tures by government even if no new programs were introduced, but the same ones were continued. Second, the rise in the price level has taken its toll on the public purse as well as on the private purse. While the Gross National Product has increased almost threefold from 1948 to 1966 ($258 billion to $743 billion), when adjusted for price changes[1] this rate of expansion is reduced to one-half ($324 billion to $653 billion). Nonetheless, even when both these adjustments are made we find that federal government expenditures have more than doubled during the twenty-year period under study. As noted earlier, this increase is in major part attributable to new programs that have been introduced and to the enlargement of existing ones. Stated somewhat differently, new programs are continually being introduced and, once adopted, they rarely end.

B. A Look in Detail

To quickly summarize the expenditures of the federal government by functional groupings, the following table compares budget expenditures for fiscal year 1948 with budget and trust fund outlays for fiscal year 1968 and shows the percentage increases over this twenty-year period. The functions are listed in descending order according to total dollar expenditures (column (4)).

TABLE 1.—FEDERAL GOVERNMENT EXPENDITURES 1948 AND 1968[1]

[Dollar amounts in billions]

Function	1948 Administrative budget (1)	1968 Administrative budget[2] (2)	Trust funds[3] (3)	Total (4)	Percent increase, 1948–68 (5)
National defense	$10.9	$79.5	$1.4	$80.9	642
Health, labor, and welfare	1.8	11.9	37.1	49.0	2,622
Interest	5.2	14.9		14.9	186
Commerce and transportation	1.0	3.3	3.7	7.0	600
Veterans	6.6	6.2	.6	6.8	3
Space research and technology		5.3		5.3	∞
Agriculture and agricultural resources	.6	3.6	1.2	4.8	700
International affairs and finance	4.8	4.3		4.3	−10
Natural resources	1.1	3.5		3.5	218
General government	1.5	2.9		2.9	93
Education	.1	2.8		2.8	2,700
Housing and community development	.1	1.7	1.0	2.7	2,600
Total	33.7	139.9	[4] 45.0	184.9	

[1] Data are for fiscal years ending June 30 and are taken from "The Budget of the United States Government, 1968."

[2] "1968 administrative budget" estimates in col. (2) incorporate revisions contained tn the "Summer Review of the 1968 Budget," issued by the Bureau of the Budget on Aug. 17, 1967.

[3] Data for trust funds for 1948 were not readily available. In those few cases where such funds were significant in 1948, comparisons between 1948 and 1968 would be, of course, somewhat overstated.

[4] Actual total for trust funds in the 1968 budget was $44,500,000,000. Figure in the table does not include certain trust funds listed in the budget in the "All other" category and does not allow for deduction for interfund transactions.

The Nondefense Picture

Health, labor, and welfare.—When trust funds are added to the administrative budget estimate for 1968 in this category, the total expenditure of $49.0 billion for this function looms as the largest nondefense outlay in federal spending, accounting for 47.1 percent of nonmilitary expenditures. Federal government spending on health, labor, and welfare programs skyrocketed from $1.8 billion in 1948 to $49.0 billion in 1968, a twenty-six fold increase over these two decades. Nor has there been any slackening in this pace; expenditures increased $15.0 billion between 1966 and the estimate for 1968.

Outlays in this category cover a wide range of programs administered by the Department of Health, Education and Welfare. In addition to social insurance and welfare expenditures these include the manpower training, air pollution control, antipoverty and food stamp programs. In this connection it is interesting to note that new programs and expanded coverage under social security have increased these funds to the point where they are by far the largest single item in the entire nondefense budget.

Interest on the federal debt.—Interest expenditures on the federal debt increased from $5.2 billion in 1948 to an estimated $14.9 billion in 1968 as the debt itself rose from $252 billion to a recent estimate of some $337 billion during this

[1] 1958 prices.