

Federal Grants, 1963-64

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THE FEDERAL grant-in-aid as a fiscal device for achieving program objectives, first through government channels and later directly to individuals and institutions, has a history almost as long as that of the Nation. The modern allocation-formula grant with matching requirements for the recipient State or local government, however, made its appearance only as recently as the First World War, in the Federal Aid Road Act of 1916 and the Smith-Hughes (vocational education) Act of 1917. An even more recent development, the project grant, began to receive increasing emphasis in the middle fifties, and most of the newer grant programs have been project grants in which the money is channeled directly to the project receiving assistance.

I. Grants to States and Localities

The purpose and financial characteristics of grants-in-aid to State and local governments vary considerably. As used in this section, the term "grants" is confined to grants for cooperative Federal-State or Federal-local programs administered at the State and/or local level, and for those programs in which the bulk of the funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind are included when they conform to this definition. In 1963-64 this definition applied to 57 separate Federal grant programs, which are arranged here in seven groups according to purpose. Excluded from the grant series are reimbursements to States and localities for expenditures incurred by them as agents of the Federal Government in administering programs primarily national in character, shared revenues, and payments in lieu of taxes. Federal aid granted directly to individuals and to public and private institutions is reviewed in the second part of the article.

Federal grants to States and localities reached another of their successive alltime highs in 1963-

64, reaching \$9.8 billion and topping the preceding year's amount by \$1.5 billion or 17 percent. Increases were registered in all seven groups of grants and ranged from 5 percent for the education group to 63 percent for the miscellaneous group. The sharp rise in the latter group was largely accounted for by a sixteen-fold increase, to \$257 million, in the accelerated public works program, new in 1962-63.

First payments were made under two new grant programs in 1963-64. In the public health area, \$3 million was granted for short-term projects to assist States and communities to carry out intensive vaccination programs. Almost \$5 million was granted in 15 States for the acquisition of open-space land for recreational purposes under title VII of the Housing Acts of 1961 and 1964.

More than half—55 percent—of all grants were for social welfare purposes in 1963-64, and almost three-fourths of all social welfare grants were administered in the Department of Health, Education, and Welfare. The Department is the Federal Government's largest grant dispenser; it paid out \$3.9 billion under 30 different programs—about 40 percent of all 1963-64 grants. The Department of Commerce, with \$3.7 billion under four programs, disbursed 37 percent of the total, and the Department of Agriculture, with \$977 million, paid out 10 percent. The Housing and Home Finance Agency and the Department of Labor each disbursed 4 percent of the total. Together, these five agencies accounted for 96 percent of the 1963-64 grants to States and localities. The remaining 4 percent was granted by the six other grant-dispensing agencies in the Federal household: the Department of Defense, the Department of the Interior, the Office of the President, the Federal Aviation Agency, the Small Business Administration, and the Veterans Administration.

The grant money is drawn from two sources—general funds appropriated in the administrative budget and trust funds. For the past few years about 58-60 percent of total grants have been budget funds and the remaining 40-42 percent trust fund money. In 1963-64, 41 percent of all

* Division of Research and Statistics.

TABLE 1.—Federal grants to State and local governments, amount and percent of total grants by purpose, fiscal years 1929-30 through 1963-64¹

[Amounts in millions; on a checks-issued basis]

Fiscal year	All grants	Social welfare												Highway construction ⁷		All other ⁸	
		Total		Public assistance ²		Employment security administration ³		Health services ⁴		Other welfare service ⁵		Education ⁶		Amount	Percent	Amount	Percent
		Amount	Percent of all grants	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent				
1929-30	\$100	\$19	18.8					(?)	(?)	\$1	1.3	\$18	17.6	\$76	75.5	\$6	5.6
1930-31	180	21	11.3							1	.8	19	10.7	154	85.2	6	3.3
1931-32	214	22	10.9							2	.8	20	9.3	186	87.1	6	2.8
1932-33	190	21	10.9							2	.9	19	10.0	163	86.0	6	3.1
1933-34	1,803	20	1.1			\$1				1	.1	18	1.0	222	12.3	1,561	86.6
1934-35	2,197	24	1.1			0.1				2	.1	21	1.0	275	12.5	1,898	86.4
1935-36	1,015	102	10.0	\$28	2.8	3	.3	\$4	0.4	34	3.4	32	3.1	224	22.1	689	67.9
1936-37	818	225	27.5	144	17.6	11	1.4	13	1.6	24	3.0	32	3.9	341	41.6	253	30.9
1937-38	790	359	45.4	216	27.3	46	5.8	15	1.9	40	5.0	42	5.3	217	31.3	184	23.3
1938-39	1,031	439	42.6	247	24.0	63	6.1	15	1.4	71	6.9	43	4.2	192	18.6	400	38.8
1939-40	967	524	54.2	271	28.0	120	12.4	22	2.3	63	7.0	44	4.5	165	17.0	278	28.8
1940-41	915	618	67.5	330	36.0	66	7.2	26	2.8	90	9.9	106	11.6	171	18.7	127	13.8
1941-42	926	687	74.2	375	40.4	74	8.0	29	3.1	65	7.0	144	15.6	158	17.0	81	8.8
1942-43	991	684	69.0	396	39.9	40	4.0	30	3.1	55	5.5	164	16.5	174	17.6	133	13.4
1943-44	983	693	70.6	405	41.2	35	3.6	60	6.1	64	6.5	129	13.1	144	14.7	145	14.8
1944-45	917	693	75.5	410	44.7	34	3.7	79	8.6	74	8.1	96	10.5	87	9.5	137	14.9
1945-46	844	694	82.2	439	52.0	55	6.5	71	8.4	78	9.3	51	6.0	75	8.8	75	8.9
1946-47	1,549	1,295	83.6	614	39.6	99	6.4	63	4.1	461	29.8	58	3.7	199	12.8	55	3.6
1947-48	1,575	1,217	77.2	718	45.6	158	10.0	55	3.5	172	10.9	113	7.2	318	20.2	40	2.6
1948-49	1,836	1,354	73.8	928	50.6	161	8.8	67	3.6	129	7.0	69	3.8	410	22.4	71	3.9
1949-50	2,308	1,715	77.7	1,123	50.9	215	9.7	124	5.6	184	8.3	70	3.2	429	19.4	64	2.9
1950-51	2,250	1,788	79.4	1,186	52.7	176	7.8	174	7.7	172	7.6	80	3.6	400	17.8	62	2.8
1951-52	2,327	1,839	79.0	1,178	50.6	183	7.9	187	8.1	147	6.3	144	6.2	420	18.1	68	2.9
1952-53	2,757	2,147	77.9	1,330	48.2	198	7.2	173	6.3	201	7.3	247	8.9	517	18.8	92	3.3
1953-54	2,956	2,321	78.5	1,438	48.6	200	6.8	140	4.7	308	10.4	235	8.0	538	18.2	96	3.3
1954-55	3,094	2,382	76.9	1,427	46.1	189	6.1	119	3.9	369	11.9	278	9.0	597	19.3	115	3.7
1955-56	3,438	2,589	75.3	1,455	42.3	260	7.6	133	3.9	488	14.2	252	7.3	740	21.5	109	3.2
1956-57	3,933	2,819	71.7	1,556	39.6	320	8.1	163	4.2	526	13.4	254	6.4	955	24.3	159	4.0
1957-58	4,792	3,084	64.4	1,795	37.5	324	6.8	193	4.0	489	10.2	284	5.9	1,519	31.7	189	3.9
1958-59	6,314	3,459	54.7	1,966	31.1	297	4.7	247	3.9	597	9.5	351	5.6	2,614	41.4	240	3.8
1959-60	6,837	3,625	53.0	2,059	30.1	317	4.6	255	3.7	576	8.4	418	6.1	2,942	43.0	270	4.0
1960-61	6,920	3,968	57.3	2,167	31.3	359	5.2	284	4.1	723	10.4	436	6.3	2,623	37.9	329	4.8
1961-62	7,702	4,550	59.1	2,432	31.6	449	5.8	305	4.0	898	11.7	465	6.0	2,783	36.1	369	4.8
1962-63	8,313	4,836	58.2	2,730	32.8	330	4.0	343	4.1	911	11.0	527	6.3	3,023	36.4	454	5.5
1963-64	9,758	5,370	55.0	2,944	30.2	405	4.1	389	4.0	1,093	11.2	540	5.5	3,644	37.3	744	7.6

¹ For most years, on checks-issued basis for most of the programs. For recent years includes small amounts under a few programs to Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific.

² Old-age assistance, aid to families with dependent children, and aid to the blind, 1935-36 to date; aid to the permanently and totally disabled, 1950-51 to date; medical assistance for the aged, 1960-61 to date; and aid to the aged, blind, or disabled, 1963-64, all under the Social Security Act as amended.

³ Unemployment insurance administration under the Social Security Act, 1935-36 to date; employment service administration, 1933-34 to 1942-43 and 1946-47 to date; administration of veterans' unemployment and self-employment allowances, 1947-48 to 1952-53; and (not primarily for administration) distribution to State accounts in unemployment trust fund of certain tax collections, 1955-56 to 1957-58. Beginning 1960-61, employment security administration is paid from the unemployment trust fund.

⁴ Promotion of welfare and hygiene of maternity and infancy, 1929-30; maternal and child health services, services for crippled children, and general public health services, under the Social Security Act, 1935-36 to date; venereal disease control (communicable disease activities, 1960-61), 1940-41 to date; emergency maternity and infant care, 1942-43 to 1948-49 and 1950-51; construction of community facilities, 1944-45 and 1953-54 to 1955-56; tuberculosis control, 1944-45 to date; mental health activities, cancer control, and hospital survey and construction, 1947-48 to date; heart disease control, 1949-50 to date; construction of cancer research facilities, 1949-50 to 1953-54; construction of heart disease research facilities, 1949-50 to 1952-53; industrial waste studies, 1949-50 to 1952-53; emergency poliomyelitis vaccination and liquidation of program, 1955-56 to 1960-61; water pollution control (sanitary engineering, environmental health activities), waste-treatment works construction, and health research construction, 1956-57 to date; chronic diseases and health of the aged, 1961-62 to date, radiological health, 1962-63 to date; and vaccination assistance, 1963-64.

⁵ Vocational rehabilitation, and State and Territorial homes for disabled soldiers and sailors, 1929-30 to date; child welfare services, 1935-36 to date; removal of surplus agricultural commodities under sec. 32 of Act of Aug. 24, 1935, 1935-36 to date; school lunch, and Federal annual contributions to public housing authorities, 1939-40 to date; community war-service day care, 1942-43; veterans' re-use housing, 1946-47 to 1950-51; commodities furnished by the Commodity Credit Corporation, 1949-50 to date; special milk, 1954-55 to date; and Federal share of value of food stamps redeemed under pilot plan, 1961-62 to date.

⁶ Colleges for agriculture and mechanic arts, vocational education, education of the blind, agricultural extension work, State marine schools, 1929-30 to date; Office of Education emergency grants, 1935-36 to 1940-41; training of defense (war production) workers, 1940-41 to 1945-46; maintenance and

operation of schools, 1946-47 to date; veterans' educational facilities, 1947-48 to 1949-50; survey and construction of schools, 1950-51 to date; State and local preparation for White House Conference on Education, 1954-55; library services, 1956-57 to date; defense education activities, 1958-59 to date; and training for education of mentally retarded, 1959-60 to date.

⁷ Cooperative construction of rural post roads, 1929-30 to 1939-40; Federal-aid highways, including regular and emergency, prewar and postwar, and trust fund activities, restoration of roads and bridges, flood relief, secondary and feeder roads, grade-crossing elimination, 1930-31 to date; National Industrial Recovery Act highway activities, 1933-34 to 1943-44, 1946-47 to 1948-49, and 1950-51; Emergency Relief Appropriation Acts activities, 1935-36 to 1943-44 and 1946-47 to 1951-52; access roads, flight strips, strategic highway network and surveys and plans, 1941-42 to 1956-57 and 1958-59; public land highways, 1942-43 to date; payment of claims, 1945-46 to 1951-52; war and emergency damage in Hawaii, 1947-48 to 1955-56; reimbursement of District of Columbia highway fund, 1954-55 and 1957-58; and forest highways, 1957-58 to date.

⁸ Agricultural experiment stations, forestry cooperation including watershed protection and flood prevention, 1929-30 to date; Civil Works Administration, 1933-34; Federal Emergency Relief Administration, 1933-34 to 1937-38; Federal Emergency Administration of Public Works, 1935-34 to 1939-40; Reclamation Service (emergency), 1935-36; wildlife restoration, 1938-39 to date; Public Works Administration and liquidation of program, 1941-42 to 1949-50; war public works, 1941-42 to 1943-44; supply and distribution of farm labor, 1942-43 to 1948-49; community facilities, 1944-45 to 1955-56; public works advance planning, 1946-47 to 1948-49; cooperative projects in marketing, 1948-49 to date; Federal airport program, 1947-48 to date; disaster, drought, and other emergency relief, 1948-49 to date; civil defense, 1951-52 to date; slum clearance and urban redevelopment, 1952-53 to 1954-55; urban planning, urban renewal, 1955-56 to date; National Science Foundation facilities and installations, 1957-58; small business management research, 1958-59 to date; and White House Conference on Aging, 1959-60 and 1960-61; area redevelopment assistance and accelerated public works, 1962-63 to date; and open space land, 1963-64.

⁹ Less than \$50,000 or 0.05 percent.

Sources: *Annual Reports of the Secretary of the Treasury*, and the *Combined Statement of Receipts, Expenditures and Balances of the United States Government*. Grants for the school lunch program from 1939-40 to 1942-43 and for the removal of surplus agricultural commodities from 1935-36 to 1946-47, as reported by the Department of Agriculture; tax collections distributed under title IX of Social Security Act, 1955-56, from unpublished Treasury report; grants for management research in 1958-59, as reported by the Small Business Administration.

Federal grants came from the highway trust fund (\$3.6 billion) and the unemployment trust fund (\$405 million); \$5.8 billion was granted from general funds.

PUBLIC ASSISTANCE

Public assistance grants under the six federally aided categorical programs totaled \$2.9 billion in 1963-64, an increase of 8 percent from 1962-63 and an alltime high. Grants for old-age assistance and medical assistance for the aged together amounted to \$1.4 billion, 9 percent less than in the preceding year, and those for aid to families with dependent children totaled \$1.0 billion or 11 percent more than in 1962-63.

Grants for aid to the blind and aid to the disabled and for the combined program of aid to the aged, the blind, and the disabled came to \$549 million. Of this sum, \$280 million was granted to 11 States under the combined program. For States adopting a combined program, the provision of separate and additional Federal funds for vendor payments for medical care, which was possible previously only for recipients of old-age assistance, is extended to the blind and the disabled.

EMPLOYMENT SECURITY ADMINISTRATION

Grants for employment security administration totaled \$405 million in 1963-64. Although this amount is 22 percent higher than the grants of 1962-63, it is still almost 10 percent less than the alltime high of 1961-62. These figures should not be taken, however, as an accurate reflection of program trends in the administration of State unemployment insurance and State employment services. Rather, they represent merely the timing of advances of funds through the Department of Labor from the Federal unemployment trust fund.

HEALTH SERVICES

Grants for health services (including the construction of hospitals, health research facilities, and waste-treatment works) rose to the highest

sum ever granted for these purposes, \$389 million. The 1963-64 grants were 13 percent higher than those of the preceding year; they were two and three-fourth times the 1953-54 total. An increase was recorded for every program in the group with one exception. Grants for community health practice and research, formerly general health assistance, declined 8 percent from their 1962-63 total to \$15 million. They have averaged \$15-\$17 million a year during the past half-dozen years, with a peak of \$17.9 million in 1960-61.

Many of the year's increases were small, some even fractional. Waste-treatment works construction, however, was up 28 percent to \$66 million; mental health grants rose 38 percent to \$10 million; and grants for chronic diseases and health of the aged more than doubled, going from \$11 million to \$23 million. A new grant program began operations during 1963-64 and disbursed \$3 million for short-term projects to assist States and communities to carry out intensive vaccination programs to protect their populations, especially children under age 5, against poliomyelitis, diphtheria, whooping cough, and tetanus.¹

OTHER WELFARE SERVICES

In 1963-64 the group of grants classified as "other welfare" (welfare programs other than public assistance) reached \$1 billion for the first time. Only about 11 percent—\$117 million—of these grants were administered in the Department of Health, Education, and Welfare. The two departmental programs are child welfare services, for which \$29 million was granted, and vocational rehabilitation, for which \$88 million in grants was distributed. Grants for child welfare services—13 percent higher than in 1962-63—have more than quadrupled in the past decade; they were a scant \$7 million in 1953-54. Vocational rehabilitation grants rose 20 percent in 1963-64; they have doubled and nearly redoubled from their \$23 million level of a decade earlier.

Most of the grants in the group are under the five agricultural commodity distribution programs, two of which are wholly grants-in-

¹ The program was authorized by the Vaccination Assistance Act of 1962, P.L. 87-868, approved October 23, 1962.

kind with funds that are interchangeable as the availability of individual commodities changes. Together these two—removal of surplus (“section 32”) commodities and Commodity Credit Corporation price-support (“section 416”) commodities—distributed domestically foods valued at \$481 million in 1963–64, or 36 percent more than in the preceding year.

All told, under the five programs, \$787 million was granted—almost one-fourth more than the 1962–63 total. The school lunch program, with grants in both money and in kind, accounted for \$179 million and the special milk program for \$97 million, both somewhat higher in 1962–63. The school lunch program in the States also receives surplus-removal and price-support foods. The remaining \$29 million represents the Federal share of the value of food stamps redeemed in the third year of a pilot plan to increase food consumption among low-income persons. Every one of that description, not necessarily assistance recipients, may purchase stamps under the program at 40–60 percent of face value and may use them in their regular stores to purchase any foods they choose.

The “other welfare” group also includes the annual Federal contribution to public housing authorities, which totaled \$182 million in 1963–64, or 7 percent more than in the preceding year, and the grants for State homes for soldiers and sailors, which have remained at about \$7 million for several years.

EDUCATION

A total of \$540 million was granted in 1963–64 for the 10 education programs; eight of the 10 are administered in the Department of Health, Education, and Welfare and accounted for 86 percent of that year’s education grants. The largest increase from 1962–63 was in grants for National Defense Education Act activities, which rose 35 percent to \$84 million.

Grants for school construction in “federally impacted” areas declined 27 percent to \$39 million, but school-maintenance grants in these areas rose slightly to \$283 million in 1963–64. The two closely allied programs of school construction and maintenance are designed to relieve the financial burden on school systems serving families

living on or employed on Federal property. The construction grants began in 1950–51, reached a peak of \$121 million in 1954–55, and have gradually declined to the present alltime low. The maintenance grants began in 1946–47 and have continued their growth to the present alltime high. In 1963–64, however, the 2.5-percent increase in maintenance grants was more than offset by the decrease in construction grants, with the result that together the two totaled \$7 million less than in the preceding year. In 1963–64 the two programs together represented 68 percent of education grants made by the Department of Health, Education, and Welfare and 59 percent of total education grants; in 1962–63 they had accounted for 72 percent of the Department’s education grants and 63 percent of all education grants. Fractional changes were shown for all the Department’s other education grants but those to colleges of agriculture and mechanic arts, which remained at \$14.5 million for the third year in a row.

In 1963–64, grants for agricultural extension work increased 17 percent to \$75 million, or nearly two and one-half times their size a decade earlier, and the grants to five States for merchant marine training schools increased somewhat to \$621,000.

TOTAL GRANTS FOR SOCIAL WELFARE PURPOSES

All the grant groups discussed up to this point fall into the general category of social welfare: public assistance, employment security administration, health, other welfare services, and education. In 1963–64, grants for these social welfare purposes amounted to \$5.4 billion or 55 percent of all Federal grants to States and localities—11 percent more than in 1962–63 and 131 percent more than in 1953–54.

The social welfare grants for each State are shown in table 2. The States have been ranked by per capita personal income—averaged for 3 years as required in many of the grant formulas to dampen the effect of single-year fluctuations—and divided into high-, low-, and middle-income groups. Social welfare grants represented 56 percent of all the Federal grants disbursed in the high-income group; they were 50 percent of total grants paid out to the middle-income States

and 56 percent in the low-income group. In 1962-63 the relationship was roughly the same. It might have been expected that the poorer States would have been the largest recipients of social welfare grants and the richer States the smallest. Up to a point, however, relatively large expendi-

tures for public assistance result in relatively high Federal grants because of the Federal matching of State expenditures, and the high-income States did receive the largest share—in dollars as well as proportionately—of public assistance grants.

TABLE 2.—Federal grants to State and local governments, amounts and percent of total grants, by purpose, fiscal year 1963-64
[Amounts in thousands]

States ranked by 1961-63 average per capita personal income	All grants	Social welfare									Highway construction		All other
		Total		Public assistance		Employment security administration	Health services	Other welfare services	Education		Amount	Percent of all grants	
		Amount	Percent of all grants	Amount	Percent of all grants				Amount	Percent of all grants			
Total ¹	\$9,758,280	\$5,370,277	55.0	\$2,944,052	30.2	\$404,642	\$388,928	\$1,092,767	\$539,889	5.5	\$3,644,174	37.3	\$743,829
United States ²	9,675,148	5,307,684	54.9	2,931,174	30.3	401,360	381,216	1,058,420	535,514	5.5	3,637,486	37.6	729,977
High-income group	4,357,575	2,420,038	55.5	1,422,581	32.6	227,400	143,799	391,925	234,335	5.4	1,620,375	37.2	317,162
District of Columbia	61,651	24,978	40.5	10,227	16.6	3,406	3,608	6,572	1,166	1.9	33,790	54.8	2,882
Delaware	22,802	11,217	49.2	3,754	16.5	979	1,680	2,762	2,042	9.0	9,893	43.4	1,691
Nevada	46,107	11,922	25.9	3,333	7.2	1,933	1,449	1,086	4,121	8.9	32,275	70.0	1,910
Connecticut	133,000	56,019	42.1	32,643	24.5	5,961	3,077	9,643	4,695	3.5	53,427	40.2	23,554
New York	665,136	435,607	65.5	249,824	37.6	55,915	23,284	87,294	19,290	2.9	175,872	26.4	53,657
California	909,171	570,718	62.8	392,066	43.1	46,044	21,328	46,860	64,421	7.1	300,322	33.0	38,132
Illinois	451,451	228,777	50.7	138,532	30.7	19,384	12,506	44,279	14,017	3.1	195,452	43.3	27,222
New Jersey	200,884	111,900	55.7	49,078	24.4	16,693	8,852	25,899	11,379	5.7	65,471	32.6	23,513
Massachusetts	256,454	164,676	64.2	103,878	40.5	15,952	10,019	22,317	12,511	4.9	71,149	27.7	20,629
Alaska	79,935	20,391	25.5	2,891	3.6	1,806	1,603	1,064	13,027	16.3	47,985	60.0	11,559
Maryland	126,893	77,664	61.2	30,247	23.8	6,201	6,619	14,578	20,020	15.8	40,242	31.7	8,986
Washington	182,235	99,180	54.4	58,180	31.9	7,756	6,352	14,696	12,196	6.7	71,316	39.1	11,740
Colorado	126,555	76,846	60.7	45,400	35.9	4,542	5,504	9,919	11,480	9.1	44,006	34.8	5,703
Ohio	445,148	196,953	44.2	109,684	24.6	16,288	11,603	41,977	17,400	3.9	222,618	50.0	25,577
Hawaii	33,527	21,987	65.6	6,342	18.9	1,662	3,356	3,687	6,939	20.7	8,657	25.8	2,884
Michigan	365,489	159,295	43.6	83,402	22.8	15,694	13,078	36,948	10,174	2.8	161,303	44.1	44,891
Missouri	251,139	151,910	60.5	103,100	41.1	7,185	9,822	22,345	9,457	3.8	86,599	34.5	12,630
Middle-income group	2,555,642	1,270,959	49.7	673,924	26.4	100,429	114,053	247,552	135,001	5.3	1,090,962	42.7	193,790
Oregon	130,313	45,071	34.6	23,285	17.9	4,980	4,393	8,393	4,020	3.1	76,221	58.5	9,020
Wyoming	46,768	8,644	18.5	3,176	6.8	1,221	696	1,623	1,929	4.1	36,466	78.0	1,658
Pennsylvania	482,853	276,548	57.3	142,123	29.4	26,744	21,324	71,398	14,958	3.1	146,716	30.4	59,589
Indiana	162,830	66,312	40.7	29,170	17.9	5,796	7,890	16,466	6,990	4.3	84,312	51.8	12,206
Rhode Island	57,247	26,676	46.6	12,747	22.3	3,705	2,499	4,313	3,412	6.0	17,861	31.2	12,710
Wisconsin	145,229	74,327	51.2	37,442	25.8	5,321	9,047	16,874	5,643	3.9	59,362	40.9	11,539
Nebraska	77,111	33,182	43.0	15,976	20.7	2,092	4,028	4,548	6,538	8.5	30,237	50.9	4,692
New Hampshire	35,719	14,603	40.9	5,140	14.4	1,505	2,299	2,978	2,681	7.5	18,188	50.9	2,928
Minnesota	177,996	83,181	46.7	46,226	26.0	5,559	8,094	17,612	5,690	3.2	84,726	47.6	10,088
Kansas	107,521	56,437	52.5	29,509	27.4	3,010	5,931	8,276	9,711	9.0	44,376	41.3	6,709
Iowa	123,872	64,209	51.8	34,820	28.1	3,853	6,271	12,844	6,422	5.2	53,641	43.3	6,023
Montana	73,000	18,191	24.9	6,540	9.0	2,048	2,033	2,965	4,606	6.3	51,984	71.2	2,825
Arizona	91,509	46,070	50.3	20,873	22.8	5,206	3,061	6,908	10,025	11.0	41,872	45.8	3,568
Utah	78,149	31,777	40.7	13,866	17.7	3,873	2,778	4,695	6,565	8.4	42,679	54.6	3,093
Florida	241,531	133,833	55.4	74,643	30.9	7,673	10,684	24,336	16,497	6.8	93,030	38.5	14,669
Vermont	34,941	12,918	37.0	6,022	17.2	1,198	2,444	2,114	1,139	3.3	20,335	58.2	1,989
Texas	489,053	276,983	57.0	172,366	35.2	16,647	20,583	41,211	28,177	5.8	179,956	36.8	30,114
Low-income group	2,615,451	1,476,145	56.4	834,670	31.9	62,898	123,113	308,969	149,496	5.7	920,212	35.2	219,094
Virginia	209,810	85,309	40.7	26,742	12.7	3,802	9,731	20,215	24,819	11.8	114,467	54.6	10,035
Maine	60,383	32,200	53.3	17,214	28.5	1,936	4,566	4,307	4,178	6.9	23,991	39.7	4,191
North Dakota	54,503	21,233	39.0	9,732	17.9	1,524	2,984	3,080	3,912	7.2	30,231	55.5	3,039
Oklahoma	215,514	145,116	67.3	98,532	45.7	5,296	6,899	21,454	12,935	6.0	48,429	22.5	21,970
South Dakota	50,232	22,130	39.4	9,280	16.5	1,088	2,389	3,563	5,810	10.3	31,967	56.8	2,135
Idaho	49,447	20,863	42.2	9,498	19.2	2,541	2,221	2,567	4,036	8.2	25,292	51.2	3,292
New Mexico	81,844	41,178	50.3	19,909	24.3	2,292	2,887	8,318	7,772	9.5	36,844	45.0	3,821
West Virginia	116,112	73,763	63.5	43,176	37.2	2,788	5,854	18,452	3,492	3.0	26,843	23.1	15,506
Georgia	243,602	140,280	57.6	79,243	32.5	5,301	10,826	31,001	14,089	5.8	86,933	35.7	16,408
North Carolina	192,141	128,630	66.9	63,325	33.0	7,199	14,829	29,536	13,740	7.2	47,199	24.6	16,312
Kentucky	216,729	109,000	50.3	63,441	29.3	3,936	8,778	25,736	7,109	3.3	76,587	35.3	31,143
Tennessee	218,833	98,306	44.9	48,554	22.2	4,585	8,439	27,732	8,997	4.1	98,715	45.1	21,812
Louisiana	292,470	181,942	62.2	136,435	46.6	4,760	9,012	27,162	4,574	1.6	96,756	33.1	13,773
Alabama	213,211	116,571	54.7	68,251	32.0	4,506	12,759	29,568	11,493	5.4	49,444	23.2	17,191
Arkansas	149,504	82,504	55.2	47,669	31.9	3,785	6,195	18,545	6,311	4.2	49,190	32.9	17,810
South Carolina	100,254	59,769	59.6	28,250	28.2	3,740	7,408	13,348	9,024	9.0	32,257	32.2	8,228
Mississippi	144,863	87,368	60.3	47,418	32.7	3,821	7,538	22,385	6,206	4.3	45,066	31.1	12,429
Outlying areas:													
Guam	316	316	100.0	156	49.4	27	96	36					
Puerto Rico	78,077	59,082	75.8	12,313	15.8	3,101	7,091	32,786	3,891	5.0	6,688	8.6	12,207
Virgin Islands	2,944	1,964	66.7	408	13.8	153	406	838	159	5.4			980
Other	1,795	1,130	63.0	(*)	(*)	(*)	118	687	325	18.1			665

¹ See footnotes to table 1 for programs in each group of grants.
² Includes a small amount undistributed, grants to the outlying areas listed, and grants under a few programs to American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

³ Includes a small amount of undistributed sums.
⁴ Less than \$500,000 or 0.05 percent.
Source: Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1964.

HIGHWAY CONSTRUCTION

Among the grouped Federal grants the largest, for the sixth year in a row, were for highway construction. The \$3.6 billion in grants for this purpose in 1963-64 was 20 percent more than the amount in 1962-63. They represented 37 percent of all Federal grants, about the same proportion as in the 2 preceding years. The Federal-aid highway program, financed from the highway trust fund, accounted for almost all the highway grants.

The gap between highway grants and the next largest group (public assistance) is once again broadening: In 1963-64 highway grants were nearly 25 percent more than those for public assistance. There has been considerable fluctuation in this gap since highway grants first (1958-59) superseded public assistance grants as the largest group. Highway grants have ranged from as much as 43 percent more than the assistance grants in 1959-60 to 11 percent more in 1962-63.

"ALL OTHER" GRANTS

The \$744 million granted in 1963-64 for the miscellany of programs not otherwise classified represents an increase of almost two-thirds for the group. The "all other" group—about 5 percent of total grants in the past few years but almost 8 percent in 1963-64—consists of grants for the agricultural and natural resources conservation programs, urban planning and renewal, airport construction, civil defense and disaster relief, small business management, and accelerated public works. A new program for acquisition of open-land space in urban areas by public authorities began operations in 1963-64 with grants of \$5 million.

The large gain in the miscellaneous group is almost entirely attributable to the increase in grants for accelerated public works from its first to second year of operations. The 1963-64 grants (\$257 million) were more than sixteen times the amount granted in the preceding year. In 1962-63, 37 States and Puerto Rico participated; in 1963-64, all 50 States, Puerto Rico, and the Virgin Islands received grants under the program, which is financed from funds appropriated to the

President. Projects, in depressed areas only, were administered by the Housing and Home Finance Agency (\$172 million); Department of Agriculture (\$2 million); Bureau of Public Roads, Department of Commerce (\$14 million); Department of Interior (\$3 million); and Department of Health, Education, and Welfare (\$65 million). The accent of the law is on acceleration in already existing grant programs. It permits a grant where, for example, an allocation formula under other legislation limits the sum that may be spent on a project, or where an area of activity is not within the regular program's scope. In the Department of Health, Education, and Welfare the grants were used to supplement the Hill-Burton hospital construction program, the waste-treatment plant construction program, and the construction of Indian sanitation facilities, mostly on reservations.

RELATION TO OTHER INDICATORS

Grants per capita are shown in table 3 by State and major purpose. As in table 2, the States are classified by size of per capita income into three groups. Within each group the States vary widely in the amount of Federal grants received per capita. States with low population density, as well as States that spend a great deal from their own resources for federally aided programs, tend to receive more than the national average, whatever their income level. In general, however, somewhat higher grants per capita may be expected in the low-income than in the middle-income States and in the middle-income than in the high-income States; but there is considerable overlap from group to group.

The national average of grants per capita in 1963-64 was \$51.30, with a range of \$294.29 (nearly double that of 1962-63): from \$324.96 in Alaska to \$30.65 in New Jersey. Both are high-income States. If these extremes were eliminated the highest grants would be in Wyoming (\$137.96 per capita), and the lowest in Indiana (\$34.07). Both States are in the middle-income group. Although the highest and lowest per capita recipient States have remained the same for several years, the spread between them widens each year. Minimum allotment provisions in certain of the grant formulas, particularly for

highway construction, raise per capita grants for the more sparsely populated public-land States, most of which still receive a larger proportion of Federal grants for highways than for any other purpose. Alaska and Wyoming fall in this group.

Per capita grants for many programs tend to vary inversely with per capita personal income, since the latter is often used in grant formulas

as a measure of need, a measure of fiscal capacity, or both. The main exception to this observed tendency is in grants for employment security administration, which are generally higher in States with high per capita personal income—the States of greatest economic activity. In 1963–64 these grants averaged \$2.13 per capita for the country as a whole; the average was \$2.43 in the

TABLE 3.—Federal grants in relation to personal income and population, by State and purpose, fiscal year 1963–64¹

States ranked by 1961–63 average per capita personal income	Average per capita personal income, 1961–63	Total grants as percent of personal income, 1963	Per capita grants						
			Total ²	Public assistance	Employment security administration	Health services	Other welfare services	Education	Highway construction
Total ³			\$50.99	\$15.38	\$2.11	\$2.03	\$5.71	\$2.82	\$19.04
United States ⁴	\$2,362	2.10	51.30	15.54	2.13	2.02	5.61	2.84	19.29
High-income group.....		1.65	46.64	15.23	2.43	1.54	4.20	2.51	17.34
District of Columbia.....	3,182	2.33	77.26	12.82	4.27	4.52	8.24	1.46	42.34
Delaware.....	3,153	1.45	47.50	7.82	2.04	3.50	5.75	4.25	20.61
Nevada.....	3,138	3.70	118.53	8.57	4.97	3.72	2.79	10.59	82.97
Connecticut.....	3,072	1.57	48.99	12.02	2.20	1.13	3.55	1.73	19.68
New York.....	2,924	1.25	37.59	14.12	3.16	1.22	4.93	1.09	9.94
California.....	2,882	1.74	51.84	22.35	2.63	1.22	2.67	3.67	17.12
Illinois.....	2,844	1.50	43.48	13.34	1.87	1.21	4.26	1.35	18.83
New Jersey.....	2,836	1.07	30.65	7.49	2.55	1.35	3.95	1.74	9.99
Massachusetts.....	2,750	1.72	48.42	19.61	3.01	1.89	4.21	2.36	13.43
Alaska.....	2,747	11.35	324.94	11.75	7.34	6.52	4.33	52.96	195.06
Maryland.....	2,652	1.38	37.86	9.02	1.85	1.97	4.35	5.97	12.01
Washington.....	2,435	2.41	61.54	19.65	2.62	2.15	4.96	4.12	24.09
Colorado.....	2,420	2.62	65.98	23.67	2.37	2.87	5.17	5.99	22.94
Ohio.....	2,406	1.77	44.51	10.97	1.63	1.16	4.20	1.74	22.26
Hawaii.....	2,405	2.01	49.02	9.27	2.43	4.91	5.39	10.14	12.66
Michigan.....	2,402	1.77	45.51	10.38	1.95	1.63	4.60	1.27	20.08
Missouri.....	2,400	2.30	57.29	23.52	1.64	2.24	5.10	2.16	19.75
Middle-income group.....		2.09	47.97	12.65	1.88	2.14	4.65	2.53	20.48
Oregon.....	2,398	2.85	70.36	12.57	2.69	2.37	4.53	2.17	41.16
Wyoming.....	2,398	5.61	137.96	9.37	3.60	2.05	4.79	5.69	107.57
Pennsylvania.....	2,369	1.72	42.26	12.44	2.34	1.87	6.25	1.31	12.84
Indiana.....	2,359	1.40	34.07	6.10	1.21	1.65	3.45	1.46	17.64
Rhode Island.....	2,355	2.66	64.18	14.29	4.15	2.80	4.84	3.83	20.02
Wisconsin.....	2,301	1.51	35.72	9.21	1.31	2.22	4.15	1.39	14.60
Nebraska.....	2,256	2.28	52.53	10.88	1.42	2.74	3.10	4.45	26.73
New Hampshire.....	2,238	2.46	55.46	7.98	2.34	3.57	4.62	4.16	28.24
Minnesota.....	2,237	2.18	50.97	13.24	1.59	2.32	5.04	1.63	24.26
Kansas.....	2,204	2.14	48.50	13.31	1.36	2.68	3.73	4.38	20.02
Iowa.....	2,193	1.94	44.96	12.64	1.40	2.28	4.66	2.33	19.47
Montana.....	2,119	4.70	104.14	9.33	2.92	2.90	4.23	6.57	74.16
Arizona.....	2,110	2.74	60.36	13.77	3.43	2.02	4.56	6.61	27.62
Utah.....	2,054	3.75	80.48	14.28	3.99	2.86	4.84	6.76	43.95
Florida.....	2,048	2.02	43.67	13.50	1.39	1.93	4.40	2.98	16.82
Vermont.....	2,040	4.22	86.27	14.87	2.96	6.03	5.22	2.81	60.21
Texas.....	2,020	2.29	47.82	16.85	1.63	2.01	4.03	2.75	17.59
Low-income group.....		3.47	62.41	19.92	1.50	2.94	7.32	3.54	21.96
Virginia.....	1,973	2.36	49.00	6.25	.89	2.27	4.72	5.80	26.73
Maine.....	1,945	3.06	61.24	17.46	1.96	4.63	4.37	4.24	24.33
North Dakota.....	1,937	4.19	84.50	15.09	2.36	4.63	4.78	6.07	46.87
Oklahoma.....	1,915	4.44	88.29	40.37	2.17	2.83	8.79	5.30	19.84
South Dakota.....	1,912	4.05	79.42	13.11	1.54	3.37	5.03	8.21	45.15
Idaho.....	1,885	3.62	71.98	13.83	3.70	3.23	3.74	5.87	36.82
New Mexico.....	1,877	4.19	83.01	20.19	2.32	2.93	8.44	7.88	37.37
West Virginia.....	1,802	3.47	64.04	23.81	1.54	3.23	10.18	1.93	14.81
Georgia.....	1,752	3.16	57.77	18.79	1.26	2.52	7.35	3.34	20.61
North Carolina.....	1,727	2.23	40.14	13.23	1.50	3.10	6.17	2.87	9.86
Kentucky.....	1,713	3.91	69.33	20.29	1.26	2.81	8.23	2.27	24.50
Tennessee.....	1,699	3.32	58.40	12.96	1.22	2.25	7.40	2.40	26.35
Louisiana.....	1,698	4.82	85.64	39.95	1.39	2.64	7.95	1.34	28.33
Alabama.....	1,566	3.85	63.15	26.14	1.33	3.78	8.76	3.40	14.65
Arkansas.....	1,522	5.01	78.60	25.06	1.99	3.26	9.75	3.32	25.86
South Carolina.....	1,519	2.54	40.04	10.48	1.49	2.96	5.33	3.60	12.88
Mississippi.....	1,305	4.55	63.37	20.74	1.67	3.30	9.79	2.71	19.71
Outlying areas:									
Guam.....			4.72	2.33	.40	1.43	.54		
Puerto Rico.....			30.98	4.89	1.23	2.81	13.01	1.54	2.65
Virgin Islands.....			81.78	11.33	4.25	11.28	23.28	4.42	

¹ See footnotes to table 1 for programs in each group of grants.

² Includes per capita grants for "all other" programs, not shown separately.

³ See footnote 2, table 2.

⁴ See footnote 3, table 2.

Source: Per capita data are based on estimates of the Bureau of the Census for the total population, excluding the Armed Forces overseas, as of July 1, 1963. Personal income data are for calendar years and are from the *Survey of Current Business*, August 1964.

high-income group and only \$1.50 in the low-income States.

Table 3 shows the relative role played by all Federal grants in personal income received in each State. The nationwide average in 1963-64 was 2.10 percent, ranging from 11.35 percent in Alaska to 1.07 percent in New Jersey. Grants in the high-income States averaged 1.65 percent of personal income; in the middle-income group, 2.09 percent; and in the low-income States, 3.47 percent. In 1962-63, total grants were the equivalent of 1.88 percent of personal income.

For the last few years, Federal grants have been the equivalent of 15 percent of State and local general revenues from their own sources.² A decade ago the ratio was only 11 percent, as shown below:

Item	1952-53	1953-54	1959-60	1960-61	1961-62	1962-63
State and local direct general revenues (in millions).....	\$24,437	\$26,046	\$43,530	\$46,907	\$50,381	\$54,169
Federal grants:						
Amount (in millions).....	2,757	2,956	6,837	6,920	7,702	8,313
Ratio to State and local direct general revenues...	11.3	11.3	15.7	14.8	15.2	15.3

Of every dollar of State and local total general revenues in recent years, the States and localities collected 86 cents from their own sources and received 13 cents from the Federal Government in grants.³ In 1952-53, the distribution was 90 cents and 10 cents.

II. Grants to Individuals and Institutions

In 1963-64 the Federal Government granted nearly \$2 billion directly to individuals and institutions,⁴ exceeding by more than \$411 million

² General revenues are classified by source as "from own sources," or direct, and intergovernmental. The great bulk of intergovernmental revenues passes from the Federal Government to the States and localities, mainly in the form of the Federal grants.

³ Less than 1 cent of each revenue dollar came from types of intergovernmental revenue from the Federal Government other than grants: shared taxes, payments in lieu of taxes, and payments for services performed by States or localities on a reimbursement or cost-sharing basis.

⁴ See Sophie R. Dales, "Federal Grants to Individuals and Institutions," *Social Security Bulletin*, September 1962, for the introductory article on this statistical series and for a technical note on sources and methodology.

or 26 percent the total granted in the preceding year and almost double the grants reported for 1954-55. Table 4 shows the sums granted under these programs, by group, for the past 15 years.

Grants to individuals and institutions (referred to here as grants to individuals) include payments to private individuals and to academic and other institutions and agencies, public and private. They do not, of course, include Federal grants to State and local governments or income-maintenance payments made through social insurance and such related programs as training allowances or veterans' pensions and compensation.

All grant groups except veterans' training showed increases from their 1962-63 amounts. The range was from 1/2 of 1 percent for the agriculture and natural resources group (to \$609 million) to 160 percent (to \$241 million) for the National Science Foundation grants for basic research in the physical sciences.

SOCIAL WELFARE GRANTS

Most grants to individuals for social welfare purposes are in the areas of research and training. A relatively small proportion, which is increasing in importance, is granted for such other social welfare purposes as relief of refugees and American repatriates and rural housing.

In 1963-64 more than half of all grants to individuals, 57 percent, were for social welfare purposes. For the first time in a decade, social welfare grants were again more than \$1 billion, and they may be starting a return to their post-war heights. At that time the veterans' education and training grants accounted for the great bulk of grants to individuals. Since then, however, the veterans' programs have shown a downward trend that was not slowed by the addition of a war orphans' education program in 1957. A turning point may now also have been reached in the war orphans' program. These grants had risen steadily—from \$2 million in 1957 to \$26 million in 1962-63—but declined to less than \$25 million in 1963-64. The upward trend in social welfare grants under programs other than those for veterans, however, has now outweighed the decline in veterans' payments and accounts for a constantly increasing proportion of all social welfare grants to individuals.

Research and Training Grants

In table 5 all Federal expenditures for research and training through the fiscal device of grants to individuals have been classified according to purpose. This table also brings together the grants for research in social science and social welfare with research grants in the basic physical and life sciences.

Education and training grants now total considerably less than research grants, largely as a result of the diminution of veterans' training programs and despite the initiation and growth of the programs under the Area Redevelopment Act and the Manpower Development and Training Act. Research grants⁵ totaled 42 percent more than all types of training grants in 1962-63; in

⁵ The checks-issued figures in these tables create an inaccurate picture of program trend in National Science Foundation research grants: 1960-61, \$141 million; 1962-63, \$93 million; 1963-64, \$241 million. The sharp drop is only apparent, not real, but the new heights are real. The figures reflect changed methods of cash disbursements against grants already approved.

1963-64, at \$887 million, they exceeded the latter by 45 percent.

Grants for research in social welfare fields and for education and training of students other than veterans or war orphans reached an alltime peak of \$1 billion in 1963-64, an increase of 38 percent from the preceding year and about twenty times the sum granted for these programs a decade earlier.

Health research and training.—Four-fifths of all social welfare research and training grants (excluding grants for veterans' programs) in 1963-64 were in the area of health. Most of the health programs are administered in the National Institutes of Health and a few—including health construction grants—in other parts of the Public Health Service.

Four new health grant programs began payments in 1963-64: \$1.3 million was granted for vaccination assistance projects (the private institution counterpart of the public program described in part I), \$1 million for environmental health sciences research, \$700,000 for research in

TABLE 4.—Federal grants to individuals and institutions for social welfare and other purposes, fiscal years 1949-50 and 1954-55 through 1963-64

[In thousands]

Fiscal year	Total	Social welfare					National Science Foundation research	Agriculture and natural resources ⁴
		Total	Research and training			Other social welfare ³		
			Total	Veterans ¹	Other ²			
1949-50	\$3,043,473	\$2,726,316	\$2,679,050	\$2,658,759	\$20,291	\$47,265		\$317,157
1954-55	1,076,508	738,126	729,589	676,852	52,717	8,556	\$7,857	330,525
1955-56	1,159,284	8,848,964	842,359	779,318	63,041	6,605	16,543	293,776
1956-57	1,826,809	928,021	922,798	787,775	135,023	5,223	31,490	867,298
1957-58	1,741,534	870,174	865,663	708,335	157,328	4,510	26,074	845,286
1958-59	1,947,256	820,877	816,750	583,063	233,686	4,127	93,004	1,033,335
1959-60	1,419,163	734,588	730,619	390,320	340,299	3,970	93,478	591,097
1960-61	1,414,960	658,237	653,146	242,802	410,344	5,091	110,550	646,173
1961-62	1,495,009	699,806	695,179	147,162	548,017	4,627	140,502	654,701
1962-63	1,566,335	867,818	822,730	92,407	730,323	45,088	92,980	605,536
1963-64	1,977,324	1,127,624	1,070,956	63,751	1,007,205	56,669	241,313	608,887

¹ Subsistence, tuition, and supplies and equipment under the educational titles of the Servicemen's Readjustment Act of 1944, 1949-50 to date, and, under the Veterans' Readjustment Assistance Act of 1952, 1954-55 to date; tuition and supplies and equipment under the Veterans' Rehabilitation Vocational Training Act of 1943 and, under the 1950 extension of that act, 1949-50 to date; supervision of veterans' on-the-job training, 1949-50 to date; payments under the War Orphans' Educational Assistance Act of 1956, 1956-57 to date.

² Research grants and fellowships in the fields of cancer, dental health, heart disease, general health (Division of Research Grants of the National Institutes of Health), and mental health, 1949-50 to date; microbiology, 1954-55; arthritis and metabolic diseases, neurological diseases, and blindness, 1954-55 to date; allergy and infectious diseases, 1955-56 to date. Research in sanitary engineering, 1956-57, and in hospital construction, 1956-57 to date. Training and/or teaching grants in the fields of cancer, heart disease, and mental health, 1949-50 to date; arthritis and metabolic diseases and neurological diseases and blindness, 1954-55 to date; dental health, nursing, general health, sanitary engineering, and general health assistance to States, 1956-57 to date. Health research facilities construction, cooperative education research, and vocational rehabilitation special research projects, 1956-57 to date. Training in allergy and infectious diseases, 1957-58 to date. Beginning 1963-64, research grants in health of the aged and communicable diseases; research and training grants in environmental health sciences; and research, training, and fellowship grants in child health and human development. Education of dependents of river and harbor personnel,

1949-50. Subsistence of merchant marine cadets, vocational rehabilitation training grants, and National Science Foundation fellowships, 1954-55 to date. Atomic Energy Commission fellowships and school assistance, 1956-57 to date. National Defense Education Act activities, 1958-59 to date. Training of teachers of the mentally retarded, 1959-60 to date. Cooperative research and demonstration projects in the field of social security and social welfare, 1960-61 to date, and in child welfare services, 1961-62 to date. Research and/or training grants in the following fields, 1961-62 to date: Maternal and child health services, crippled children's services, accident prevention, community sanitation, chronic diseases and health of the aged, occupational health, radiological health, water supply and pollution. Occupational training facilities and services under the Area Redevelopment Act and the Manpower Development and Training Act, 1962-63 to date.

³ Farm housing repair, 1949-50; specially adapted automobiles for disabled veterans, homes for paraplegic veterans, and gratuities on veterans' housing loans, 1949-50 to date; rural housing, 1961-62 to date; assistance to repatriated U.S. nationals and to refugees in the U.S., 1962-63 to date.

⁴ Flood and disaster relief, 1949-50; agricultural conservation and Sugar Act administration, 1949-50 to date; forest highways, 1949-50 to 1955-56; soil bank and conservation reserve, 1956-57 to date; Great Plains conservation, 1959-60 to date.

Sources: *Annual Reports of the Secretary of the Treasury on the State of the Finances*, *Annual Reports of the Administrator of Veterans Affairs*, and unpublished tables of the Public Health Service.

chronic diseases and geriatric health, and \$17 million for research in child health and human development under the auspices of a new member of the National Institutes of Health family. All four programs make grants for research and for training.

The parent National Institute of Health was created in 1930, and its first categorical Institute (Cancer) in 1937. By 1955 the categorical Institutes had grown to seven; no more have since been added. But in 1963 two more National Institutes were established, both noncategorical—that is, not dealing with a specific disease or diseases. The National Institute of General Medical Sciences was authorized by Congress in October 1962 as the successor to the Division of the same name created 4 years earlier. It supports exclusively extramural research and research training in basic biomedical, multicategorical, and noncategorical medical research fields. Although Institute status is new, a program of grants in these areas had been carried on under the old Division.

The National Institute of Child Health and Human Development, also authorized in October 1962, was established January 30, 1963, with the goal of attaining insight into normal growth and development. The late President Kennedy, who had a strong personal interest in the problems of congenital defects, said when he signed the authorizing legislation October 17, 1962:

We will look to the National Institute of Child Health and Human Development for a concentrated attack on the unsolved health problems of children and mother-infant relationships. This legislation will encourage imaginative

research into the complex processes of human development from conception to old age. It should permit major advances in the conquest of those chronic conditions such as mental retardation and other congenital defects which derive from aberrations in early development. For the first time, we will have an Institute to promote studies directed at the entire life process rather than toward specific diseases or illnesses

The new Institute's grants are for research, training, and fellowships in the eight major program areas surrounding its goal: reproductive biology, perinatal biology, growth and development, aging, mental retardation, congenital malformation, developmental pharmacology, and human communication and sensory development.

Other social welfare research and training.—Slightly less than 5 percent of social welfare research grants in 1963-64 were in areas other than health. The \$28 million granted, however, represented an increase of almost two-fifths from the grants in the preceding year. The largest increase occurred in grants for research in juvenile delinquency and youth problems, which rose two-thirds to \$6.2 million. Grants for two other programs rose 50 percent or more: cooperative research in education (to \$7.7 million), and research and demonstration projects in child welfare services (to \$1.1 million). Grants for cooperative research in social security and social welfare and for special projects in vocational rehabilitation rose about 25 percent each to \$1.2 million and \$12.1 million, respectively.

Social welfare training grants, for persons other than veterans and war orphans and in fields other than health, increased 30 percent in 1963-64 to \$153 million. The greatest part of the \$36 mil-

TABLE 5.—Federal grants to individuals for research and training ¹

(In millions)

Fiscal year	Total	Research				Training			
		Total	Social welfare		National Science Foundation	Total	Veterans	Health	Other
			Health ²	Other					
1949-50	\$2,679.1	\$12.9	\$12.9			\$2,666.2	\$2,658.8	\$6.8	\$6.6
1954-55	737.4	44.1	36.3		\$7.9	693.3	676.9	13.8	2.7
1955-56	858.9	57.3	40.7		16.5	801.6	779.3	17.8	4.5
1956-57	954.3	121.6	87.0	\$3.1	31.5	832.7	787.8	35.9	9.0
1957-58	891.7	131.3	100.0	5.1	26.1	760.5	708.3	37.0	15.1
1958-59	909.8	245.8	147.2	5.5	93.0	664.0	583.1	61.6	19.3
1959-60	824.1	309.9	208.3	8.1	93.5	514.2	390.3	82.6	41.3
1960-61	763.7	358.6	238.1	10.0	110.6	405.1	242.8	101.0	61.2
1961-62	835.7	487.9	334.3	13.1	140.5	347.7	147.2	130.5	70.1
1962-63	915.7	547.1	433.7	20.4	93.0	368.6	92.4	159.0	117.3
1963-64	1,312.3	886.6	616.9	28.4	241.3	425.7	63.8	208.6	153.3

¹ See footnotes to table 4 for programs and sources.

² Includes construction of health research facilities where applicable.

lion increase is accounted for by an increase of \$35 million (21 percent), to \$64 million, in Office of Education payments under the Manpower Development and Training Act. The act is administered jointly by the Office of Education in the Department of Health, Education, and Welfare and by the Department of Labor. (Training allowances, administered by the Department of Labor, are excluded from grants to individuals by definition. For the purpose of this series they are regarded as an income-maintenance program closely related to unemployment insurance.) The 1963 amendments to the act extended the 100-percent Federal financing (of the institutional part of the program only) from June 1964 to June 1965, and the 1965 amendments now take it up to June 1966; the Federal portion will then be 90 percent, matched by 10 percent from the States.

Three new grant programs were instituted during the year, all operated by the Office of Education. Negligible amounts were granted for education of the handicapped and for foreign language and area studies as these programs got underway, but \$1.8 million was granted for educational television. The remaining programs in the group had either very small increases or remained at the same level.

Other Social Welfare Grants

Up to 1962-63 there were only four programs in this series making grants to individuals for social welfare purposes other than research and training. Three are programs for veterans. In 1963-64, \$6.0 million was granted for homes for paraplegics (\$4.7 million) and for automobiles especially adapted for the disabled. The third, 4-percent gratuities on Veterans Administration housing loans, has now diminished to a tag-end (since 1958-59, well below \$1,000). Grants under the fourth program—rural housing—began in 1950, were not made from 1953 to

1962, and are now in their third year of reinstatement. Under this program, grants of up to \$1,000 may be made to owners of rural housing, living on their own places, for the minor repair or improvement of their homes. Almost \$1 million was granted in 1962-63; almost \$10 million in 1963-64.

Two new grant programs—both administered in the Children's Bureau of the Welfare Administration, Department of Health, Education, and Welfare—began payments in 1963-64: \$1.4 million for services for crippled children and \$1.9 million for maternal and child health services. These programs are comparable with those discussed in part I except that the funds pass through other than government channels.

Two programs had also been added in 1962-63. The largest in dollar terms is for assistance to Cuban refugees in the United States. This was not a new program but one then brought under a regular (nonemergency) appropriation. In 1963-64, \$37 million, compared with \$39 million in 1962-63, was expended. The other program is for assistance to repatriated United States nationals—the mentally ill and others. In 1963-64 and in 1962-63, about the same amount—\$400,000—was expended in their behalf.

AGRICULTURE AND NATURAL RESOURCES

Four conservation programs and the Sugar Act payments composed this group in 1963-64. Sugar Act payments rose by more than a fourth to \$87 million, after a 12-percent decline in 1962-63. The conservation payments decreased 3 percent to \$522 million; unexpired contracts under the conservation reserve (former soil bank) program accounted for \$290 million. Under the 2-year-old land-use adjustment program, \$7 million was granted for the conversion of crop land into pasture, forest, wildlife habitat, and income-producing recreational uses, compared with \$4 million in 1962-63.