*1,447*	*8,088*	*7,307*	*1,785*	*8,700*	*10,359*	*12,467*	*14,245*	*21,005*	*19,689*	*15,701*
Total outlays including off-budget Federal entities	*245,707*	*269,359*	*332,332*	*371,779*	*95,973*	*409,206*	*458,726*	*503,464*	*590,920*	*678,209*	*745,020*	*773,339*

*$500 thousand or less.

[1] Includes allowances for civilian and military pay raises for Department of Defense.

[2] Includes allowance for military pay raises for the Coast Guard.

[3] Off-budget entities begin in 1973. Negative amounts indicate that the offsetting collections credited to the respective subfunctions exceed the gross disbursements.

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Table 20. **FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1972–83**

(In billions of dollars)

Description	Actual										Estimate	
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax receipts	100.5	107.4	122.7	127.5	137.2	166.4	186.4	223.1	249.7	290.7	303.5	307.7
Corporate profits tax accruals	34.2	41.2	43.4	41.8	52.5	58.8	67.2	75.8	70.6	69.6	58.7	78.1
Indirect business tax and nontax accruals	19.9	20.7	21.4	22.2	24.3	24.5	27.2	29.1	35.7	56.6	57.4	57.5
Contributions for social insurance	58.9	71.5	84.2	91.9	101.0	116.2	133.4	152.7	171.3	196.1	221.4	242.4
Total receipts, national income basis	**213.4**	**240.7**	**271.6**	**283.4**	**314.9**	**365.9**	**414.2**	**480.7**	**527.3**	613.0	641.0	685.7
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	100.6	101.1	104.5	117.9	125.1	140.3	150.7	163.4	190.2	218.3	249.0	272.9
Defense	(72.2)	(72.8)	(73.6)	(80.2)	(84.4)	(91.9)	(98.0)	(107.4)	(126.1)	(147.1)	(174.1)	(203.2)
Nondefense	(28.4)	(28.4)	(30.9)	(37.7)	(40.7)	(48.4)	(52.7)	(56.0)	(64.1)	(71.2)	(74.9)	(69.7)
Transfer payments	79.0	89.8	104.8	134.5	156.8	169.8	182.2	201.8	239.3	279.7	312.1	330.8
Domestic ("to persons")	(76.1)	(87.2)	(101.8)	(131.4)	(153.8)	(166.6)	(178.7)	(197.8)	(234.7)	(273.9)	(306.0)	(324.6)
Foreign	(2.8)	(2.7)	(3.0)	(3.1)	(3.0)	(3.2)	(3.5)	(4.0)	(4.6)	(5.8)	(6.1)	(6.2)
Grants-in-aid to State and local governments	32.6	40.4	41.6	48.4	57.5	66.3	74.7	79.1	86.7	90.1	86.3	76.8
Net interest paid	14.0	15.7	19.6	21.7	25.2	28.4	33.5	40.6	51.2	66.9	81.4	95.9
Subsidies less current surplus of Government enterprises	6.5	9.2	7.6	6.0	6.2	7.0	9.6	9.8	10.8	13.0	12.5	11.2
Wage disbursements less accruals	.....	−.5	.2	.4	.....	.....	−*	*	−.1	−.1	.1	.....
Total expenditures, national income basis	**232.7**	**255.7**	**278.2**	**328.8**	**370.7**	**411.7**	**450.5**	**494.7**	**578.2**	**667.9**	**741.4**	**787.6**
Excess of receipts (+) or expenditures (−), national income basis	**−19.2**	**−14.9**	**−6.6**	**−45.4**	**−55.8**	**−45.8**	**−36.3**	**−14.0**	**−50.9**	**−54.9**	**−100.4**	**−101.9**

Note.—Excludes the transition quarter. *$50 million or less.

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Table 21. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1964–85

(Dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts		Outlays						Surplus or deficit (–)				Federal debt, end of year			
				Budget		Off-budget Federal entities		Total		Budget		Total (including off-budget) [1]		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	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1964	618.2	112.7	18.2	118.6	19.2	.....	.....	118.6	19.2	−5.9	1.0	−5.9	1.0	316.8	51.2	257.6	41.7
1965	659.5	116.8	17.7	118.4	18.0	.....	.....	118.4	17.9	−1.6	.2	−1.6	.2	323.2	49.0	261.6	39.6
1966	724.1	130.9	18.1	134.7	18.6	.....	.....	134.7	18.6	−3.8	.5	−3.8	.5	329.5	45.5	264.7	36.5
1967	777.3	148.9	19.2	157.6	20.3	.....	.....	157.6	20.3	−8.7	1.1	−8.7	1.1	341.3	43.9	267.5	34.5
1968	831.3	153.0	18.4	178.1	21.4	.....	.....	178.1	21.4	−25.2	3.0	−25.2	3.0	369.8	44.5	290.6	35.0
1969	910.6	186.9	20.5	183.6	20.2	.....	.....	183.6	20.2	3.2	.4	3.2	.4	367.1	40.3	279.5	30.7
1970	968.8	192.8	19.9	195.7	20.2	.....	.....	195.7	20.2	−2.8	.3	−2.8	.3	382.6	39.5	284.9	29.4
1971	1,031.5	187.1	18.1	210.2	20.4	.....	.....	210.2	20.4	−23.0	2.2	−23.0	2.2	409.5	39.7	304.3	29.5
1972	1,128.8	207.3	18.4	230.7	20.4	.....	.....	230.7	20.4	−23.4	2.1	−23.4	2.1	437.3	38.7	323.8	28.7
1973	1,252.0	230.8	18.4	245.6	19.6	.1	*	245.7	19.6	−14.8	1.2	−14.9	1.2	468.4	37.4	343.0	27.4
1974	1,379.4	263.2	19.1	267.9	19.4	1.4	.1	269.4	19.5	−4.7	.3	−6.1	.4	486.2	35.3	346.1	25.1
1975	1,479.9	279.1	18.9	324.2	21.9	8.1	.6	332.3	22.5	−45.2	3.1	−53.2	3.6	544.1	36.8	396.9	26.8
1976	1,640.1	298.1	18.2	364.5	22.2	7.3	.4	371.8	22.7	−66.4	4.0	−73.7	4.5	631.9	38.5	480.3	29.3
1977	1,864.1	355.6	19.1	400.5	21.5	8.7	.5	409.2	22.0	−44.9	2.4	−53.6	2.9	709.1	38.0	551.8	29.6
1978	2,083.8	399.6	19.2	448.4	21.5	10.4	.5	458.7	22.0	−48.8	2.3	−59.2	2.8	780.4	37.5	610.9	29.3
1979	2,353.3	463.3	19.7	491.0	20.9	12.5	.5	503.5	21.4	−27.7	1.2	−40.2	1.7	833.8	35.4	644.6	27.4
1980	2,567.5	517.1	20.1	576.7	22.5	14.2	.6	590.9	23.0	−59.6	2.3	−73.8	2.9	914.3	35.6	715.1	27.9
1981	2,858.6	599.3	21.0	657.2	23.0	21.0	.7	678.2	23.7	−57.9	2.0	−78.9	2.8	1,003.9	35.1	794.4	27.8
1982 estimate	3,082.4	626.8	20.3	725.3	23.5	19.7	.6	745.0	24.2	−98.6	3.2	−118.3	3.8	1,134.2	36.8	913.4	29.6
1983 estimate	3,433.6	666.1	19.4	757.6	22.1	15.7	.5	773.3	22.5	−91.5	2.7	−107.2	3.1	1,258.4	36.6	1,021.4	29.7
1984 estimate	3,791.9	723.0	19.1	805.9	21.3	14.3	.4	820.2	21.6	−82.9	2.2	−97.2	2.6	1,372.8	36.2	1,117.9	29.5
1985 estimate	4,163.5	796.6	19.1	868.5	20.9	11.0	.3	879.4	21.1	−71.9	1.7	−82.8	2.0	1,486.1	35.7	1,199.9	28.8

*0.05% or less.

[1] The off-budget deficits are equal to the off-budget outlays but with the opposite sign.

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Table 22. **COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1962–85**

(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
1962	106.8	49.0	57.8	28.7	6.9	22.2	160.8	77.2	83.6	38.5	9.6	35.4
1963	111.3	50.1	61.2	30.4	7.7	23.1	163.0	76.8	86.2	40.2	10.6	35.4
1964	118.6	51.5	67.1	31.6	8.2	27.3	170.1	77.0	93.1	41.4	11.1	40.9
1965	118.4	47.5	71.0	32.3	8.6	30.1	166.7	69.3	97.5	41.5	11.4	44.5
1966	134.7	54.9	79.8	36.2	9.4	34.2	182.6	76.5	106.1	45.5	12.2	48.4
1967	157.6	68.2	89.4	43.1	10.3	36.0	207.0	92.3	114.7	52.6	12.9	49.1
1968	178.1	78.8	99.4	48.7	11.1	39.6	224.3	101.7	122.6	57.7	13.5	51.4
1969	183.6	79.4	104.2	55.3	12.7	36.3	220.4	98.0	122.4	62.8	14.7	44.8
1970	195.7	78.6	117.1	63.2	14.4	39.6	220.1	90.3	129.8	68.6	15.8	45.4
1971	210.2	75.8	134.4	78.7	14.8	40.9	222.5	81.5	141.0	81.8	15.5	43.7
1972	230.7	76.6	154.1	90.8	15.5	47.9	230.7	76.6	154.1	90.8	15.5	47.9
1973	245.6	74.5	171.1	102.1	17.3	51.6	233.1	69.9	163.2	98.1	16.6	48.5
1974	267.9	77.8	190.1	117.5	21.4	51.2	236.9	68.1	168.8	104.5	19.2	45.1
1975	324.2	85.6	238.7	150.4	23.2	65.1	260.6	68.5	192.1	121.9	18.9	51.3
1976	364.5	89.4	275.0	176.6	26.7	71.7	274.9	67.0	207.9	135.0	20.3	52.5
1977	400.5	97.5	303.0	192.4	29.9	80.8	280.9	67.4	213.4	137.4	21.3	54.8
1978	448.4	105.2	343.2	206.5	35.4	101.3	294.3	67.8	226.5	138.7	23.6	64.2
1979	491.0	117.7	373.3	227.5	42.6	103.2	298.3	70.4	228.0	140.9	26.2	60.9
1980	576.7	135.9	440.8	271.2	52.5	117.2	319.4	73.1	246.3	152.6	29.7	64.0
1981	657.2	159.8	497.4	316.6	68.7	112.1	330.6	76.6	254.0	163.6	35.5	54.9
1982 estimate	725.3	187.5	537.8	351.6	83.0	103.3	338.1	82.6	255.6	168.6	39.6	47.3
1983 estimate	757.6	221.1	536.6	365.8	96.4	74.3	331.3	91.1	240.3	165.2	43.2	31.8
1984 estimate	805.9	253.0	553.0	385.3	98.7	69.0	334.4	98.3	236.1	166.2	42.1	27.9
1985 estimate	868.5	292.1	576.4	409.8	100.8	65.8	342.3	107.5	234.9	168.7	41.1	25.1

Note.—The constant price data for both the payments for individuals and net interest categories are now produced using different deflator series from those used in previous budgets.

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Table 23. **BUDGET RECEIPTS AND OUTLAYS, 1789–1985 (in millions of dollars)**

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (–)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	–991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	–52
1911–1915	3,517	3,568	–49
1916–1920	17,286	40,195	–22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	–462
1932	1,924	4,659	–2,735
1933	1,997	4,598	–2,602
1934	3,015	6,645	–3,630
1935	3,706	6,497	–2,791
1936	3,997	8,442	–4,425
1937	4,956	7,733	–2,777
1938	5,588	6,765	–1,177
1939	4,979	8,841	–3,862
1940	6,361	9,456	–3,095
1941	8,621	13,634	–5,013
1942	14,350	35,114	–20,764
1943	23,649	78,533	–54,884
1944	44,276	91,280	–47,004
1945	45,216	92,690	–47,474
1946	39,327	55,183	–15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	–3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	–1,517
1953	69,574	76,107	–6,533
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
1958	79,636	82,575	–2,939
1959	79,249	92,104	–12,855
1960	92,492	92,223	+269
1961	94,389	97,795	–3,406
1962	99,676	106,813	–7,137
1963	106,560	111,311	–4,751
1964	112,662	118,584	–5,922
1965	116,833	118,430	–1,596
1966	130,856	134,652	–3,796
1967	148,906	157,608	–8,702
1968	152,973	178,134	–25,161
1969	186,882	183,645	+3,236
1970	192,807	195,652	–2,845
1971	187,139	210,172	–23,033
1972	207,309	230,681	–23,373
1973	230,799	245,647	–14,849
1974	263,224	267,912	–4,688
1975	279,090	324,245	–45,154
1976	298,060	364,473	–66,413
TQ	81,232	94,188	–12,956
1977	355,559	400,506	–44,948
1978	399,561	448,368	–48,807
1979	463,302	490,997	–27,694
1980	517,112	576,675	–59,563
1981	599,272	657,204	–57,932
1982 est.	626,753	725,331	–98,578
1983 est.	666,118	757,638	–91,520
1984 est.	723,017	805,935	–82,918
1985 est.	796,583	868,466	–71,883

Totals, including outlays of off-budget Federal entities

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total budget surplus or deficit (–)
1973	60	245,707	–14,908
1974	1,447	269,359	–6,135
1975	8,088	332,332	–53,242
1976	7,307	371,779	–73,719
TQ	1,785	95,973	–14,741
1977	8,700	409,206	–53,647
1978	10,359	458,726	–59,166
1979	12,467	503,464	–40,162
1980	14,245	590,920	–73,808
1981	21,005	678,209	–78,936
1982 est.	19,689	745,020	–118,267
1983 est.	15,701	773,339	–107,221
1984 est.	14,285	820,220	–97,204
1985 est.	10,950	879,416	–82,833

Data for 1789–1939 are for the administrative budget: data for 1940 and all following years 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.

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