

Targets have now been given to the agencies, representing the best current judgment as to the magnitudes of the reductions which will be required. While they are the basis for present planning, they are, of course, subject to adjustment for differences from the current assumptions on final congressional action and for other unforeseeable developments. The outlay amounts for each agency are shown in table 7. The following table presents an overall summary of the effect of Public Law 90-364 on budget outlays.

TABLE 4.—BUDGET OUTLAYS IN FISCAL YEAR 1969—SUMMARY OF EFFECT OF PUBLIC LAW 90-364

[In billions of dollars]

Description	January estimate	Current estimate	Change
Programs excepted from Public Law 90-364 limitation:			
Special support of Vietnam operations.....	26.3	28.6	+2.3
Interest.....	14.4	15.3	+.9
Veterans benefits and services.....	7.3	7.7	+.4
Social Security Act trust funds.....	36.0	36.7	+.7
Old-age and survivors insurance.....	(24.6)	(24.7)	(+.1)
Disability insurance.....	(2.6)	(2.7)	(+.1)
Health insurance.....	(5.8)	(6.3)	(+.5)
Unemployment insurance.....	(3.1)	(3.1)	(+.1)
TVA (portion financed from power proceeds and borrowing).....	.1	.1	(¹)
Subtotal, excepted programs.....	84.1	88.5	+4.4
Remainder—Covered by Public Law 90-364 limitation.....	101.9	95.9	-6.0
Total.....	186.1	184.4	-1.7
Increase due to reestimates.....			(+5.0)
Reduction estimated from congressional action.....			(-3.1)
Presidential Public Law 90-364 reductions.....			(-3.5)

¹ Less than \$50,000,000 increase.

Note: Details in the table may not add to totals due to rounding.

For the budget as a whole, a reduction of \$1.7 billion is estimated for total outlays. This change includes upward reestimates of \$5 billion, mostly in programs excepted from the spending limitation. The best judgment at this time is that congressional action will result in a reduction of \$3.1 billion, including \$2.1 billion for the Department of Defense and military assistance. To attain the reduction required under Public Law 90-364, it will be necessary for the President to make further cutbacks totaling \$3.5 billion. An allowance of \$300 million is included in the current estimates to provide for possible future increases not now foreseen.

As table 4 shows, estimated outlays for the group of programs excepted from the terms of the act are up by \$4.4 billion from the estimate made last January. The largest single increase is \$2.3 billion for special Vietnam support, with defense outlays up slightly less than the amount announced on March 31, and AID outlays in Vietnam also down somewhat. Interest outlays are now estimated above the amount included in the January budget, because of higher interest rates and because the debt at the start of the fiscal year was at a higher level than originally assumed. Veterans' benefits will be higher than estimated last January, mainly because Congress enacted more costly compensation and pension rate increases than had been proposed and did not enact certain reforms in veterans' programs recommended by the President. Outlays of the Social Security Act trust funds are also revised upward, mostly for medicare.