

factors foster career retention, pride in service, and individual initiative while in the service.

c. Business or industrial organization

Armed Forces information and education encourages the industrial economy in the field of motion picture scripts (i.e., free lance writers), productions, and film print processors. This approximates \$1 million per annum. Publishing firms receive orders totaling \$400,000 per annum, and other entertainment industries approximately \$300,000 per annum.

The radio and television equipment industries and builders have benefited by the facilities for armed services radio and television stations on a worldwide basis totaling approximately \$17.5 million.

The resources used in the I. & E. programs of the Department of Defense encourage private competition. There is no competition between our services and private industry. The televising of American programs abroad has even encouraged the local nationals to desire these programs in their native tongue. This has the effect of limiting AFIE's available programming of TV series.

d. Stability, employment, prices

The level and stability of I. & E. resources are directly related to the world situation and the degree of the national security requirements. On a recurring basis, this level now approximates \$13 million.

e. Any other benefits

The use of films, entertainment, and publications as well as providing the opportunity for servicemen to operate radio and TV stations have encouraged entertainers, writers, producers, and equipment manufacturers to seek new ways to meet these requirements.

f. Geographical differentials

There is no large-scale geographical differential. However, by the very nature of our requirements, we are supported from several metropolitan areas. These consist of the seat of government, the radio and television industries in New York, and the entertainment industries in Los Angeles.

g. Contribution to the gross national product

The recurring cost of \$13 million of Government funds has only an insignificant effect on the gross national product. Such an insignificant effect cannot be identified.

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

Program: Armed Forces information and education.

Department or agency, and office or bureau: Department of Defense, Office of Training and Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government purchases of goods and services:	
Wages and salaries.....	7.6
Other.....	5.8
Total, Federal expenditures.....	¹ 13.4
¹ AFIE budgeted funds.....	4.8
Military services.....	8.6
Total.....	13.4