On the other hand, the conduct of the military establishment has been sanctioned by the Constitution, and no general authorizing legislation is necessary; only appropriations enacted by the Congress are needed to enable it to spend government money for its operations.

It is important to consider the increment of legislation which is proposed each fiscal year—the extension of expiring legislation, the enactment of new legislation, and the modification or repeal of existing statutes—for this is the birth stage of new governmental spending programs.

REQUESTS FOR NEW FUNDS

In January of each year the President transmits to the Congress the budget for the coming fiscal year, the 12-month period beginning the following July 1. The budget contains the President's estimates of the Federal Government's needs for new appropriations in the coming fiscal year.

From time to time exigencies arise which were not foreseen in the preparation of the budget, and which require the President to make further requests to the Congress. The enactment of legislation not included in the budget or the necessity of unanticipated commitments of the United States in international conflicts have resulted in such supplemental requests.

CONGRESSIONAL ENACTMENT

Within the next 6 months, and sometimes over a longer period, the Congress reviews and modifies the President's recommendations and enacts the appropriation bills for the coming year.[9] The total of financial authorizations made available to the Federal agencies for a given year is composed of a number of types of enactments.

The most prevalent type is the ordinary appropriation, which empowers Federal agencies (1) to place orders, enter into contracts, or otherwise commit or "obligate" the Government to make expenditures in the future, and (2) to make the expenditures required by such obligations. In the fiscal year 1960, 97 percent of the total amount of financial authorizations were of this type.[10]

Another type of financial grant is the contract authorization. This empowers the agencies only to incur obligations. In these cases, the agency has to make a later request for an appropriation to pay for or "liquidate" the obligation. Such appropriations are *pro forma* and are usually only given perfunctory review by the Congress.

Authorizations to expend from debt receipts are often used to finance lending and other government enterprises where proceeds from operations may repay the initial advances from the Treasury. These authorizations to make expenditures from borrowed money may take the following forms: (*a*) authorization for the Treasury to make public debt receipts available to a given enterprise, often in exchange for notes of the enterprise; (*b*) authorizations for a government enterprise to borrow directly from the public; and (*c*) cancellation of notes issued by a government enterprise to the Treasury, where the

[9] The Constitution provides that "No money shall be drawn from the Treasury, but in consequence of appropriations made by law" (art. I, sec. 9(7)).

[10] *Budget of the United States Government for the Fiscal Year Ending June 30, 1962*, Washington, Government Printing Office, 1961 (hereafter referred to as *1962 Budget*), pp. 14–15. A number of appropriations are "permanent"; that is, they do not require annual enactment by the Congress. Most trust funds operate under this form of obligational authority.