

1953

Summary of the President's 1954
Budget

Summary of the Budget of the National
Government of Canada for the Fiscal
Year Ending March 31, 1954

Preliminary Digest of Suggestions
for Internal Revenue Revision
Submitted to the Joint Committee
on Internal Revenue Taxation

Federal Excise-Tax and Collection Data

Estimates of Federal Receipts for
Fiscal Years 1953 and 1954

Digest of Testimony Presented Before
the Ways and Means Committee Relative
to the President's Recommendations
to Extend for Six Months the Excess-
Profits Tax

Excess Profits Tax

Excise Tax on Admissions

Examples Illustrating the Application
of Section 206 of H. R. 6426

Hearing - Reorganization of the Bureau
of Internal Revenue - September 25, 1953

1954

Summary of the President's 1955 Budget

Summary of Committee on Finance Hearings
on H. R. 8224, a Bill to Reduce Excise
Taxes, and for Other Purposes

Present Law Individual Income, Estate
Gift, and Excise Tax Rates

Historical Data Pertaining to the
Individual Income Tax 1913-54

Comparison of Tax Burdens and Rates
on a Single Person, a Head of Household,
and a Married Couple

1955

The Internal Revenue Service - Its
Reorganization and Administration

Federal Excise-Tax Data

Summary of the President's 1956 Budget

Data on Sections 462 and 452 of the
Internal Revenue Code of 1954

Renegotiation Act of 1951 as Amended
Through August 3, 1955

Cross-Reference Within the Internal
Revenue Code of 1954 as of January 1,
1956

Alternative Plans for Reducing the
Individual Income Tax Burden

1956

Report to the Subcommittee on Excise
Tax Technical and Administrative
Problems

Data on Minor Tax Bills Pending Before
the Committee on Finance on January 6,
1956

Report of the Joint Committee on
Internal Revenue Taxation Relating to
Renegotiation

Terminology of the Internal Revenue
Code of 1954

Application of the Tax on Transportation
of Persons to Foreign Travel Under
Present Law, H. R. 5265, as Passed by
the House of Representatives, and
H. R. 5265, as Passed by the Senate

Estimates of Federal Receipts for
Fiscal Years 1956 and 1957

Summary of the Senate Amendments to
Title II of H. R. 10660, the Highway
Revenue Act of 1956

Data on Title II of H. R. 10660, the
Highway Revenue Act of 1956

Renegotiation Act of 1951 Amended

SUMMARY
OF THE
PRESIDENT'S 1955 BUDGET
(PRESENTED JANUARY 21, 1954)

PREPARED BY
THE STAFF OF THE JOINT COMMITTEE ON
INTERNAL REVENUE TAXATION



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1954

CONTENTS

| | Page |
|--|------|
| A. General summary: | |
| (1) Budget totals..... | 4 |
| (2) Cash budget..... | 6 |
| B. Proposed legislation: | |
| (1) Tax proposals..... | 7 |
| (2) Other legislative recommendations..... | 11 |
| C. Receipts, expenditures, and new obligational authority: | |
| (1) Receipts..... | 14 |
| (2) Expenditures: | |
| (a) Net and gross..... | 16 |
| (b) Controllability..... | 18 |
| (3) New obligational authority..... | 20 |
| D. Appendix tables: | |
| (1) Major trust funds..... | 21 |
| (2) Cash budget—detail..... | 22 |
| (3) Historical tables: | |
| (a) Receipts..... | 23 |
| (b) Expenditures..... | 24 |

SUMMARY OF THE PRESIDENT'S 1955 BUDGET

A. GENERAL SUMMARY

(1) BUDGET TOTALS

Table 1 shows actual or estimated budget receipts, expenditures, and surplus or deficit for the fiscal years 1950 through 1955, including the effect of the recommendations contained in the 1955 budget. In addition, the table shows new authority to incur obligations for each year and the cumulative unspent balances of appropriations at the end of each year.

For fiscal year 1954 receipts are estimated as \$67.6 billion or \$3 billion higher than in fiscal 1953 and expenditures are estimated as \$70.9 billion or \$3.1 billion less than in 1953, resulting in a deficit of \$3.3 billion for fiscal 1954 compared with \$9.4 billion the preceding year. Receipts and expenditures for fiscal 1955 are estimated as \$62.7 billion and \$65.6 billion, and the deficit as \$2.9 billion.

Certain technical adjustments have been made in the computation of receipts and expenditures, but these changes do not affect the surplus or deficit. Data for past years have been revised to reflect these changes, and consequently the receipts and expenditures shown in the 1955 budget document for years prior to fiscal 1954 will differ from figures previously published.

New obligational authority includes new appropriations, additions to borrowing authority, and certain adjustments to the authority of agencies to incur obligations. The lower levels of new obligational authority and of accumulated unexpended balances for 1954 and 1955 lead to less expenditures in these and future years.

TABLE 1.—*Budget totals*

[Fiscal years. In billions]

| Description | Actual | | | | Estimated | |
|---|-------------------|-------------------|--------|--------|------------------|--------|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Receipts: | | | | | | |
| Under existing legislation..... | \$36.5 | \$47.5 | \$61.4 | \$64.6 | \$67.4 | \$61.5 |
| Under proposed legislation..... | | | | | .2 | 1.2 |
| Total receipts..... | 36.5 | 47.5 | 61.4 | 64.6 | 67.6 | 62.7 |
| Expenditures: | | | | | | |
| Under existing legislation..... | 39.6 | 44.0 | 65.4 | 74.0 | 70.9 | 64.5 |
| Under proposed legislation..... | | | | | (¹) | 1.1 |
| Total expenditures..... | 39.6 | 44.0 | 65.4 | 74.0 | 70.9 | 65.6 |
| Surplus (+) or deficit (—)..... | —3.1 | +3.5 | —4.0 | —9.4 | —3.3 | —2.9 |
| New authority to incur obligations... | 49.3 | 82.9 | 91.4 | 80.2 | 60.7 | 56.3 |
| Cumulative unspent balances of appropriations at end of year..... | ² 14.1 | ² 50.3 | 68.8 | 78.7 | 66.5 | 54.1 |

¹ Less than \$50 million.² Estimated.

(2) THE CASH BUDGET

Budget receipts, expenditures, and the budget surplus or deficit reflect transactions of funds which belong to the Federal Government. There are many other financial transactions of the Federal Government which involve funds the Government holds in trust for others, such as the social security trust funds.

By consolidating the trust funds with the budget transactions, and by eliminating intragovernmental and certain noncash transactions, it is possible to obtain a measure of the flow of money between the Federal Government as a whole and the public. Such a consolidation is sometimes called the cash budget or the consolidated cash statement.

Table 2, Cash Budget, shows actual data for fiscal year 1953 and estimates for fiscal years 1954 and 1955. Total cash transactions of the Government with the public are now estimated to show a small cash surplus for the fiscal year 1955.

TABLE 2.—*Cash budget*

RECEIPTS FROM AND PAYMENTS TO THE PUBLIC, EXCLUDING BORROWING

[Fiscal years. In millions]

| | Actual 1953 | Estimated | |
|------------------------------------|----------------|-----------|-----------|
| | | 1954 | 1955 |
| Cash receipts from the public..... | \$71, 282 | \$74, 932 | \$70, 842 |
| Cash payments to the public..... | 76, 554 | 75, 166 | 70, 727 |
| Excess of cash receipts..... | | | 115 |
| Excess of cash payments..... | 5, 272 | 234 | |

B. PROPOSED LEGISLATION

(1) TAX PROPOSALS

The Budget Message recommended complete revision of our present tax system and included 25 specific recommendations covering major points. The Message also included recommendations that (a) "the reduction in the general corporate income tax rate be deferred for another year" and (b) "the excise taxes scheduled to be reduced on April 1, including those on liquor, tobacco, automobiles, and gasoline, be continued at present rates; and that any adjustments in the other excise taxes be such as to maintain the total yield which we are now receiving from this source."

The estimated effect of these legislative proposals upon net budget receipts in fiscal 1955 is as follows:

| <i>Proposal</i> | <i>Effect on 1955 receipts (billions)</i> |
|---------------------------------|---|
| 1. General tax revision..... | -\$1.3 |
| 2. Extension of present rates: | |
| (a) Corporation income tax..... | +1.3 |
| (b) Excises..... | +1.2 |
| Total..... | +1.2 |

The 25 recommendations for revision are quoted below.

1. *Children earning over 600 dollars.*—At present, parents cannot claim as a dependent any child who earns over 600 dollars a year. This discourages children in school or college from earning as much as they can to help in their support. I recommend that a parent should be permitted to continue to claim a child as a dependent regardless of the child's earnings if he is under 18 or away from home at school, as long as he is in fact still supported by the parent. Such dependents should, of course, continue to pay their own income tax on earnings above 600 dollars.

2. *Heads of families.*—At present, a widow or widower with dependent children is denied the full benefit of income-splitting available to married couples. It seems unfair to tax the income of a surviving parent with dependent children at higher rates than were applied to the family income before the death of one of the partners in a marriage. I recommend that widows and widowers with dependent children be allowed to split their income as is now done by married couples.

This same tax treatment should be authorized for single people supporting dependent parents. Furthermore, the present requirement that dependent parents must live with their children for the children to qualify for this tax treatment should be removed. It is often best for elderly people to be able to live in their own homes, and the tax laws should not put a penalty on family arrangements of this sort.

3. *Foster children as dependents.*—At present, foster children and children in process of adoption may not be claimed as dependents. I recommend that such children be allowed as dependents.

4. *Expenses of child care.*—Some tax allowance can properly be given for actual costs of providing care for the small children of widows or widowers who have to work outside the home. The same tax privilege should be given to working mothers who, because their husbands are incapacitated, provide the principal support of their families.

5. *Medical expenses.*—The present tax allowances for unusual medical expenses are too limited to cover the many tragic emergencies which occur in too many families. I recommend that a tax allowance be given for medical expenses in excess of 3 percent of income instead of 5 percent as at present. I recommend further that the present ceiling of 1,250 dollars for a single person with a maximum ceiling of 5,000 dollars for a family should be doubled so that the maximum for a family will be 10,000 dollars. However, to avoid abuses in medical deductions, I recommend that the definition of medical expenses be tightened to exclude both ordinary household supplies and certain indirect travel expenses.

6. *Medical insurance and sick benefits for employees.*—Insurance and other plans adopted by employers to protect their employees against the risks of sickness should be encouraged by removing the present uncertainties in the tax law. It should be made clear that the employer's share of the costs of providing such protection on a group basis will not be treated as income on which the employee is liable for tax. This principle should be applied to medical and hospital insurance as well as to a full or partial continuation of earnings during a sickness.

There should be no tax discrimination between plans insured with an outside insurance company and those financed directly by the employer. At present payments received by a person while sick are entirely nontaxable if made under an insured plan. This makes it possible for a person subject to high tax rates to have a much larger net income while on sick leave than while at work. To prevent abuses, I recommend that a limit of 100 dollars a week be placed on tax-free benefits, but this exemption should be extended only to plans meeting certain general standards.

7. *Pension and profit-sharing plans for employees.*—The conditions for qualification for special tax treatment of employers' pension plans are too involved. Such plans are desirable. I recommend that the rules be simplified and that greater discretion be given in establishing plans for different groups of employees, so long as there is no discrimination in favor of key executives or stockholders.

Under present law, the value of a future pension to a surviving widow or child of an employee is included in the husband's taxable estate, even though the survivors may not live to receive the full benefits and there may be no cash available to pay the tax. I recommend that such value should not be included in an estate but that the survivors continue to pay tax on the pension in the same manner that it was taxed to the person first receiving it.

At the same time, to avoid unfair competition with ordinary taxpaying businesses, I recommend that pension trusts be restricted in the same manner as tax-exempt foundations. They should also be subject to rules in regard to percentage distribution of their assets comparable to those applying to regulated investment companies.

8. *Taxation of annuities.*—Under the present tax law, a person buying an annuity is taxed on a relatively large part of each payment until his cost is fully recovered, at which time the full amount becomes taxable. The tax rule is so strict that often a person is not likely to get his capital back tax free unless he lives beyond his life expectancy. I recommend that the tax treatment of annuities be determined on the basis of the life expectancy of the person receiving it. This will permit the hundreds of thousands of people who buy annuities to recover their capital free of tax over their life expectancies and will avoid any change in the tax status of an annuity during a person's lifetime.

9. *Double taxation of dividends.*—At present, business income is taxed to both the corporation as it is earned and to the millions of stockholders as it is paid out in dividends. This double taxation is bad from two standpoints. It is unfair and it discourages investment. I recommend that a start be made in the removal of this double taxation by allowing stockholders a credit against their own income taxes as a partial offset for the corporate tax previously paid. This will promote investment which in turn means business expansion and more production and jobs.

Specifically, I recommend that the credit be allowed on an increasing scale over the next 3 years. For this year, I recommend that a credit of 5 percent be allowed; for 1955, a credit of 10 percent; and, in 1956 and later years, 15 percent. To avoid shifts in the payment dates of corporation dividends, these credits should apply to dividends received after July 31 of each year. To give the full benefit immediately to small stockholders, I recommend that the first 50 dollars of dividends be completely exempted from tax in 1954 and that the first 100 dollars be exempted in 1955 and later years.

10. *Estimated returns.*—The burden on those required to file estimated tax returns should be reduced by increasing the number of optional ways in which an individual can estimate his tax without being subject to penalty for an underestimate. I recommend also that the penalties resulting from underestimates be simplified by being stated as a 6-percent interest charge on deficiencies.

11. *Filing date.*—To reduce the burdens of preparing and filing returns in the early months of the year, I recommend that the March 15 filing date for individuals be changed to April 15.

In the taxation of business the same objectives of fairness, simplicity, and reduction of tax barriers to production and normal economic growth are important. The present tax law should be revised on the basis of these standards.

Particular attention should be given in the revision of the law to the problems of small and growing business concerns. I cannot emphasize too strongly the social and economic importance of an environment which will encourage the formation, growth, and continued independent existence of new companies.

12. *Depreciation.*—A liberalization of the tax treatment of depreciation would have far-reaching effects on all business and be especially helpful in the expansion of small business whether conducted as individual proprietorships, partnerships, or corporations. At present, buildings, equipment, and machinery are usually written off uniformly over their estimated useful lives. The deductions allowed, especially in the early years, are often below the actual depreciation. This discourages long-range investment on which the risks cannot be clearly foreseen. It discourages the early replacement of old equipment with new and improved equipment. And it makes it more difficult to secure financing for capital investment, particularly for small business organizations.

I recommend that the tax treatment of depreciation be substantially changed to reduce these restrictions on new investment, which provides a basis for economic growth, increased production, and improved standards of living. It will help the manufacturer in buying new machinery and the storekeeper in expanding and modernizing his establishment. It will help the farmer get new equipment. All of this means many more jobs.

Specifically, I recommend that business be allowed more freedom in using straight-line depreciation and in selecting other methods of depreciation. Larger depreciation charges should be allowed in the early years of life of property by the use of the declining-balance method of depreciation at rates double those permitted under the straight-line method. Other methods which give larger depreciation in early years should be accepted, so long as they do not produce deductions which exceed those available under the declining-balance method.

The new methods of depreciation should be allowed for all investments in buildings, equipment, and machinery made after January 1, 1954. This would include farm buildings and equipment and new construction of commercial and industrial buildings and rental housing.

Faster depreciation, it should be noted, will merely shift the tax deductions from later to earlier years. It will not increase total deductions. The change should, in fact, increase Government revenues over the years because of the stimulation which it will give to enterprise and expansion.

In addition to the tax treatment of depreciation, which is important for all business, there are other features of the tax law which are of special importance to small business.

13. *Research and development expenses.*—At present, companies are often not permitted to deduct currently for research or development expenses. This rule is especially burdensome to small concerns because large companies with established research laboratories can usually get immediate deductions. I recommend that all companies be given an option to capitalize or to write off currently their expenses arising from research and development work. Our tradition of initiative and rapid technical improvements must not be hampered by adverse tax rules.

14. *Accumulation of earnings.*—At present, the penalty tax on excessive accumulations of corporate earnings operates to discourage the growth of small companies which are peculiarly dependent on retained earnings for expansion. The tax in some form is necessary to prevent avoidance of individual taxes by stockholders, but I recommend that the law be changed to make the Government assume the burden of proof that a retention of earnings is unreasonable.

15. *Taxation of partnerships.*—The tax law applicable to partnerships is complex and uncertain. I recommend that it be simplified and made definite. It should be possible to form partnerships and make changes in them without undue tax complications.

16. *Optional tax treatment for certain corporations and partnerships.*—Small businesses should be able to operate under whatever form of organization is desirable for their particular circumstances; without incurring unnecessary tax penalties. To secure this result, I recommend that corporations with a small number of active stockholders be given the option to be taxed as partnerships and that certain partnerships be given the option to be taxed as corporations.

17. *Corporate reorganizations.*—The tax law applicable to reorganizations and recapitalizations of corporations is also complex and uncertain. This part of the law should be simplified and made sufficiently definite to permit people to know in advance the tax consequences of their actions.

The owners of small corporations frequently find it necessary to rearrange their interests in a corporation in anticipation of estate taxes, to secure new capital, or to make stock available for a new management group. I recommend that the tax law permit tax-free rearrangements of stockholders' interests in corporations, so long as no corporate earnings are withdrawn. Such changes will remove some of the tax pressures which force the sale of independent companies to larger corporations. At the same time, the law should be tightened to prevent abuses by which corporate earnings are withdrawn through the issuance and redemption of corporate securities. It should also be amended to avoid abuses through the purchase of corporations to acquire their rights to loss carryovers.

18. *Loss carryback.*—At present, losses may be carried back and offset against prior earnings for 1 year and carried forward to be offset against future earnings for 5 years. I recommend that the carryback be extended to 2 years. This will benefit established companies which become distressed. The 5-year carryforward should be continued to permit new businesses to offset their early losses against later profits.

19. *Soil conservation expenses.*—At present, only limited and uncertain tax deductions are allowed for soil conservation expenses on farms. I recommend that such deductions be allowed up to 25 percent of the farmer's gross income.

20. *Accounting definitions.*—Tax accounting should be brought more nearly in line with accepted business accounting by allowing prepaid income to be taxed as it is earned rather than as it is received, and by allowing reserves to be established for known future expenses.

21. *Multiple surtax exemptions, consolidated returns, and intercorporate dividends.*—I recommend that the law be tightened to remove abuses from the use of multiple corporations in a single enterprise. I also recommend that the penalty tax on consolidated returns and intercorporate dividends be removed over a 3-year period.

22. *Business income from foreign sources.*—I recommend that the taxation of income from foreign business investments be modified in several respects. The investment climate and business environment abroad are much more important than our own tax laws in influencing the international flow of capital and business. Nonetheless, our capital and management know-how can be helpful in furthering economic development in other countries, and is desired by many of them. Our tax laws should contain no penalties against United States investment abroad, and within reasonable limits should encourage private investment which should supplant Government economic aid.

Specifically, I recommend the following new provisions in our taxation of business income from foreign sources:

(a) Business income from foreign subsidiaries or from segregated foreign branches which operate and elect to be taxed as subsidiaries should be taxed at a rate 14 percentage points lower than the regular corporate rate. This lower rate of tax should apply only to earnings after January 1, 1954.

(b) The present definition of foreign taxes which may be credited against the United States income tax should be broadened to include any tax other than an income tax which is the principal form of taxation on business in a country, except turnover, general sales or excise taxes, and social-security taxes. This country, by its tax laws, should not bring indirect pressure on other countries to adapt their tax systems and rates to ours.

(c) The overall limitation on foreign tax credits should be removed. This limitation discourages companies operating profitably in one foreign country from starting business in another foreign country where operations at a loss may be expected in the first few years.

(d) Regulated investment companies concentrating on foreign investments should be permitted to pass on to their stockholders the credit for foreign taxes which would be available on direct individual investments.

23. *Payment dates of corporation income tax.*—Over the past several years, corporation income-tax payments have been gradually shifted forward into the first two of the regular quarterly dates. By 1955, the entire tax will be due in two equal installments in March and June.

The irregularity of tax receipts increases the problems in managing the public debt and is an unsettling influence in the money markets. The irregularity of tax payments also may make it harder for corporations to manage their own financing.

I recommend that, beginning in the fall of 1955, a start be made in smoothing out corporation income-tax payments by requiring advance payments in September and December before the end of the taxable year. Each of these payments

should be made at 5 percent of the amount due for the entire year in 1955, rising to 25 percent each in 1959 and later years.

These advance payments will require estimates of income for the year somewhat comparable to those now required of individuals. Though estimates of profits are difficult to make accurately, no payments will be required before the middle of the ninth month of a business year.

24. *Administrative provisions.*—The administrative features of the tax laws are unnecessarily complex. Different provisions have been adopted over the years to deal with particular problems, with little regard to consistency. Specifically, I recommend that the parts of the law covering assessments, collections, interest and penalties, the statute of limitations, and other administrative provisions be simplified and brought together in one place. This will result in savings to both taxpayers and the Government.

An effective and fair administration of the tax laws is vital to every individual in the country. The Internal Revenue Service has been revitalized during the past year and is being organized and managed on a basis that will assure fair and equal treatment to all taxpayers, maximum realization of taxes from revenue laws, and the contribution by each taxpayer of the share of the cost of Government that Congress intends that he should make.

The regulations and administration of the tax laws are being tightened to prevent abuses by which a small minority of taxpayers avoid their fair share of taxes by misuse of expense accounts and other improper practices.

25. *General simplification of tax laws and other revisions.*—The revision of the tax laws should be comprehensive. Many unnecessary complications have developed over the years. The entire Internal Revenue Code needs rewriting and reorganization.

Jointly, the Treasury Department and the staff of the congressional committees have developed many recommendations for changes other than those which I have described here. Some of these relate to the estate and gift tax, and the administrative provisions of the excise taxes.

(2) OTHER LEGISLATIVE RECOMMENDATIONS

In table 3 other proposals which affect budget expenditures or new obligational authority in fiscal 1955 are summarized; and proposals affecting trust funds are indicated in table 4.

The President renewed his request to the Congress to raise the debt limit.

TABLE 3.—*Summary of other legislative proposals*

[Fiscal year. In millions]

| Function and program | 1955 | |
|--|--|------------------------|
| | Recommended new obligational authority | Estimated expenditures |
| EXTENSION OF PRESENT MAJOR PROGRAMS | | |
| National security: | | |
| Military public works, Department of Defense----- | \$1, 108. 0 | \$100. 0 |
| Mutual military program----- | 2, 500. 0 | 700. 0 |
| International affairs and finance: | | |
| Mutual economic and technical cooperation----- | 875. 0 | 300. 0 |
| Surplus agricultural commodities disposal----- | 300. 0 | ----- |
| Contributions to voluntary international programs----- | 135. 0 | 70. 0 |
| Agriculture and agricultural resources: Increase in borrowing authority of the Commodity Credit Corporation----- | 1, 750. 0 | ----- |
| Transportation and communication: | | |
| Federal-aid highway program----- | 575. 0 | ----- |
| Forest highways----- | 22. 5 | ----- |
| Subtotal, extension of present major programs----- | 7, 265. 5 | 1, 170. 0 |
| NEW LEGISLATIVE PROGRAM | | |
| Social security, welfare, and health: | | |
| Grants to States for public assistance----- | 108. 0 | 108. 0 |
| Expansion of grants for hospital construction----- | 62. 6 | 5. 6 |
| Program to stimulate wider coverage and greater benefits from private health insurance----- | 26. 2 | 1. 1 |
| Expansion of vocational rehabilitation services for the disabled----- | 8. 8 | 7. 8 |
| Creation of a National Commission for Health Improvement----- | . 3 | . 3 |
| Housing and community development: Advance planning of local public works----- | (1) | 3. 0 |
| Education and general research: | | |
| Program to strengthen the Office of Education----- | . 3 | . 3 |
| National Conference on Education----- | (2) | 2. 3 |
| Agriculture and agricultural resources: Cooperation with State and local agencies on watershed protection----- | 3. 0 | 2. 4 |
| Natural resources: | | |
| Aid for non-Federal development of water resources-- | 10. 0 | 10. 0 |
| Federal projects----- | . 5 | . 4 |
| Transportation and communication: | | |
| St. Lawrence seaway----- | 105. 0 | 5. 8 |
| Proposed postal rate increases (increased revenues)--- | -240. 0 | -240. 0 |
| Labor and manpower: Expansion of unemployment compensation coverage: Administrative costs----- | 22. 1 | 22. 0 |
| General government: | | |
| Unemployment compensation for Federal employees-- | 25. 0 | 25. 0 |
| Increase in Federal payment to the District of Columbia----- | 10. 0 | 10. 0 |
| District of Columbia public works program----- | 7. 0 | 5. 0 |
| Subtotal, new legislative program----- | 148. 8 | -33. 0 |
| Total legislative proposals----- | 7, 414. 3 | 1, 137. 0 |

¹ New obligational authority recommended for fiscal 1954 of \$10.0 million.

² New obligational authority recommended for fiscal 1954 of \$2.0 million, and expenditures in fiscal 1954 of \$1.5 million.

TABLE 4.—*Proposed legislation affecting trust funds*

[Fiscal year. In millions]

| Function and program | 1955 estimated |
|--|-------------------|
| Social security, welfare, and health: Expansion and improvement of old-age and survivors' insurance: | |
| Additional receipts..... | \$100. 0 |
| Additional disbursements..... | 408. 0 |
| Net accumulation in reserve..... | -308. 0 |
| Labor and manpower: Extension of coverage of unemployment insurance: | |
| Additional deposits by States..... | 145. 0 |
| Additional withdrawals by States..... | 60. 0 |
| Net accumulation in reserve..... | 85. 0 |

C. RECEIPTS, EXPENDITURES, AND NEW OBLIGATIONAL AUTHORITY

(1) BUDGET RECEIPTS

The estimates of budget receipts for the fiscal year 1955 in table 4 are in accordance with the recommendations for taxes, and are based upon the continuation of business conditions, personal income, and corporation profits at substantially the present high levels.

Budget receipts under existing legislation are estimated as \$67,439 million for fiscal year 1954 and \$61,470 million for fiscal 1955. It is estimated that the proposed legislation will result in an increase in budget receipts of \$189 million in fiscal 1954 and an increase of \$1,172 million in fiscal 1955.

In addition to the tax proposals the Budget Message included recommendations for legislation which would affect amounts collected as employment taxes. The recommended expansion and improvement of old-age and survivors insurance (table 3) is expected to result in additional collections of \$100 million under the Federal Insurance Contributions Act. Since the appropriation to the Federal old-age and survivors insurance trust fund is deducted from total receipts in determining net budget receipts this recommendation does not affect budget receipts. The recommended expansion of unemployment compensation coverage (table 3) will result in additional revenues which more than offset the administrative costs resulting from such extension. The effect on budget receipts is \$16 million.

Under present law certain excise tax rates are reduced on April 1, 1954, and this change would necessitate the payment of some floor stock refunds in fiscal 1955. The proposed extension of the present excise rates would eliminate these refund payments.

The appropriation to the railroad retirement trust fund equal to the taxes under the Railroad Retirement Tax Act has been excluded from the totals of budget expenditures and deducted from the total of budget receipts. This does not affect the budget surplus or deficit, and has been applied to the figures for all the years shown in this budget so that they are on a comparable basis.

TABLE 5.—Summary of actual budget receipts for the fiscal year 1953 and estimated receipts for the fiscal years 1954 and 1955

[Fiscal years. In millions]

| Source | Actual, 1953 | 1954 estimate | | | 1955 estimate | | |
|--|--------------|---------------------|---------------------------------|----------|---------------------|---------------------------------|----------|
| | | Under existing laws | Proposed for later transmission | Total | Under existing laws | Proposed for later transmission | Total |
| Individual income taxes..... | \$32,478 | \$33,433 | ----- | \$33,433 | \$30,908 | -\$585 | \$30,323 |
| Corporation income and excess profits taxes..... | 21,595 | 22,809 | ----- | 22,809 | 19,694 | 570 | 20,264 |
| Excise taxes..... | 9,992 | 10,038 | \$189 | 10,227 | 9,221 | 1,018 | 10,239 |
| Employment taxes..... | 4,998 | 5,530 | ----- | 5,530 | 6,301 | 116 | 6,417 |
| Estate and gift taxes..... | 891 | 955 | ----- | 955 | 955 | ----- | 955 |
| Customs..... | 613 | 590 | ----- | 590 | 590 | ----- | 590 |
| Miscellaneous receipts..... | 1,857 | 2,312 | ----- | 2,312 | 2,454 | ----- | 2,454 |
| Subtotal..... | 72,424 | 75,667 | 189 | 75,856 | 70,123 | 1,119 | 71,242 |
| Deduct: | | | | | | | |
| Appropriation to Federal old-age and survivors insurance trust fund..... | 4,086 | 4,600 | ----- | 4,600 | 5,369 | 100 | 5,469 |
| Appropriation to railroad retirement trust fund..... | 625 | 640 | ----- | 640 | 640 | ----- | 640 |
| Refund of receipts..... | 3,120 | 2,988 | ----- | 2,988 | 2,644 | -153 | 2,491 |
| Total budget receipts..... | 64,593 | 67,439 | 189 | 67,628 | 61,470 | 1,172 | 62,642 |

(2) BUDGET EXPENDITURES

(a) *Net and gross*

The budget expenditure totals in the past have understated the scope of the Government's activities in that they included only the net basis of the spending by a number of enterprises which are engaged in business-type operations with the public.

These public enterprise activities are carried on through "revolving funds." In the summary tables of previous budgets, the receipts of such funds were subtracted from expenditures and only the difference was reported as a budget expenditure. In this budget various tables show both gross and net expenditures. In table 6 of this pamphlet the net expenditures are shown by major programs and in table 7 the gross expenditures by major programs, so that the gross and net expenditures can be compared.

In table 8 net expenditures by agency are shown.

TABLE 6.—*Net expenditures by major program*

[Fiscal years. In millions]

| Major program | Actual 1953 | Estimated | |
|---|----------------|-----------|-----------|
| | | 1954 | 1955 |
| National security..... | \$50, 274 | \$48, 720 | \$44, 860 |
| Veterans services and benefits..... | 4, 298 | 4, 160 | 4, 192 |
| International affairs and finance..... | 2, 216 | 1, 779 | 1, 250 |
| Social security, welfare, and health..... | 1, 910 | 1, 947 | 1, 807 |
| Housing and community development..... | 549 | 57 | -277 |
| Education and general research..... | 277 | 278 | 223 |
| Agriculture and agricultural resources..... | 2, 936 | 2, 654 | 2, 366 |
| Natural resources..... | 1, 358 | 1, 172 | 1, 103 |
| Transportation and communication..... | 2, 077 | 1, 856 | 1, 418 |
| Finance, commerce, and industry..... | 76 | 164 | 162 |
| Labor and manpower..... | 281 | 265 | 281 |
| General government..... | 1, 439 | 1, 175 | 1, 160 |
| Interest..... | 6, 583 | 6, 600 | 6, 875 |
| Reserve for contingencies..... | | 75 | 150 |
| Adjustment to daily Treasury statement basis..... | -292 | | |
| Total..... | 73, 982 | 70, 902 | 65, 570 |

TABLE 7.—*Gross expenditures by major program*

[Fiscal years. In millions]

| Major program | Actual 1953 | Estimated | |
|---|----------------|-----------|-----------|
| | | 1954 | 1955 |
| National security..... | \$50, 274 | \$48, 721 | \$44, 860 |
| Veterans services and benefits..... | 4, 327 | 4, 190 | 4, 223 |
| International affairs and finance..... | 2, 656 | 2, 249 | 1, 885 |
| Social security, welfare, and health..... | 1, 910 | 1, 947 | 1, 807 |
| Housing and community development..... | 2, 118 | 2, 357 | 1, 903 |
| Education and general research..... | 277 | 278 | 223 |
| Agriculture and agricultural resources..... | 6, 448 | 8, 087 | 6, 752 |
| Natural resources..... | 1, 499 | 1, 349 | 1, 337 |
| Transportation and communication..... | 4, 474 | 4, 446 | 4, 277 |
| Finance, commerce, and industry..... | 1, 205 | 1, 151 | 917 |
| Labor and manpower..... | 284 | 267 | 282 |
| General government..... | 1, 444 | 1, 178 | 1, 164 |
| Interest..... | 6, 583 | 6, 600 | 6, 875 |
| Reserve for contingencies..... | | 75 | 150 |
| Total budget expenditures..... | 83, 499 | 82, 895 | 76, 655 |
| Adjustment to daily Treasury statement..... | -292 | | |
| Deduct applicable receipts..... | 9, 225 | 11, 993 | 11, 085 |
| Net budget expenditures..... | 73, 982 | 70, 902 | 65, 570 |

TABLE 8.—*Net expenditures by agency*

[Fiscal years. In millions]

| Agency | Actual 1953 | Estimated | |
|--|----------------|-----------|---------|
| | | 1954 | 1955 |
| Legislative branch | \$61 | \$63 | \$66 |
| The Judiciary | 27 | 29 | 30 |
| Executive Office of the President | 9 | 10 | 9 |
| Funds appropriated to the President | 1, 828 | 1, 702 | 1, 380 |
| Independent offices: | | | |
| Atomic Energy Commission | 1, 791 | 2, 200 | 2, 425 |
| Veterans' Administration | 4, 334 | 4, 190 | 4, 165 |
| Other | 830 | 520 | 478 |
| General Services Administration | 1, 107 | 936 | 751 |
| Housing and Home Finance Agency | 385 | -103 | -385 |
| Department of Agriculture | 3, 217 | 2, 945 | 2, 497 |
| Department of Commerce | 1, 063 | 1, 080 | 979 |
| Department of Defense: | | | |
| Military functions | 43, 610 | 41, 550 | 37, 575 |
| Mutual military program | 3, 954 | 4, 200 | 4, 275 |
| Civil functions | 813 | 617 | 540 |
| Department of Health, Education, and Welfare | 1, 920 | 1, 949 | 1, 787 |
| Department of the Interior | 587 | 549 | 528 |
| Department of Justice | 171 | 184 | 176 |
| Department of Labor | 300 | 299 | 361 |
| Post Office Department (general fund) | 659 | 440 | 89 |
| Department of State | 271 | 159 | 214 |
| Treasury Department | 7, 325 | 7, 292 | 7, 445 |
| District of Columbia (Federal contribution) | 12 | 16 | 35 |
| Reserve for contingencies | | 75 | 150 |
| Adjustment to daily Treasury statement | -292 | | |
| Total | 73, 982 | 70, 902 | 65, 570 |

(b) Controllability of expenditures

Budget expenditures for certain Government activities are, by law, relatively nondiscretionary, and depend largely on factors outside the annual budgetary process. While relatively few in number these represent a large amount of dollars and the budget each year has to provide funds for them. Table 9 shows that budget expenditures for the national security program and for those items which are relatively fixed under provisions of existing and proposed legislation amount to an estimated \$59 billion in the fiscal year 1955, 90 percent of all budget expenditures. The remaining "all other," \$6.6 billion, or 10 percent of the total, include some items related to the first two categories.

The record of budget expenditures since the outbreak of aggression in Korea in June 1950 shows considerable variation in the relative changes from year to year in the three major categories shown. While expenditures for national security have risen markedly and those for uncontrollable major programs have fluctuated within rather narrow limits, Government spending in all other categories has been steadily declining.

TABLE 9.—Analysis indicating controllability of net budget expenditures

[Fiscal years. In millions]

| Description | Actual 1953 | Estimated | |
|---|----------------|----------------|----------------|
| | | 1954 | 1955 |
| National security program----- | \$50, 274 | \$48, 720 | \$44, 860 |
| Relatively uncontrollable major programs under existing and proposed legislation: | | | |
| Legislative and the judiciary----- | 88 | 92 | 96 |
| Interest on the public debt and refunds----- | 6, 583 | 6, 600 | 6, 875 |
| Claims and judgments----- | 129 | 148 | 135 |
| Veterans' compensation, pension, and benefit programs----- | 3, 383 | 3, 232 | 3, 244 |
| Payments to employees' retirement funds----- | 324 | 34 | 32 |
| Payment to Railroad Retirement Fund for military service credits----- | 33 | 35 | ----- |
| Grants to States for public assistance----- | 1, 330 | 1, 389 | 1, 293 |
| Grants to States for unemployment compensation and employment service administration----- | 202 | 190 | 205 |
| Veterans unemployment compensation----- | 26 | 40 | 61 |
| Unemployment compensation for Federal employees----- | ----- | ----- | 25 |
| Federal-aid highway grants----- | 509 | 541 | 555 |
| Conservation of agricultural land resources----- | 273 | 225 | 196 |
| Removal of surplus agricultural commodities----- | 82 | 205 | 233 |
| Agriculture price support----- | 1, 943 | 1, 404 | 1, 165 |
| Total----- | 14, 905 | 14, 135 | 14, 115 |
| All other----- | 8, 803 | 8, 047 | 6, 595 |
| Net budget expenditures----- | 73, 982 | 70, 902 | 65, 570 |

NET BUDGET EXPENDITURES

[Fiscal years. In billions]

| Description | Actual | | | | Estimated | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
| National security program----- | \$13. 0 | \$22. 3 | \$43. 8 | \$50. 3 | \$48. 7 | \$44. 9 |
| Relatively uncontrollable major programs----- | 15. 6 | 12. 1 | 12. 3 | 14. 9 | 14. 1 | 14. 1 |
| All other----- | 11. 0 | 9. 6 | 9. 3 | 8. 8 | 8. 1 | 6. 6 |
| Total----- | 39. 6 | 44. 0 | 65. 4 | 74. 0 | 70. 9 | 65. 6 |

(3) NEW OBLIGATIONAL AUTHORITY

New obligational authority represents the total of all new authorizations enacted by the Congress permitting Government agencies to incur financial obligations. In addition to new appropriations, it includes mainly authorizations to enter into contracts prior to the enactment of appropriations, and authorizations to make expenditures from borrowed money.

The estimate of total appropriations and other authorizations for the fiscal year 1954 and, likewise, the total of recommendations for new obligational authority for the fiscal year 1955 are less than estimated budget expenditures and also less than estimated budget receipts for the corresponding years.

The following table shows that the new obligational authority recommended for the fiscal year 1955 is \$56.3 billion. This is \$35.1 billion less than the highest post-Korean amount of \$91.4 billion enacted for the fiscal year 1952. It is \$15.5 billion less than the amount recommended to Congress for the fiscal year 1954, in the budget document dated January 9, 1953, and \$4.4 billion less than the currently revised estimate for the fiscal year 1954.

This grouping of the budget proposals by agencies as contrasted with grouping by major program is believed to be the presentation most useful to those persons interested in following the progress of the budget proposals in the Congress.

TABLE 10.—*New obligational authority by agency*

[Fiscal years. In millions]

| Agency | Actual 1953 | Estimated 1954 | Recom- mended 1955 |
|---|----------------|-------------------|--------------------------|
| Legislative branch..... | \$76 | \$83 | \$67 |
| The Judiciary..... | 28 | 29 | 30 |
| Executive Office of the President..... | 9 | 9 | 9 |
| Funds appropriated to the President..... | 1, 908 | 932 | 1, 185 |
| Independent offices: | | | |
| Atomic Energy Commission..... | 4, 079 | 1, 042 | 1, 366 |
| Veterans' Administration..... | 4, 191 | 4, 273 | 3, 893 |
| Other..... | 1, 050 | 665 | 592 |
| General Services Administration..... | 317 | 163 | 155 |
| Housing and Home Finance Agency..... | 1, 357 | 454 | 85 |
| Department of Agriculture..... | 1, 510 | 2, 499 | 2, 935 |
| Department of Commerce..... | 911 | 982 | 973 |
| Department of Defense: | | | |
| Military functions..... | 48, 776 | 34, 495 | 30, 993 |
| Mutual military program..... | 4, 236 | 3, 800 | 2, 500 |
| Civil functions..... | 598 | 505 | 580 |
| Department of Health, Education, and Welfare..... | 1, 934 | 1, 863 | 1, 806 |
| Department of Interior..... | 590 | 499 | 488 |
| Department of Justice..... | 173 | 179 | 178 |
| Department of Labor..... | 295 | 299 | 388 |
| Post Office Department (general fund)..... | 660 | 439 | 89 |
| Department of State..... | 241 | 142 | 269 |
| Treasury Department..... | 7, 279 | 7, 250 | 7, 471 |
| District of Columbia (general fund)..... | 18 | 16 | 31 |
| Reserve for contingencies..... | | 100 | 200 |
| Total..... | 80, 236 | 60, 718 | 56, 283 |

APPENDIX TABLE I.—Major trust funds

[Fiscal years. In millions]

| Description | Actual 1953 | Estimated | |
|--|----------------|-----------|-------------------|
| | | 1954 | 1955 ¹ |
| Federal old-age and survivors trust fund: | | | |
| Receipts: | | | |
| Appropriation from general receipts----- | \$4, 086 | \$4, 600 | \$5, 469 |
| Deposits by States----- | 44 | 100 | 135 |
| Interest and other----- | 387 | 442 | 477 |
| Payments of benefits and administrative expenses----- | 2, 748 | 3, 368 | 4, 217 |
| Net accumulation during year----- | 1, 769 | 1, 774 | 1, 864 |
| Balance in fund at close of year----- | 18, 364 | 20, 138 | 22, 002 |
| Unemployment trust fund: | | | |
| Receipts: | | | |
| Deposits by States and railroad unemployment taxes----- | 1, 391 | 1, 344 | 1, 474 |
| Interest----- | 203 | 222 | 216 |
| Payments: Withdrawals by States and other expenditures----- | 1, 004 | 1, 095 | 1, 255 |
| Net accumulation during year----- | 590 | 471 | 435 |
| Balance in fund at close of year----- | 9, 244 | 9, 715 | 10, 150 |
| Railroad retirement fund: | | | |
| Receipts: | | | |
| Appropriations from general receipts----- | 658 | 675 | 640 |
| Interest----- | 89 | 98 | 105 |
| Payment of benefits, salaries and expenses----- | 465 | 490 | 513 |
| Net accumulation during year----- | 282 | 283 | 232 |
| Balance in fund at close of year----- | 3, 183 | 3, 466 | 3, 698 |
| Federal employees' retirement funds: | | | |
| Receipts: | | | |
| Employee contribution----- | 425 | 427 | 427 |
| Transfers from budget accounts and other----- | 321 | 31 | 30 |
| Interest----- | 215 | 227 | 236 |
| Payment of annuities, refunds, and expenses----- | 363 | 421 | 448 |
| Net accumulation during year----- | 598 | 264 | 245 |
| Balance in fund at close of year----- | 5, 652 | 5, 916 | 6, 161 |
| Veterans' life insurance funds: | | | |
| Receipts: | | | |
| Transfers from general and special accounts ¹ ----- | 84 | 75 | 36 |
| Interest on investments----- | 200 | 208 | 208 |
| Premiums and other receipts----- | 427 | 522 | 485 |
| Payments: | | | |
| Dividends to policyholders----- | 190 | 297 | 217 |
| Benefits and other----- | 470 | 533 | 524 |
| Net accumulation during year----- | 51 | -25 | -12 |
| Balance in funds at close of year----- | 6, 613 | 6, 588 | 6, 576 |

¹ Includes proposed legislation.

APPENDIX TABLE II.—Cash budget

RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[Fiscal years. In millions]

| | Actual 1953 | Estimated | |
|--|----------------|----------------|----------------|
| | | 1954 | 1955 |
| RECEIPTS FROM THE PUBLIC | | | |
| Individual income taxes..... | \$32, 478 | \$33, 433 | \$30, 322 |
| Corporation income and excess profits taxes..... | 21, 595 | 22, 809 | 20, 264 |
| Excise taxes..... | 9, 943 | 10, 227 | 10, 239 |
| Employment taxes..... | 4, 998 | 5, 530 | 6, 417 |
| Estate and gift taxes..... | 891 | 955 | 955 |
| Customs..... | 613 | 590 | 590 |
| Internal revenue not otherwise classified..... | 49 | | |
| Deposits by States, unemployment insurance..... | 1, 371 | 1, 325 | 1, 455 |
| Veterans life insurance premiums..... | 428 | 522 | 485 |
| Other budget and trust fund receipts..... | 2, 037 | 2, 529 | 2, 604 |
| Refunds of budget receipts (—)..... | —3, 120 | —2, 988 | —2, 491 |
| Total receipts from the public..... | 71, 283 | 74, 932 | 70, 842 |
| PAYMENTS TO THE PUBLIC | | | |
| National security..... | 50, 423 | 48, 934 | 45, 042 |
| Veterans services and benefits..... | 4, 883 | 4, 926 | 4, 905 |
| International affairs and finance..... | 2, 177 | 1, 744 | 1, 246 |
| Social security, welfare, and health..... | 5, 393 | 6, 122 | 6, 913 |
| Housing and community development..... | 444 | 82 | —310 |
| Education and general research..... | 279 | 280 | 224 |
| Agriculture and agricultural resources..... | 2, 953 | 2, 709 | 2, 338 |
| Natural resources..... | 1, 368 | 1, 185 | 1, 114 |
| Transportation and communication..... | 2, 066 | 1, 844 | 1, 406 |
| Finance, commerce, and industry..... | 12 | 95 | 97 |
| Labor and manpower..... | 1, 291 | 1, 365 | 1, 541 |
| General government..... | 1, 326 | 1, 470 | 1, 326 |
| Interest..... | 4, 715 | 4, 821 | 5, 172 |
| Deposit funds (net) ¹ | —471 | —70 | 6 |
| Reserve for contingencies..... | | 75 | 150 |
| Deduction (—) from Federal employees' salaries for retirement funds..... | —421 | —423 | —423 |
| Clearing account for outstanding checks and telegraphic reports..... | 312 | 7 | —19 |
| Adjustment to daily Treasury statement basis..... | —197 | | |
| Total payments to the public..... | 76, 554 | 75, 166 | 70, 727 |
| Excess of receipts from the public..... | | | 115 |
| Excess of payment to the public..... | 5, 272 | 234 | |
| BORROWING AND REPAYMENT OF BORROWING FROM THE PUBLIC | | | |
| Excess of payments to or receipts from (—) the public..... | 5, 272 | 234 | —115 |
| Receipts from exercise of monetary authority (—) ² | —55 | —73 | —49 |
| Increase or decrease (—) in Treasury cash balance..... | —2, 299 | 280 | |
| Borrowing from the public (net)..... | 2, 918 | 441 | |
| Repayment of borrowing from the public (net)..... | | | 164 |

¹ Excludes deposit funds of quasi-governmental corporations and European Payments Union.² Consists mainly of seigniorage on silver.

APPENDIX TABLE III (a)—Budget receipts

[Fiscal year. In millions]

| Source | Actual | | | | | | | | Estimated | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|
| | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Individual income taxes----- | \$18,331 | \$19,629 | \$20,997 | \$17,929 | \$17,408 | \$23,365 | \$29,880 | \$32,478 | \$33,433 | \$30,323 |
| Corporation income and excess profits taxes----- | 12,906 | 9,676 | 10,174 | 11,554 | 10,854 | 14,388 | 21,467 | 21,595 | 22,809 | 20,264 |
| Excise taxes----- | 6,696 | 7,270 | 7,402 | 7,551 | 7,597 | 8,693 | 8,893 | 9,992 | 10,227 | 10,239 |
| Employment taxes----- | 1,714 | 2,039 | 2,396 | 2,487 | 2,892 | 3,940 | 4,573 | 4,998 | 5,530 | 6,417 |
| Estate and gift taxes----- | 677 | 779 | 899 | 797 | 706 | 730 | 833 | 891 | 955 | 955 |
| Customs----- | 435 | 494 | 422 | 384 | 423 | 624 | 550 | 613 | 590 | 590 |
| Miscellaneous receipts----- | 3,479 | 4,621 | 3,809 | 2,072 | 1,430 | 1,629 | 1,803 | 1,858 | 2,313 | 2,453 |
| Deduct: | | | | | | | | | | |
| Appropriation to Federal old-age and survivors trust fund----- | 1,238 | 1,459 | 1,616 | 1,690 | 2,106 | 3,120 | 3,569 | 4,086 | 4,600 | 5,469 |
| Appropriation to railroad retirement account excluding military service credits----- | 255 | 256 | 723 | 550 | 550 | 575 | 735 | 625 | 640 | 640 |
| Refund of receipts----- | 2,973 | 3,006 | 2,272 | 2,838 | 2,160 | 2,107 | 2,302 | 3,120 | 2,988 | 2,491 |
| Total budget receipts----- | 39,772 | 39,787 | 41,488 | 37,696 | 36,495 | 47,568 | 61,393 | 64,593 | 67,629 | 62,642 |

APPENDIX TABLE III (b)—Budget expenditures

[Fiscal years. In millions]

| Major program | Actual | | | | | | | | | | Estimated | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--|
| | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | | |
| National security----- | \$43,507 | \$14,392 | \$11,675 | \$12,902 | \$13,009 | \$22,306 | \$43,848 | \$50,274 | \$48,720 | \$44,860 | | |
| Veterans' services and benefits----- | 4,416 | 7,381 | 6,654 | 6,726 | 6,647 | 5,342 | 4,863 | 4,298 | 4,160 | 4,192 | | |
| International affairs and finance----- | 3,066 | 6,531 | 4,566 | 4,053 | 4,674 | 3,795 | 2,826 | 2,216 | 1,779 | 1,250 | | |
| Social security, welfare, and health----- | 738 | 1,007 | 1,083 | 1,293 | 1,592 | 1,721 | 1,756 | 1,910 | 1,947 | 1,807 | | |
| Housing and community development----- | 199 | 348 | 82 | 282 | 262 | 602 | 735 | 549 | 57 | 277 | | |
| Education and general research----- | 85 | 66 | 65 | 74 | 122 | 115 | 171 | 277 | 278 | 223 | | |
| Agriculture and agricultural research----- | 743 | 1,243 | 575 | 2,512 | 2,783 | 650 | 1,045 | 2,936 | 2,654 | 2,366 | | |
| Natural resources----- | 251 | 449 | 631 | 902 | 1,058 | 1,140 | 1,258 | 1,358 | 1,172 | 1,103 | | |
| Transportation and communication----- | 817 | 581 | 1,251 | 1,649 | 1,757 | 1,747 | 1,990 | 2,076 | 1,856 | 1,418 | | |
| Finance, commerce, and industry----- | 144 | 161 | 71 | 110 | 106 | 126 | 127 | 76 | 164 | 162 | | |
| Labor and manpower----- | 224 | 224 | 190 | 211 | 271 | 254 | 275 | 281 | 265 | 281 | | |
| General government----- | 951 | 1,334 | 1,366 | 1,075 | 1,177 | 1,309 | 1,437 | 1,439 | 1,175 | 1,160 | | |
| Interest----- | 4,816 | 5,012 | 5,248 | 5,445 | 5,817 | 5,714 | 5,934 | 6,583 | 6,600 | 6,875 | | |
| Reserve for contingencies----- | | | | | | | | | 75 | | | |
| Adjustment to daily Treasury state- ment basis----- | +1,077 | +304 | -389 | +273 | +331 | -763 | -855 | -292 | | | | |
| Total budget expenditures----- | 60,448 | 39,033 | 33,068 | 39,507 | 39,606 | 44,058 | 65,410 | 73,982 | 70,902 | 65,570 | | |

1 Deduct, excess of repayments and collections over expenditures.