

PROGRAM STRATEGY OF THE 1968 BUDGET

This year, for the first time, we have provided in the budget a breakdown of NIA expenditures by major functions. Nevertheless, for purposes of discussing individual programs, and relating those programs to authorization and appropriation actions requested of the Congress, the detailed breakdown currently available in the administrative budget and the trust funds is more suitable.

The program proposals of the President are based on the premise that a healthy and growing nation such as ours can and must continue to move forward in the effort to improve the quality of American life, while at the same time meeting its defense commitments. In view of the substantial resources required for our military operations, however, increases in civilian programs have been proposed only on a selective basis for the high priority needs of our society. In the selection process, particular consideration has been given to those activities designed to help provide equal opportunities for all to share in the Nation's advancement.

CONTROLLABILITY OF EXPENDITURES

To help underscore the difficulties of allocating the limited resources available among many competing demands for funds, it is useful to look at the administrative budget briefly from the point of view of the leeway available in expenditure decisions in any one year. Table 2 sets forth the expenditures in the administrative budget in terms of the controllability of the programs involved.

TABLE 2.—Administrative budget expenditures, fiscal years 1966, 1967, 1968
[In billions of dollars]

Type of controllability	1966 actual	1967 estimate	1968 estimate
National defense.....	\$57.7	\$70.2	\$75.5
Relatively uncontrollable civilian expenditures:			
Major programs.....	24.1	28.3	29.4
Interest.....	12.1	13.5	14.2
Veterans pensions, compensation, and insurance.....	4.2	4.7	4.9
Public assistance grants.....	3.5	3.9	4.2
Farm price supports (Commodity Credit Corporation).....	1.3	1.6	1.6
Postal public service costs and revenue deficit (existing law).....	.8	1.1	1.1
Health insurance payments to trust funds.....		1.0	.9
Legislative and judiciary.....	.3	.4	.4
Other.....	1.8	2.2	2.3
Payments on prior contracts and obligations.....	11.5	14.3	15.3
Relatively controllable civilian expenditures.....	13.6	13.9	14.9
Proposed pay increases.....			1.0
Sale of financial assets.....	-3.0	-3.9	-5.3
Other.....	16.6	17.8	19.2
Total administrative budget expenditures.....	107.0	126.7	135.0

As the table shows, \$75.5 billion, or 56 percent, of total administrative budget expenditures is estimated to be required for national defense in 1968, leaving \$59.5 billion for nondefense purposes. Of this nondefense portion, \$29.4 billion—22 percent of the total—is for programs for which payments under existing law are relatively un-