

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) Those families residing in military family housing units benefit by receiving adequate housing at a cost less than other forms of housing in the area. This, in effect, releases personal income that would normally have been allocated to housing for use elsewhere.

(c) The building trade and real estate industry are directly affected by the location and magnitude of the various construction programs.

(f) Coast Guard facilities are generally located near large water areas. Many of these areas are highly inaccessible.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Family housing program.

Department or agency, and office or bureau: Department of the Treasury; U.S. Coast Guard.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*
[In thousands of dollars]

Federal Government: Purchases of goods and services.....	2, 248
Total, Federal expenditures.....	2, 248

PROCUREMENT ACTIVITY DESIGNED TO ASSIST SMALL BUSINESS AND LABOR SURPLUS AREAS

Federal procurement regulations require the Coast Guard to set aside part of each year's procurement funds for awards to small business and to labor surplus areas. This set-aside amounted to \$8.7 million in 1964 and \$4.8 million in 1965. Expenditures through 1970 are estimated to be \$5 million annually.

RESERVE TRAINING PROGRAM

1. *Objectives*

The Coast Guard Reserve is "maintained for the purpose of providing trained units and qualified individuals to be available for active duty in the" Coast Guard "in time of war or national emergency, and at such other times as the national security may require * * *"

2. *Operation*

The Reserve training program operates wholly as a direct Federal operation, conducted under the direction of the District Commander in the various Coast Guard districts with headquarters supervision.

3. *History*

By act of February 19, 1941 (55 stat. 854), a military Coast Guard Reserve was established which was modeled after the Naval Reserve.

During World War II the Reserve reached a peak strength of 150,000 officers and men. Immediately following the end of the war, the Coast Guard was reduced to an organization of 22,000 military personnel, and as a result, almost all Reserves were discharged or placed on inactive duty.

As world conditions became more precarious, a survey of the Coast Guard was made in 1950, and as a direct result, the first funds to provide training to inactive Reservists were appropriated in 1951. The Armed Forces Reserve Act (AFRA) of 1952 gave further defi-