

TABLE III

PROJECTED GROWTH IN REVENUES
(Billions of dollars)

	1966 actual	1967 proj.	1968 proj.	Change	
				1966-67	1967-68
Personal taxes	57.9	65.5	76.8	7.6	11.3
Discretionary	--	--	--	<u>1.2</u>	<u>3.4*</u>
Automatic	--	--	--	6.4	7.9
Corp. taxes	30.7	32.3	35.3	1.6	3.0
Discretionary	--	--	--	<u>.6*</u>	<u>.7*</u>
Automatic	--	--	--	1.0	2.3
Social Insurance	28.1	35.5	38.1	7.4	2.6
Discretionary	--	--	--	<u>5.8</u>	<u>1.0</u>
Automatic	--	--	--	1.6	1.6
Indirect taxes**	<u>15.9</u>	<u>16.5</u>	<u>16.9</u>	<u>.6</u>	<u>.4</u>
Total revenue	132.6	149.8	167.1	<u>17.2</u>	<u>17.3</u>
Discretionary	--	--	--	8.0	5.1
Automatic	--	--	--	9.2	12.2

* Proposed surtax.

** Discretionary changes are small and mutually offsetting.

Another highlight pertains to the credit programs embodied in the budget. These credit programs involve a simple transfer of assets between the Government and the private sector, and for this reason are not included in the NIA budget. Yet they do affect the liquidity of the private sector, and are important from a monetary and economic stabilization standpoint.

The table IV gives information on net new lending by the Government. According to the Document projections, the large amount of net lending the Government has been doing for the past few years will begin to tail off in fiscal 1968. New loans are expected to run at about the same rate, but more of the loans will be sold to the private sector in the form of participation certificates. There also is projected to be a shift in the timing of new loans. In fiscal years 1966 and 1967 most of the new loans came and are expected to come in the January-June period, primarily because of the large spring outflows from the Federal Home Loan Banks. But in fiscal 1968 the FHLB is expected to stop its January-June net lending, and with it the seasonal pattern of total Federal lending will change markedly.

TABLE IV

FEDERAL CREDIT PROGRAMS

	<u>1965</u>	<u>1966</u>		<u>1967</u>		<u>1968</u>	<u>Fiscal years</u>		
	<u>II</u>	<u>I</u>	<u>II</u>	<u>I</u>	<u>II</u>	<u>I</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Total new loans	<u>1.6</u>	<u>4.7</u>	<u>2.4</u>	<u>4.5</u>	<u>3.6</u>	<u>3.2</u>	<u>6.3</u>	<u>6.9</u>	<u>6.8</u>
Less: Sales of participation certificates to public	.9	2.2	-.5	3.1	2.5	2.5	3.1	2.6	5.0
Net Govt. lending	.7	2.5	2.9	1.4	1.1	.7	3.2	4.3	1.8