

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

Program: Telephone program.

Department or agency, and office or bureau: Department of Agriculture; Rural Electrification Administration.

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

Federal Government:	
Purchases of goods and services:	
Wages and salaries.....	\$4, 000, 000
Other.....	1, 000, 000
Advances to incorporated rural telephone companies and cooperatives.....	81, 000, 000
Total, Federal expenditures.....	86, 000, 000

NOTE.—In national income terminology, the Rural Electrification Administration is classified as a Government enterprise.

Farmers Home Administration

RURAL WATER AND WASTE DISPOSAL PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The objective of this program is to provide financial and technical assistance to farmers, rural residents, and rural communities to establish or improve water and waste disposal facilities. Loans, grants when needed, and technical advice in the installation and operation of facilities and projects serving organizations of farmers and rural residents such as small towns, water districts, water companies, and similar organizations to help provide people with potable water and sanitary facilities that result in better living conditions, and better working conditions. This program also helps small towns and other rural communities to grow economically and socially, thereby attracting new residents and business.

2. Operation

The program provides supervised credit and management advice to rural families and groups who are unable to obtain sufficient credit from any source at reasonable rates and terms. The national office, under the direction of an Administrator, issues procedures, controls budgets, and gives technical training to field staffs. The 42 State offices serve all States, Puerto Rico, and the Virgin Islands. A State director is in charge of each State office. He and his staff direct and train county office staffs, analyze programs, control State budgets for loans and grants and approve the loans. About 1,600 county offices are located throughout the country. Some county offices serve several counties. All applications for financial assistance are made at the county offices. The county supervisor who is in charge of each office is a capable professionalist who approves most loans, gives technical advice to borrowers, services security given for loans, makes collections from borrowers, and transmits the collected funds to the National Finance Office. County FHA committees consisting of three members are appointed by the State director. These committees make recommendations concerning loans and grants and servicing actions. This