NAM's established policy attitudes regarding these forms of backdoor financing are: first, disapproval of by-passes of the appropriation process; and second, belief that proceeds from sale of assets should be treated as non-tax receipts in the budget, rather than as offsets to expenditures.

Trends in non-defense spending

To show the *full* level of the financing of federal programs, the gross expenditures of activities carried out in the public enterprise funds, any transfers of cost to trust funds, and the programed level of administrative budget accounts or obligations must be pulled together. None of the "three" budgets do this. The consolidated cash basis comes closest, but only by rather summarized items. In order to show this full scope and cost development of Great Society programing, a tabulation of the various budget accounts involved is presented here with sub-totals by broad categories. (See the summary tables and detailed tables I–VII immediately following this commentary.)

Here are key figures covering the development period of the Great Society:

[Dollar amounts in millions]

	Number	1963	1968 estimate
Welfare oriented programs	21	$3,853	$7,914
Health programs	10	509	1,724
Education programs	16	602	4,116
Economic development programs	22	226	514
Employment opportunity programs	8	161	830
Community development	25	423	1,583
Miscellaneous programs	3	321	557
Total	105	6,081	[1] 17,238

[1] Up by 184 percent.

Last year at this time program costs of the various Great Society accounts totalled $15.1 billion. The spending authority requested to cover these program costs is $17.4 billion. But the administrative budget totals from them are only $12.6. The difference represents program costs carried *outside* the regular budget in enterprise or trust accounts.

The hard-core programs of the Great Society are intergovernmental in nature. They provide funds by grant or loans to states and communities to carry out programs. These programs are more and more being initiated and controlled by the federal government. The trend is toward centralized planning-programing-financing by the federal government with dollars and directives to the agencies carrying out the programs at the community level. The multiplicity of these programs in itself tends to minimize potential for greater control and responsibility at state level. There is generally no single focus at state level for coordination of responsibility. The many direct federal-local programs, which in effect by-pass the states, also work against a stronger or independent state position.

Indication of this trend is especially clear in the area of public assistance. The budget detail says:

> Legislation will be proposed *to assure* that public assistance payments more nearly meet the economic needs of recipients, *to require* all States to provide assistance to families with children who are impoverished because of unemployment of a parent, to provide incentives for employment, and to improve work and training programs to help restore recipients to independence. (emphasis added)

Further evidence comes in the President's Economic Message—which is worth quoting at length:

> Completely new proposals for guaranteeing minimum incomes are now under discussion. They range from a "negative income tax" to a complete restructuring of Public Assistance to a program of residual public employment for all who lack private jobs. Their advocates include some of the sturdiest defenders of free enterprise. These plans may or may not prove to be practicable at any time. And they are almost surely beyond our means at this time. But we must examine any plan, however unconventional, which could promise a major advance. I intend to establish a