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USER CHARGES PROGRAM

Statutory authority for the user charges program was provided with the enactment of title V of the Independent Offices Appropriation Act of 1952 (5 U.S.C. 140) which itemized numerous types of activities that the Congress believed should be "self-sustaining to the full extent possible." The general rule is that collections made for these services are deposited into the general fund of the Treasury as miscellaneous receipts. However, with proper legal authority, agencies may deposit user charges receipts to trust funds, revolving funds, or appropriations which finance the activities involved. During fiscal year 1965, about $1.4 billion was collected under the various user charges programs of which $0.6 billion was deposited to other than miscellaneous receipts. Additional details concerning user charges are contained in enclosure V.

GOVERNMENT CORPORATIONS

There are a number of Federal organizations which take the form of corporations. As such, they operate in a manner similar to that of commercial enterprises in that they have governing bodies in the form of boards of directors which have broad powers to take action. More detailed information on corporations is given in enclosure VI.

PERMANENT APPROPRIATIONS

A permanent appropriation is one which is automatically renewed each fiscal year over a period of time, by virtue of standing legislation, without annual action by the Congress. Payment of interest on the public debt which amounted to $12 billion in fiscal year 1966 accounts for the bulk of money expended under permanent appropriations. One of the major programs financed by permanent appropriations is the Removal of Surplus Agricultural Commodities (section 32 funds) which you specifically mentioned in your letter of October 21, 1966. Examples of permanent appropriations are presented in enclosure VII.

FOREIGN CURRENCY PROGRAMS

Foreign assistance programs of the United States result in the acquisition of substantial amounts of foreign currencies. There are a