

Federal Grants, 1961-62

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For many years considerable interest has been focused on the Federal Government's use of the grant mechanism as a means of achieving program objectives in various fields by sharing the cost with State and local governments. Federal grants to States and localities have been reported in the Bulletin for many years. Federal grants to individuals were reported for the first time in 1962. This article presents information about both types of grants.

FEDERAL grants to State and local governments cover only grants for Federal-State and Federal-local programs administered at the State and/or local level and grants for programs in which the greatest part of the Federal funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind have been included when they conform to this definition. The State and local grant series for 1961-62 includes 52 separate Federal programs, classified here in seven groups according to purpose. Reimbursements to the lower levels of government for expenses they incur as agents of the Federal Government in administering programs of primarily national character have been excluded, as have shared revenues.

Federal aid granted directly to individuals and private institutions (called, for brevity, "grants to individuals") does not include income-maintenance payments through social insurance or such related programs as veterans' pensions and compensation.

I. Grants to States and Localities

In the fiscal year 1961-62, Federal grants to the States and localities amounted to \$7.7 billion, \$782 million or 11 percent more than in 1960-61. Two new grant programs were introduced dur-

ing the year.¹ One, included with "health services," is for chronic diseases and health of the aged; the second, grouped with "other welfare services," is a surplus food stamp program—operated on a pilot-plan basis in 1961-62. Increases occurred in all groups of grants and ranged from 6 percent for highway construction to 25 percent for employment security administration. Table 1 shows the growth of Federal grants since the fiscal year 1929-30, and table 2 their distribution among the States in 1961-62.

PUBLIC ASSISTANCE

Federal grants during 1961-62 for the five categorical public assistance programs amounted to \$2.4 billion, an increase for the year of 12 percent. Under the program of medical assistance for the aged, authorized by the 1960 amendments to the Social Security Act, nearly \$119 million was paid to 24 States. The nine States participating in 1960-61 had received an aggregate of \$20 million for medical assistance to the aged.

Total public assistance grants were smaller than total highway construction grants for the fourth successive year. Grants for assistance—less important in the overall grant total now than they once were—remained at about one-third of all grants.

EMPLOYMENT SECURITY ADMINISTRATION

A 25-percent rise in 1961-62 in the amount granted for employment security administration brought the total for this item to \$449 million.

¹ A third program, introduced in the fiscal year 1961-62, provides for grants to the States and localities under the Area Redevelopment Act of 1961. It is not included in this part of the review because data on a State basis were not available at the publication deadline. One program under the act (retraining subsistence payments, administered by the Department of Labor) has been included, however, in the second part of this article, with the grants to individuals.

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The increase was the largest shown by any of the grant groups. The grants, which are for administration of State unemployment insurance and State employment services, come from the unemployment trust fund.

HEALTH SERVICES

Grants for health services amounted to \$30 million in 1961-62—8 percent more than in 1960-61. Grants for the control of venereal disease,

TABLE 1.—Federal grants to State and local governments, amount and percent of total grants by purpose, fiscal years 1929-30 through 1961-62

[Amounts in thousands on a checks-issued basis]

Fiscal year	Total	Public assistance ¹		Employment security administration ²		Health services ³		Other welfare services ⁴		Education ⁵		Highway construction ⁶		All other ⁷	
		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1929-30	\$100,499					\$10	(8)	\$1,296	1.3	\$17,647	17.6	\$75,881	75.5	\$5,666	5.6
1930-31	180,282							1,406	.8	19,274	10.7	153,637	85.2	5,965	3.3
1931-32	213,879							1,672	.8	19,907	9.3	186,280	87.1	6,020	2.8
1932-33	190,052							1,710	.9	19,058	10.0	163,398	86.0	5,885	3.1
1933-34	1,862,703			\$616	(8)			1,382	.1	18,076	1.0	221,715	12.3	1,560,914	86.6
1934-35	2,196,577			1,257	0.1			1,516	.1	21,302	1.0	274,668	12.5	1,897,833	86.4
1935-36	1,014,656	\$28,424	2.8	3,068	.3	4,389	0.4	34,117	3.4	31,937	3.1	224,073	22.1	688,649	67.9
1936-37	818,434	143,934	17.6	11,484	1.4	12,758	1.6	24,489	3.0	32,044	3.9	320,717	41.6	253,007	30.9
1937-38	790,392	216,074	27.3	45,939	5.8	15,329	1.9	39,655	5.0	41,877	5.3	247,024	31.3	184,494	23.3
1938-39	1,030,576	246,898	24.0	62,858	6.1	14,754	1.4	71,493	6.9	43,233	4.2	191,572	18.6	399,768	38.8
1939-40	967,073	271,131	28.0	119,852	12.4	21,873	2.3	67,581	7.0	43,663	4.5	164,517	17.0	278,456	28.8
1940-41	915,357	329,845	36.0	65,632	7.2	25,869	2.8	90,255	9.9	105,978	11.6	171,042	18.7	126,737	13.8
1941-42	926,221	374,568	40.4	74,034	8.0	29,057	3.1	64,947	7.0	144,361	15.6	157,911	17.0	81,342	8.8
1942-43	991,212	395,623	39.9	39,800	4.0	30,396	3.1	54,518	5.5	163,812	16.5	174,323	17.6	132,739	13.4
1943-44	982,700	404,942	41.2	35,229	3.6	60,223	6.1	64,109	6.5	128,832	13.1	144,120	14.7	145,246	14.8
1944-45	917,065	409,985	44.7	33,730	3.7	78,555	8.6	73,978	8.1	96,414	10.5	87,429	9.5	136,974	14.9
1945-46	843,721	439,132	52.0	54,547	6.5	71,169	8.4	78,233	9.3	50,633	6.0	74,529	8.8	75,479	8.9
1946-47	1,548,896	613,831	39.6	99,252	6.4	63,134	4.1	460,934	29.8	57,600	3.7	198,774	12.8	55,371	3.6
1947-48	1,575,944	718,359	45.6	157,744	10.0	55,309	3.5	171,888	10.9	113,255	7.2	318,457	20.2	40,383	2.6
1948-49	1,835,544	927,897	50.6	161,138	8.8	66,647	3.6	129,125	7.0	68,988	3.8	410,397	22.4	71,353	3.9
1949-50	2,208,019	1,123,418	50.9	214,526	9.7	123,831	5.6	183,553	8.3	69,861	3.2	428,750	19.4	64,049	2.9
1950-51	2,250,127	1,185,764	52.7	175,642	7.8	174,342	7.7	171,707	7.6	80,265	3.6	400,050	17.8	62,358	2.8
1951-52	2,326,998	1,177,688	50.6	183,157	7.9	187,361	8.1	147,143	6.3	143,503	6.2	420,135	18.1	68,011	2.9
1952-53	2,756,829	1,329,933	48.2	197,537	7.2	172,810	6.3	200,522	7.3	246,691	8.9	517,311	18.8	92,025	3.3
1953-54	2,956,155	1,437,516	48.6	200,136	6.8	140,233	4.7	308,312	10.4	235,231	8.0	538,496	18.2	96,231	3.3
1954-55	3,093,925	1,426,599	46.1	188,898	6.1	119,194	3.9	369,254	11.9	277,839	9.0	596,699	19.3	115,442	3.7
1955-56	3,438,225	1,455,275	42.3	260,347	7.6	133,166	3.9	488,281	14.2	252,066	7.3	739,997	21.5	109,073	3.2
1956-57	3,933,005	1,556,422	39.6	319,511	8.1	163,249	4.2	526,288	13.4	253,562	6.4	954,733	24.3	159,240	4.0
1957-58	4,791,833	1,794,687	37.5	324,135	6.8	192,610	4.0	489,275	10.2	283,893	5.9	1,518,520	31.7	188,915	3.9
1958-59	6,313,504	1,966,394	31.1	297,261	4.7	247,371	3.9	597,330	9.5	350,979	5.6	2,613,897	41.4	240,272	3.8
1959-60	6,836,590	2,058,896	30.1	317,156	4.6	254,746	3.7	575,872	8.4	417,878	6.1	2,941,652	43.0	270,389	4.0
1960-61	6,920,005	2,166,986	31.3	358,552	5.2	283,871	4.1	722,544	10.4	436,348	6.3	2,622,587	37.9	329,115	4.8
1961-62	7,701,987	2,432,141	31.6	448,725	5.8	305,399	4.0	898,370	11.7	465,183	6.0	2,782,840	36.1	369,329	4.8

¹ Old-age assistance, aid to dependent children, and aid to the blind, 1935-36 to date; aid to the permanently and totally disabled, 1950-51 to date; and, beginning 1960-61, medical assistance for the aged; all under the Social Security Act as amended.

² 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 insurance trust fund of certain tax collections, 1955-56 to 1957-58. Beginning 1960-61, employment security administration is paid from the unemployment trust fund.

³ 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, 1953-56 to 1960-61; water pollution control (sanitary engineering, environmental health activities), waste treatment works construction, and health research construction, 1956-57 to date; and chronic diseases and health of the aged, 1961-62.

⁴ 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; school milk, 1954-55 to date; and food-stamp distribution, 1961-62.

⁵ 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.

⁶ 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.

⁷ 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, 1933-34 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.

⁸ Less than 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 Small Business Administration.

tuberculosis, and cancer remained at their 1960-61 level, and those for general community health assistance and for construction of waste-treatment works were somewhat less than the 1960-61 amounts. The \$1 million granted for construction of health research facilities amounted to no more

than half their 1960-61 total. Grants for water-pollution control and other environmental health activities advanced 60 percent to \$4.3 million. The amounts granted for maternal and child health services increased 32 percent; grants for services to crippled children 22 percent.

TABLE 2.—Federal grants to State and local governments, by State and purpose,¹ fiscal year 1961-62

[In thousands]

States ranked by 1959-61 average per capita personal income	Total	Social welfare								Highway construction		All other
		Total amount	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			
Total ²	\$7,701,987	\$4,549,818	\$2,432,141	31.6	\$448,725	\$305,399	\$898,370	\$465,183	6.0	\$2,782,840	36.1	\$369,329
United States ³	7,639,000	4,495,158	2,422,762	31.7	445,739	297,589	869,016	460,051	6.0	2,779,132	36.4	364,709
High-income group.....	3,293,528	1,907,247	1,036,323	31.5	246,420	102,247	329,054	193,203	5.9	1,220,127	37.0	166,154
District of Columbia.....	46,821	21,723	10,271	21.9	2,716	2,003	6,383	350	7	19,169	40.9	5,929
Delaware.....	15,596	9,495	2,962	19.0	1,071	1,545	2,441	1,474	9.5	4,701	30.1	1,400
Nevada.....	27,806	9,797	2,864	10.3	1,887	1,529	733	2,785	10.0	16,277	58.5	1,732
Connecticut.....	88,194	44,289	21,393	24.3	6,988	2,465	8,401	5,042	5.7	34,161	38.7	9,744
New York.....	548,349	383,728	211,384	38.5	62,482	17,086	76,025	16,751	3.1	141,664	25.8	22,957
California.....	724,210	421,890	262,802	36.3	53,054	14,303	40,771	50,961	7.0	275,234	38.0	27,086
Alaska.....	37,368	17,641	1,881	5.0	1,885	4,355	717	8,802	23.6	16,174	43.3	3,554
New Jersey.....	169,675	87,457	34,594	20.4	16,714	5,705	21,060	9,384	5.5	69,907	41.2	12,311
Illinois.....	359,449	201,576	121,734	33.9	20,242	9,988	38,265	11,347	3.2	141,833	39.5	16,040
Massachusetts.....	199,968	132,275	79,055	39.5	15,645	6,125	18,988	12,463	6.2	61,349	39.7	6,344
Maryland.....	113,858	59,363	29,597	19.8	7,173	5,275	12,110	12,210	10.7	44,354	39.0	10,140
Ohio.....	306,974	176,299	95,293	26.0	19,933	10,992	35,558	14,614	4.0	175,432	47.8	15,243
Washington.....	143,856	83,250	44,870	31.2	8,249	3,862	13,596	12,673	8.8	56,447	39.2	4,159
Colorado.....	104,911	68,392	41,542	39.6	4,712	3,717	7,651	10,771	10.3	32,857	31.3	3,663
Michigan.....	275,685	159,218	75,197	27.3	20,844	9,882	41,954	11,341	4.1	98,914	35.9	17,553
Illinois.....	33,454	22,376	4,957	14.8	1,617	2,526	3,026	10,249	30.6	3,902	11.7	7,176
Illinois.....	37,354	8,477	2,929	7.8	1,208	978	1,377	1,986	5.3	27,751	74.3	1,125
Middle-income group.....	2,177,811	1,225,295	657,852	30.2	119,705	94,137	238,216	115,386	5.3	841,697	38.6	110,819
Pennsylvania.....	359,111	232,461	108,439	30.2	31,846	15,801	63,320	13,055	3.6	98,801	27.5	27,848
Oregon.....	97,347	42,657	22,003	22.6	6,032	3,288	7,370	3,964	4.1	50,163	51.5	4,527
Missouri.....	223,586	134,933	90,346	40.4	7,648	6,908	22,022	8,010	3.6	79,367	35.5	9,286
Rhode Island.....	35,123	24,756	12,180	34.7	4,074	1,841	3,791	2,871	8.2	8,492	24.2	1,875
Wisconsin.....	134,484	61,070	26,907	20.0	6,805	6,119	15,707	5,532	4.1	67,529	50.2	5,885
Indiana.....	126,363	66,720	33,562	26.6	6,315	6,657	14,088	6,099	4.8	55,160	43.7	4,482
Nebraska.....	60,913	29,126	15,032	24.7	2,418	2,220	3,909	5,547	9.1	29,238	48.0	2,549
New Hampshire.....	32,222	13,074	4,895	15.2	1,705	1,873	2,365	2,236	6.9	17,443	54.1	1,705
Minnesota.....	141,119	74,143	42,290	30.0	5,938	6,298	14,883	4,735	3.4	58,689	41.6	8,286
Kansas.....	93,540	51,196	27,535	29.4	3,206	4,467	6,973	9,014	9.6	36,828	39.4	5,516
Iowa.....	102,744	59,259	32,922	32.0	3,908	5,402	12,037	4,989	4.9	38,464	37.4	5,022
Arizona.....	81,127	38,944	17,610	21.7	5,536	6,259	6,991	6,991	8.6	39,025	48.1	3,158
Montana.....	53,441	17,029	6,392	12.0	2,187	1,839	2,901	3,710	6.9	33,902	63.4	2,510
Florida.....	158,365	110,674	62,794	39.7	8,623	9,163	19,259	10,835	6.8	42,724	27.0	4,968
Texas.....	383,541	234,355	139,229	36.3	17,852	16,695	37,844	22,736	5.9	128,733	33.6	20,451
Utah.....	53,854	24,392	10,705	19.9	4,243	1,688	3,693	4,062	7.5	27,403	50.9	2,059
Vermont.....	40,932	10,506	5,011	12.2	1,370	1,330	1,795	1,000	2.4	29,735	72.6	691
Low-income group.....	2,115,492	1,316,734	728,588	34.4	72,395	100,953	282,923	131,876	6.2	711,378	33.6	87,380
Virginia.....	158,905	75,269	22,442	14.1	4,568	9,777	18,100	20,381	12.8	76,082	47.9	7,554
Oklahoma.....	176,460	130,802	88,683	50.3	6,021	4,986	19,395	11,717	6.6	35,268	20.0	10,390
Maine.....	41,601	26,062	14,218	34.2	2,108	1,874	4,343	3,519	8.5	13,605	32.7	1,931
New Mexico.....	61,940	38,000	17,101	27.6	2,599	3,194	7,104	8,002	12.9	22,042	35.6	1,897
Idaho.....	47,904	18,870	8,791	18.4	2,743	2,288	2,129	2,919	6.1	26,978	56.3	2,056
South Dakota.....	58,604	20,814	9,325	15.9	1,429	2,134	3,319	4,608	7.9	36,574	62.4	1,215
West Virginia.....	100,234	74,593	44,703	44.6	3,326	3,581	19,997	2,987	3.0	22,048	22.0	3,503
North Dakota.....	37,854	19,460	8,746	23.1	1,753	2,947	2,874	3,140	8.3	16,481	43.5	1,913
Louisiana.....	226,748	160,275	119,290	52.6	5,931	5,559	24,934	4,562	2.0	63,284	27.9	3,188
Georgia.....	194,076	123,421	69,227	35.7	5,823	9,928	26,553	11,891	6.1	61,142	31.5	9,513
North Carolina.....	166,096	115,807	60,712	36.6	8,259	10,419	24,505	11,911	7.2	42,930	25.8	7,359
Kentucky.....	159,621	96,313	52,414	32.8	4,556	7,170	26,204	5,968	3.7	58,794	36.8	4,515
Tennessee.....	173,918	92,911	44,971	25.9	5,189	8,496	26,670	7,584	4.4	67,881	39.0	13,126
Alabama.....	193,131	121,139	70,767	36.6	5,516	7,016	26,493	11,348	5.9	64,758	33.5	7,234
South Carolina.....	89,325	52,482	22,533	25.2	3,986	7,169	10,693	8,100	9.1	34,071	38.1	2,771
Arkansas.....	109,536	71,879	36,393	33.2	4,502	6,381	17,426	7,177	6.6	33,828	30.9	3,829
Mississippi.....	119,540	78,636	38,271	32.0	4,087	8,034	22,182	6,062	5.1	35,612	29.8	5,291
Outlying areas:												
Guam.....	281	281	125	44.0	27	121	8					
Puerto Rico.....	52,572	44,492	8,950	17.0	2,819	1,630	27,927	3,165	6.0	3,708	7.1	1,373
Virgin Islands.....	1,426	1,220	304	21.3	138	69	504	204	14.3			296
Other.....	8,707	8,667			1	5,989	914	1,763	20.3			41

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 advances and undistributed sums.

Source: Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1962.

The new grant program for chronic diseases and health of the aged, authorized for 5 years by the Community Health Services and Facilities Act of 1961, distributed \$4.8 million to States and localities in 1961-62 on a matching basis of \$2 of Federal funds for every \$1 of State or local public funds. (The ratio of 2 to 1 is for 1962-65; for 1966 the ratio is dollar for dollar.) The following types of services are among those that can qualify under this program: nursing-home improvement through consultation services and provision of direct health services to patients; extension of health department nursing to the sick at home; establishment and expansion of homemaker services; and coordination of home care services.

OTHER WELFARE SERVICES

Grants for welfare services other than public assistance rose 24 percent in 1961-62 to \$898 million. Within this group, the two programs administered by the Department of Health, Education, and Welfare showed increases—grants for child welfare services by 37 percent to \$19 million and grants for vocational rehabilitation by 18 percent to \$65 million. The five programs for distribution of agricultural commodities include the new food stamp pilot program, where grants amounted to \$13 million (value of commodities). Under the other two programs, the Federal Government's annual contributions to public housing agencies rose 10 percent to \$154 million, and grants for State homes for disabled soldiers and sailors remained at somewhat more than \$7 million.

The five agricultural commodity grant programs (three of them grants-in-kind) are so inter-related that they may appropriately be considered together. In 1961-62, \$653 million was granted for these programs, about 30 percent more than in 1960-61. If the new food stamp program is excluded the increase becomes 26 percent. Not included among the grant programs is the value of commodities donated abroad under both the surplus-removal program and the price-support programs of the Commodity Credit Corporation, which amounts to at least as much as the domestic distribution in most years and slightly more in some. The increase in grants for the four continuing programs stems almost exclusively from a 178-percent rise, to \$200 million, in the value of

commodities distributed by the Commodity Credit Corporation. This increase, in turn, resulted largely from the reintroduction of the distribution of surplus butter (\$100 million) and cheese (\$39 million).

EDUCATION

Federal grants for educational purposes totaled \$465 million in 1961-62—\$29 million or 7 percent more than in 1960-61. Eight of the 10 grant programs in this group are administered in the Department of Health, Education, and Welfare by the Office of Education. Grants for only one of these—vocational education—remained at the 1960-61 level (\$40 million), and only one program showed a decline. The \$42 million for school construction in federally impacted areas was 29 percent less than the amount the year before.

Grants for all the other programs in this group increased, some by sizable sums. The largest percentage rise occurred in grants to colleges of agriculture and mechanic arts. After 22 years at the \$5 million level, grants for this program rose 44 percent in 1960-61 to \$7 million; in 1961-62 they doubled, rising to \$14 million.

Activities under the National Defense Education Act were almost one-third greater than in the preceding year. At \$66 million, these grants are again approaching their \$69 million level of 1959-60. These figures relate only to grants to State and local governments. Additional sums are expended under other titles of the act to provide student loans and fellowships and loans, contracts, and grants to institutions and to public and private agencies.

HIGHWAY CONSTRUCTION

For the fourth year in a row, the largest Federal grants were for highway construction. The \$2,783 million granted for this purpose in 1961-62 was 6 percent more than the amount in 1960-61. These grants represented 36 percent of all Federal grants to States and localities, however, in contrast to 38 percent in 1960-61, 43 percent in 1959-60, and 41 percent in 1958-59. Almost all the grants in this group are for the Federal super-highway program, financed from the highway

trust fund. Grants for construction of other highways represent less than 2 percent of the group. Total highway grants were 14 percent or \$351 million higher than the 1961-62 grants for public assistance.

"ALL OTHER" GRANTS

The \$369 million granted in 1961-62 for the miscellany of programs not otherwise classified represents a 12-percent increase. The "all other" group consists of grants for the agricultural and natural resources conservation programs, urban planning and renewal, airport construction, civil defense and disaster relief, and small business management research. The sums granted in recent years for each of these programs are shown below.

Purpose of grant	Amount (in millions)		
	1961-62	1960-61	1959-60
Total.....	\$369.3	\$329.1	\$270.4
Agricultural experiment.....	34.5	31.5	30.6
Airport construction.....	57.9	64.8	57.1
Civil defense.....	16.8	12.5	4.9
Cooperative marketing.....	3.4	3.3	3.1
Disaster relief.....	14.4	7.3	1.5
Forestry cooperation.....	14.0	11.4	11.4
Small business management research.....	.4	.9	2.0
Urban planning.....	6.9	3.0	2.6
Urban renewal.....	162.5	141.0	101.7
Watershed protection and flood prevention.....	38.8	32.4	32.7
White House Conference on Aging.....			.8
Wildlife restoration.....	19.8	20.9	21.9

GRANTS IN RELATION TO POPULATION

Per capita grants to States and localities are shown in table 3 by State and major purpose. The States have been ranked according to per capita personal income (averaged for the 3 most recent calendar years to lessen the effect of single-year fluctuations) and divided into high-, low-, and middle-income groups. The States vary widely within each group in the amount of Federal grants received per capita.

Although total grants per capita in 1961-62 averaged \$41.48 for the United States, the range was \$116.05—from \$158.34 in Alaska to \$27.57 in New Jersey. Both are high-income States; the high-income group therefore includes, as it did in 1960-61, the full national range of grants per capita. In general, grants per capita have risen rather substantially, and the national average was

\$3.57 higher than in 1960-61. The highest and the lowest recipient States again remained the same, but the spread between the two widened by \$14.72.

In general, grants per capita may be expected to be somewhat higher 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. Among the low-income States, South Dakota once again received the highest grants per capita—\$82.89, or nearly \$11 more for each resident than in 1960-61. This amount, however, was \$22.60 per person less than that in the highest State among the middle-income group (Vermont with \$105.49).

Receipt of higher grants per capita in more sparsely populated States results from minimum allotment provisions in certain of the grant formulas, particularly those for highway construction. All the Western States of low-density population, including Alaska, received higher grants per capita than the national average. All but Colorado and Alaska received a larger proportion of per capita grants for highways than for any other purpose.

When expenditures for public assistance from State and local resources are relatively large, the result, up to a point, is relatively high total grants per capita because of the Federal matching requirements in the Social Security Act. In Louisiana, 53 percent of all grants per capita was received for public assistance. The proportion received for public assistance was also high in Oklahoma (50 percent of all grants per capita), West Virginia (45 percent), Missouri (40 percent), and Alabama (37 percent). Missouri falls in the middle-income group; the rest are low-income States.

II. Grants to Individuals and Institutions

About \$1.5 billion was granted by the Federal Government directly to individuals and institutions in 1961-62.² These grants include payments to private persons and to academic and other

² See the *Bulletin*, September 1962, pages 3-7, for the introductory article in this new statistical series and for a technical note on sources of the data.

institutions, although they are referred to here as "grants to individuals."

In 1961-62 the grants classified in this series as social welfare grants to individuals amounted to \$703 million—47 percent of all grants to individuals and 7 percent higher than the preceding year's total. The agriculture and natural resources group totaled \$655 million, slightly more than in

1960-61, and represented 44 percent of all Federal grants to individuals. The grants for basic research in the physical sciences of the National Science Foundation made up the remainder. At \$141 million, they were more than one-fourth higher than in 1960-61. Table 4 shows the amounts for each grant group for several recent years.

TABLE 3.—Per capita Federal grants to State and local governments, by State and purpose,¹ fiscal year 1961-62

States ranked by 1959-61 average per capita personal income	Average per capita personal income, 1959-61	Per capita grants							
		Total	Public assistance	Employment security administration	Health services	Other welfare services	Education	Highway construction	All other
Total ²		\$41.48	\$13.10	\$2.42	\$1.64	\$4.84	\$2.51	\$14.99	\$1.99
United States ³	\$2,214	41.73	13.24	2.44	1.63	4.75	2.51	15.18	1.99
High-income group		38.25	12.03	2.86	1.19	3.82	2.24	14.17	1.93
District of Columbia	3,007	60.10	13.18	3.49	2.57	8.19	.45	24.61	7.61
Delaware	2,989	33.90	6.44	2.33	3.36	5.31	3.20	10.92	3.04
Nevada	2,850	87.72	9.03	5.95	4.82	2.31	8.79	51.35	5.46
Connecticut	2,832	34.46	8.36	2.73	.96	3.28	1.97	13.35	3.81
New York	2,783	31.92	12.31	3.64	.99	4.43	.98	8.25	1.34
California	2,724	44.20	16.04	3.24	.87	2.49	3.11	16.80	1.65
Alaska	2,661	158.34	7.97	7.99	18.45	3.04	37.30	68.53	15.06
New Jersey	2,655	27.57	5.62	2.72	.93	3.42	1.52	11.36	2.00
Illinois	2,624	35.62	12.06	2.01	.99	3.79	1.12	14.06	1.59
Massachusetts	2,513	38.91	15.38	3.04	1.19	3.69	2.43	11.94	1.23
Maryland	2,400	36.19	7.18	2.28	1.68	3.85	3.88	14.10	3.22
Ohio	2,316	36.95	9.60	2.01	1.10	3.58	1.47	17.67	1.53
Washington	2,314	48.80	15.22	2.80	1.31	4.61	4.30	19.15	1.41
Colorado	2,300	56.99	22.56	2.56	2.02	4.16	5.85	17.85	1.99
Michigan	2,279	34.75	9.48	2.63	1.25	5.29	1.43	12.47	2.21
Hawaii	2,278	50.61	7.50	2.45	3.82	4.58	15.51	5.90	10.30
Wyoming	2,261	165.52	8.27	3.41	2.76	3.89	5.61	78.39	3.30
Middle-income group		38.73	11.70	2.13	1.67	4.24	2.05	14.97	1.97
Pennsylvania	2,238	31.62	9.55	2.80	1.39	5.58	1.15	8.70	2.45
Oregon	2,233	53.05	11.99	3.29	1.79	4.02	2.16	27.34	2.47
Missouri	2,204	51.70	20.89	1.77	1.60	5.09	1.85	18.35	2.15
Rhode Island	2,194	40.84	14.16	4.74	2.14	4.41	3.34	9.87	2.18
Indiana	2,168	28.66	5.73	1.45	1.30	3.35	1.18	14.39	1.25
Wisconsin	2,158	31.28	8.31	1.56	1.65	3.49	1.51	13.65	1.11
Nebraska	2,098	41.66	10.28	1.65	1.52	2.67	3.79	20.00	1.74
New Hampshire	2,068	51.97	7.89	2.75	3.02	3.82	3.61	28.13	2.75
Minnesota	2,067	40.93	12.27	1.72	1.83	4.32	1.37	17.02	2.40
Kansas	2,062	42.61	12.54	1.46	2.04	3.18	4.11	16.78	2.51
Iowa	2,038	37.09	11.89	1.41	1.95	4.35	1.80	13.89	1.81
Arizona	2,011	56.81	12.33	3.88	1.78	4.38	4.90	27.33	2.21
Montana	1,988	76.34	9.13	3.12	2.63	4.14	5.30	48.43	3.59
Florida	1,963	30.19	11.97	1.64	1.75	3.67	2.07	8.14	.95
Texas	1,944	38.65	14.03	1.80	1.68	3.81	2.29	12.97	2.06
Utah	1,923	57.35	11.40	4.52	1.80	3.93	4.33	29.18	2.19
Vermont	1,859	105.49	12.92	3.53	3.43	4.63	2.58	76.64	1.78
Low-income group		51.98	17.90	1.78	2.48	6.95	3.24	17.48	2.15
Virginia	1,851	38.76	5.47	1.11	2.38	4.41	4.97	18.56	1.84
Oklahoma	1,835	73.59	36.98	2.51	2.08	8.09	4.89	14.71	4.33
Maine	1,835	42.19	14.42	2.14	1.90	4.41	3.57	13.80	1.96
New Mexico	1,811	62.63	17.29	2.63	3.23	7.18	8.09	22.29	1.92
Idaho	1,787	69.93	12.83	4.00	3.34	3.11	4.26	39.38	3.00
South Dakota	1,747	82.89	13.19	2.02	3.02	4.69	6.52	51.73	1.72
West Virginia	1,664	55.53	24.77	1.84	1.98	11.08	1.65	12.21	1.99
North Dakota	1,626	59.33	13.71	2.75	4.62	4.51	4.92	25.83	3.00
Louisiana	1,613	69.15	36.38	1.81	1.70	7.40	1.39	9.70	.97
Georgia	1,606	48.13	17.17	1.44	2.46	6.59	2.95	15.16	2.36
North Carolina	1,566	35.67	13.04	1.77	2.24	5.26	2.56	9.22	1.58
Kentucky	1,557	52.15	17.12	1.49	2.34	8.56	1.95	19.21	1.47
Tennessee	1,549	48.27	12.48	1.44	2.36	7.40	2.10	18.84	3.64
Alabama	1,459	58.10	21.29	1.66	2.11	7.97	3.41	19.48	2.18
South Carolina	1,379	36.99	9.33	1.65	2.97	4.43	3.35	14.11	1.15
Arkansas	1,370	60.75	20.18	2.50	3.54	9.66	3.98	18.76	2.12
Mississippi	1,183	53.92	17.26	1.84	3.62	10.01	2.73	16.06	2.39
Outlying areas:									
Guam		4.35	1.93	.42	1.87	.12			
Puerto Rico		21.82	3.72	1.17	.68	11.59	1.31	1.54	1.82
Virgin Islands		40.41	8.61	3.91	1.96	14.29	5.79		5.84

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

² See footnote 2, table 2.

³ See footnote 3, table 2.

Source: Per capita grants are based on estimates of the Bureau of the

Census for the total population, excluding the Armed Forces overseas, as of July 1, 1961. (Current Population Reports, Population Estimates, Series P-25, No. 259.) Personal income data are for calendar years and are from the Survey of Current Business, August 1962.

RESEARCH AND TRAINING GRANTS

Most grants to individuals for social welfare purposes are in the form of research and training grants. A small sum is devoted to other social welfare purposes, mostly for veterans' programs.

Health and Welfare Grants

Grants for health research and training continued their pattern of expansion in 1961-62, both in the number of individual programs in this field and in the amounts expended for the continuing grant programs. The \$465 million of 1961-62 exceeded the preceding year's grants by almost 40 percent.

The new programs in 1961-62 include training grants in the fields of accident prevention (\$1 million), chronic diseases and health of the aged (\$310,000 in addition to the sums granted to State or local governments on a matching basis), occupational health (\$1 million), radiological health (\$1 million), water supply and pollution control (\$2 million), maternal and child health services (\$1 million), and services for crippled children

(\$544,000). The last two are primarily training grants at present but include as well some research or demonstration projects. Another new grant program was for community health practices and research (\$4 million). There was also a new \$15 million program of general research support, administered by the Public Health Service.

Grants for three new programs of social welfare research and training totaled more than \$4 million. They are research and demonstration grants in child welfare services (\$131,000), grants for demonstration and training in prevention of juvenile delinquency and youth offenses (\$1 million), and retraining payments under the Area Redevelopment Act (\$3 million).

Grants for Veterans

Among the grants for social welfare purposes, those for veterans of World War II and the Korean conflict play an ever-decreasing role, the further the two conflicts recede into the past. The \$147 million in 1961-62 for veterans' training (education) was about 40 percent less than 1960-61 grants for these programs. A total of \$4.6

TABLE 4.—Federal grants to individuals for social welfare and other purposes, fiscal years 1949-50 and 1954-55 through 1961-62
(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	\$47,219	\$317,204	
1954-55.....	1,076,508	738,126	729,569	676,852	52,717	8,556	330,525	
1955-56.....	1,159,284	848,964	842,359	779,318	63,041	6,605	293,776	
1956-57.....	1,826,809	928,021	922,798	787,775	135,023	5,223	867,298	
1957-58.....	1,741,534	870,174	865,663	708,335	157,328	4,510	845,286	
1958-59.....	1,947,256	820,877	816,750	583,063	233,686	4,127	1,033,335	
1959-60.....	1,419,163	734,588	730,619	390,320	340,299	3,970	591,097	
1960-61.....	1,414,960	658,237	653,146	242,802	410,344	5,091	646,173	
1961-62.....	1,498,363	703,160	698,533	147,162	551,371	4,627	654,701	

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 1950, 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. 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, 1960-61 to date, and in child welfare services, 1961-62. Research and/or training grants in the following fields, 1961-62: 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, and Area Redevelopment Act occupational retraining.

³ Specially adapted automobiles for disabled veterans, homes for paraplegic veterans, and gratuities on veterans' housing loans, 1949-50 to date; rural housing, 1961-62.

⁴ Farm housing repair, and 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 (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.

TABLE 5.—Federal grants to individuals for research and training,¹ fiscal years 1949–50 and 1954–55 through 1961–62

[In millions]

Fiscal year	Total	Research				Training			
		Total	Social welfare		National Science Foundation	Total	Veterans	Health	Other
			Health	Other					
1949-50	\$2,679.1	\$12.9	\$12.9			\$2,666.2	\$2,658.8	\$6.8	\$0.6
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	839.0	487.9	334.3	13.1	140.5	351.1	147.2	130.5	73.4

¹ See table 4 for list of grant programs and sources.

million was granted for homes for paraplegic veterans, especially adapted automobiles for disabled veterans, and for the tag end of a program of 4-percent gratuities on Veterans Administration housing loans.

Although the grants for training of both disabled and nondisabled veterans are diminishing, those for educating the orphan children of veterans are increasing as the children grow up to school and college age. From \$2 million in the first year (1956–57), these grants have risen year by year to \$5 million, \$8 million, \$11 million, \$16 million, and, in 1961–62, \$21 million—more than nine times their beginnings.

Relationship of Research and Training Grants

In table 5 all Federal expenditures for research and training through the fiscal device of grants to individuals have been divided according to purpose. Through 1960–61, training grants were larger than research grants, although with an ever-declining margin. With the 1961–62 grants the relationship was reversed. Research grants to individuals continued to increase, but training grants decreased (entirely because of the diminution of education grants for veterans), and in 1961–62 the former stood at \$488 million, 39 per-

cent more than the \$351 million granted for all types of training.

All types of training grant except that under veterans' programs and all types of research grant showed sizable increases.

AGRICULTURE AND NATURAL RESOURCES

Federal grants to individuals were made in 1961–62, as in the preceding year, under four agricultural and natural resources programs. Payments were made under the Agricultural Conservation Act, the Sugar Act, the Great Plains Conservation Act, and the conservation reserve program of the Soil Bank Act. Amounts expended in payments to individuals under the first three programs increased \$26 million to a total of \$322 million. The soil bank payments of \$333 million, larger than all the others combined, decreased \$18 million or 5 percent. As a result, the group total (\$654 million) was only slightly more than 1 percent higher than that in 1960–61.

Legislative authority to accept new contracts under the conservation reserve provision ended with the crop year 1960, but agreements then in effect will continue for their full term of 3–10 years.