

LEGISLATIVE COUNCIL

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93D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
2d Session } { No. 93-1139

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES APPROPRIATION BILL, 1975

JUNE 21, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOLAND, from the Committee on Appropriations, submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany H.R. 15572]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Housing and Urban Development, National Aeronautics and Space Administration, National Science Foundation, Veterans Administration, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975.

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SUMMARY OF THE BILL

The Committee recommends \$20,846,332,000 in new budget (obligational) authority for the Department of Housing and Urban Development and ten independent agencies. This is \$41,519,000 below the budget estimates considered, and \$212,296,000 above the comparable amounts appropriated for 1974.

The Committee has deferred action on an additional \$2,105,000,000 requested for a community development grant program pending final congressional action on the Housing and Urban Development Act of 1974.

The following table summarizes the amounts recommended in the bill in comparison with the appropriations for fiscal year 1974 and the budget estimates for 1975.

SUMMARY OF ESTIMATES OF NEW BUDGET (OBLIGATIONAL) AUTHORITY IN THE BILL

Department or agency	Appropriations, 1974	Budget estimates, 1975	Recommended in bill	Bill compared with—	
				Appropriations, 1974	Budget estimates, 1975
(1)	(2)	(3)	(4)	(5)	(6)
American Battle Monuments Commission.....	\$4,100,000	\$5,465,000	\$4,512,000	+\$412,000	-\$953,000
Cemeterial expenses, Army.....	24,078,000	267,000	265,000	-23,813,000	-2,000
Department of Housing and Urban Development.....	3,095,724,000	3,236,953,000	3,210,422,000	+114,698,000	-26,531,000
Disaster Relief.....	432,600,000	200,000,000	200,000,000	-232,600,000	
Federal Communications Commission.....	40,155,000	46,847,000	46,900,000	+6,745,000	+53,000
Federal Home Loan Bank Board <sup>1</sup> .....	(28,970,000)	(32,046,000)	(31,908,000)	(+2,938,000)	(-138,000)
National Aeronautics and Space Administration.....	3,035,007,000	3,242,694,000	3,203,050,000	+168,043,000	-39,644,000
National Science Foundation.....	547,660,000	686,400,000	671,800,000	+124,140,000	-14,600,000
Renegotiation Board.....	4,805,000	5,195,000	5,163,000	+358,000	-32,000
Securities and Exchange Commission.....	36,227,000	42,131,000	43,077,000	+6,850,000	+946,000
Selective Service System.....	53,760,000	47,163,000	46,463,000	-7,297,000	-700,000
Veterans Administration.....	13,359,920,000	13,374,736,000	13,414,681,000	+54,750,000	+39,944,000
Total.....	20,634,036,000	20,887,851,000	20,846,332,000	+212,296,000	-41,519,000

<sup>1</sup> Limitation on corporate funds to be expended.

Included within the above total is \$395,000,000 for the urban renewal, model cities, and rehabilitation loan programs of the Department of Housing and Urban Development. These funds are intended to cover a transitional period until January 1, 1975. If the community development block grant legislation is enacted into law, the Committee will consider funding for the balance of the \$2,500,000,000 requested for this activity in 1975.

The bill generally incorporates a standard ten percent reduction from the amounts requested by the Department and agencies for payment of space rental charges levied by the General Services Administration. These charges are imposed in accordance with the Public

Buildings Amendments of 1972 (P.L. 92-313). The Committee has explored this matter in considerable detail and has found indications of excess charges levied by the GSA for expenses associated with providing space and services to Federal agencies. The ten percent reduction recommended should help bring the charges imposed more in line with the cost of the services provided.

The Committee is recommending increases above the budget for the Federal Communications Commission and the Securities and Exchange Commission as part of a continued effort to help these regulatory agencies meet their expanding workloads.

Again this year, a modest increase is recommended for medical care under the Veterans Administration to hire additional nurses and other direct patient care personnel. Although some improvement has been noted in the staffing for direct patient care in VA hospitals, the Committee continues to insist that a fully acceptable staffing level be achieved and maintained.

The increasing practice of some agencies to add positions during the current year above the level originally requested is noted with considerable concern. This action places the Congress in the difficult position of either approving the annualization costs for the additional positions in the budget year—or denying the funds and thereby precipitating a possible reduction-in-force. This, in effect, presents the Congress with a *fait accompli*. The Committee expects this practice to stop and intends to review carefully the use of administrative funds in the coming months.

#### EFFECTS OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1975

The budget outlays (expenditures) for the Department of Housing and Urban Development and the other agencies covered in the bill are estimated at \$22,495,000,000 in 1975. The actions recommended by the Committee are expected to decrease this total by some \$30,000,000, for a total of \$22,465,000,000.

#### PERMANENT OBLIGATIONAL AUTHORITY—FEDERAL FUNDS AND TRUST FUNDS

The new budget (obligational) authority recommended in the bill for the Department and other agencies is only a partial listing of the total financing of their activities in 1975. Substantial sums are provided through "back-door" access to the Treasury by permanent legislation for insurance, guaranty, and contract authority for certain veteran and subsidized housing programs. Such authority is estimated to aggregate \$1,085,106,000 in Federal funds and \$902,438,000 in trust funds in the 1975 Budget. Summary information and the detailed

amounts of these permanent appropriations are reflected in appropriate tables appearing in the back of the report.

While not a part of the budget programs *per se*, the supporting role of certain Government-sponsored enterprises is assuming major importance. A number of these "independent" activities contribute measurably to the success or failure of programs, and should be recognized for their significance. Advances of the Federal Home Loan Bank System are providing over \$17 billion to thrift institutions for home financing, and another \$4 billion is available at a rate below the System's current borrowing costs.

The Government National Mortgage Association only recently committed itself to purchase up to \$9.9 billion of home mortgages through secondary market operations, utilizing the services of the Federal National Mortgage Association. A \$3 billion commitment of the Federal Home Loan Mortgage Corporation to purchase conventional mortgages from savings institutions has been a critical element in removing or alleviating some uncertainties of financing in the housing industry. The policy involvement of the Government sponsored, but technically independent institutions, is expected to expand in the future. All of these activities, of course, are outside of the Budget.

## TITLE I

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The total appropriations recommended for housing and urban development programs in fiscal year 1975 is \$3,210,422,000. This compares with \$3,095,724,000 appropriated for these activities in fiscal year 1974. This does not include comparative totals in 1975 for an additional \$2,105,000,000 requested for a community development grant program pending final legislative action by the Congress.

#### HOUSING IN AMERICA

Eighteen months ago a total moratorium was placed on all subsidized housing production. This action, combined with accelerating interest rates and unchecked inflation, has resulted in a serious housing recession. Housing starts are estimated to reach 1.6 million units in 1974—down from 2.4 million in 1972. To help ease the shortage of mortgage money, \$10.3 billion dollars was recently made available for increased authorization for the "tandem plans", for a new Federal Home Loan Bank mortgage commitment program, and for advancing below-market rate funds to thrift institutions. It is too early to know if this action will revitalize the mortgage market, but ultimately the cost of money will have to decline before the housing industry can fully implement our national housing goals.

The long suspension of low and moderate income housing production is an additional drag on the housing industry. For the past two years, the Committee has consistently urged that a workable program must be found to provide our low-income citizens with safe and decent housing. The Committee has also urged that whatever form such a program takes, it must be at an acceptable cost level.

In the 1973 report, as a result of a study developed by the surveys and investigations staff, the Committee cautioned that the existing subsidized housing programs were plagued with problems of mismanagement and rising runout costs. It was suggested that a housing study be undertaken to determine if the existing programs were workable and cost-effective. However, the Committee never endorsed the total suspension of these programs. It warned that until the results of the study were known—a total suspension was both economically unwise and needlessly harsh.

HUD completed an extensive nine-month housing study in September of last year. It concluded that the existing subsidized housing programs were too costly; that they were not equitable because they reached only six percent of the eligible population; and that they were wasteful in that the programs concentrated on new construction rather than making use of good existing housing. The study further suggested that the most viable alternative to the existing programs was a direct cash assistance payment for low income families. These conclusions resulted in the Department announcing a new subsidized housing program known as the revised Section 23 leased housing program. The suspension was maintained on the old subsidized programs, except that \$60,000,000 of impounded rehabilitation loan funds were released, and processing of applications for Section 236 projects was resumed where bona fide commitments had previously been made.

The new subsidized housing program is an administratively created program drawing on the basic authority provided in Section 23 of the Housing and Urban Development Act of 1965. The Department's new program provides annual contributions for housing assistance payments on behalf of tenants in leased units, plus an allowance to the Local Housing Authority for administration including tenant certification. In short, the new proposal is an attempt to move as far as is administratively possible in the direction of a direct cash assistance program. This is clearly revealed in the President's message of last September when he said he was lifting the suspension on Section 23 because it could "be administered in a way which carries out some of the principles of direct cash assistance."

The Committee has serious reservations about the cost, the effectiveness, and the ultimate success of the new revised leasing approach. While these reservations are principally concerned with cost, it is interesting to note that the program fails to satisfy the three main objections raised by the housing study which prompted HUD to continue the suspension of the presently authorized programs.

First, it appears that the revised Section 23 leasing program will be substantially *more expensive* than any of the existing programs. Data provided by the Department indicates that the estimated 1975 direct annual average Federal subsidy per dwelling unit is:

Rent Supplement.....	\$1, 106
Homeownership Assistance (Sec. 235).....	767
Rental Housing Assistance (Sec. 236).....	1, 015
Conventional Low Rent Public Housing.....	791
Old Section 23 Leasing.....	1, 251
Section 23 Revised Leasing (existing units).....	1, 950
Section 23 Revised Leasing (new construction).....	2, 900

A further HUD comparison between the existing programs and the Section 23 program, which attempts to incorporate all costs—including

indirect subsidies such as administration and Federal and State taxes foregone—still reveals that the revised leasing program is somewhat more costly, or at a minimum, is no less costly than the existing programs.

Second, the revised leasing program will reach few, if any, additional low income families above the level covered under the existing programs.

And finally, although the housing study stressed the need to make maximum use of existing housing stock, the major emphasis of the revised leasing program is on new construction.

The Committee is deeply troubled by these inconsistencies—particularly the issue of cost comparisons with the existing subsidized programs. Many potential participants and housing authorities have expressed strong doubts that the new revised leasing program is the right formula. Complete reliance on a revised, new and untried Section 23 program of housing assistance may not serve the public interest well. The Committee is not closing the door on the Section 23 program, despite its high cost, but intends to monitor closely this important issue and may subsequently consider a limitation to insure that annual Federal subsidies are not exorbitant.

#### COMMUNITY DEVELOPMENT IN AMERICA

Last year the Department also terminated the categorical grant programs providing a wide variety of assistance to urban areas. HUD proposed that these programs be replaced by a Better Communities Act—a special revenue sharing proposal. Except for urban renewal, the Department requested no additional funds for these programs in 1974. However, the Committee felt that a one year gap in funding for community development would be disastrous for America's cities. Funds were provided for the orderly continuation of urban renewal and model cities programs, and all of these monies are currently being committed.

A proposed community development grant program is being reviewed and revised by the legislative committees. Pending action by the Congress, the Committee has provided interim funding for the urban renewal, model cities, and rehabilitation loan programs through January 1, 1975. The Committee has deferred funding of the community development grant request until final legislative action is taken. Contingent funding of the magnitude requested should not be provided for any *new* program until the legislation becomes law and the full dimensions of the pending legislation are known.

The Committee has doubts that a new community development grant program can be in place and operating by January 1, 1975. Many others share this view. As a clearer picture of the status of the block grant proposal develops over the coming months, additional transition funding may be considered for the period of time before a new program can become effective.

#### HOUSING PRODUCTION AND MORTGAGE CREDIT

The current estimate of the unused contract authority available on June 30, 1974, for the suspended programs is \$452,323,000. Of this amount \$33,464,000 is available for the rent supplement program;

\$237,055,000 for homeownership assistance under Section 235; \$167,286,000 for rental housing assistance under Section 236; and \$14,518,000 for the college housing program. In addition, the Department is requesting more than \$1,000,000,000 in new contract authority to implement the Section 23 revised leasing program.

In addition to the contract authority for the suspended subsidized housing programs, there remains approximately \$105,000,000 under the Section 202 housing for the elderly program. The Committee has consistently urged that this program be resumed. The Section 202 program has been free of the scandals and default problems that have victimized the other subsidized and unsubsidized programs. Importantly, it can also achieve results at the lowest total cost to the government. The Committee is disappointed that its recommendations have been disregarded and continues to urge that this program be renewed.

Another field where HUD has not fully met its obligations is in the area of nursing home facilities. HUD is the lead government agency for encouraging the building of nursing homes in the United States. The Committee directs the Secretary to demonstrate this leadership and to aggressively address the reality that forty percent of America's disadvantaged are in need of nursing home facilities. Plans should be developed for a much more active program designed to encourage the building of nursing homes for the elderly before next year.

SALARIES AND EXPENSES, HOUSING PRODUCTION AND MORTGAGE CREDIT PROGRAMS

1974 appropriation.....	\$5,246,000
Estimate, 1975.....	14,340,000
Recommended in bill.....	14,340,000

The Committee recommends the budget estimate of \$14,340,000 for salaries and expenses of these activities. The increase will provide 147 new positions to strengthen housing production staff capabilities. These were requested to process an estimated 418,000 units of subsidized housing under the Section 23 revised leasing program.

The Committee directs that none of these funds be used to administer the new Section 23 revised leasing program without the companion administration and implementation of the full unused balance of Section 236 contract authority currently available. This can expedite necessary housing production for lower income families and produce a basis for valid cost comparisons of the Section 23 and Section 236 programs. Such cost data should be made available to the Congress on a current basis as it is developed.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

1974 appropriation.....	\$19,821,000
Estimate, 1975.....	22,883,000
Recommended in bill.....	22,883,000

The full budget request of \$22,883,000 is recommended to cover insufficiencies that arise from the participation sales in home mortgages authorized in 1968. They represent a Federal commitment and a contractual obligation made when the sales were consummated.

HOUSING MANAGEMENT

HOUSING PAYMENTS

1974 appropriation.....	\$2,020,000,000
Estimate, 1975.....	2,425,000,000
Recommended in bill.....	2,425,000,000

The Committee recommends the budget request of \$2,425,000,000 to make required interest subsidy, rent supplement and annual contribution payments in 1975 for low income tenants and families under contract authorities previously provided by the Congress. These payments have grown from \$525,500,000 in 1970, to \$851,600,000 in 1971, to \$1,373,800,000 in 1972, to \$1,800,000,000 in 1973, to an estimated \$2,020,000,000 in 1974, and \$2,425,000,000 in 1975. Included within the 1975 request is \$430,000,000 for public housing operating subsidies.

A recent report by the surveys and investigations staff of the Committee relating to operating subsidies paid to local housing authorities indicated that some housing authorities have included in their budgets funds for payment to "tenant organizations". Regardless of the circumstances, the Committee never intended that operating subsidies be used for this purpose, and it expects that the practice will not be continued with fiscal year 1975 funds.

SALARIES AND EXPENSES, HOUSING MANAGEMENT PROGRAMS

1974 appropriation.....	\$24,521,000
Estimate, 1975.....	23,400,000
Recommended in bill.....	23,400,000

The bill includes the budget request of \$23,400,000 for administrative expenses of housing management programs. The \$1,121,000 decrease in this appropriation from 1974 is offset by a \$5,735,000 increase in FHA funds. This will provide 105 additional positions to meet the estimated workload related to management of subsidized housing programs.

COMMUNITY PLANNING AND DEVELOPMENT

URBAN RENEWAL PROGRAMS

1974 appropriation.....	\$600,000,000
Estimate, 1975.....	<sup>1</sup> 200,000,000
Recommended in bill.....	200,000,000

<sup>1</sup> Requested in H. Doc. No. 93-311 as part of a community development grant program.

The Committee recommends the budget estimate of \$200,000,000 in transitional funding for urban renewal programs, which is included within a total of \$2,500,000,000 requested for community development block grants. These funds are for the continuation of urban renewal projects until replaced by the proposed community development grant program on January 1, 1975, or extended by other legislation.

When funds for community development grants are considered, the amount provided will be deducted from the full \$2,500,000,000 requested for that purpose. Taken together with more than \$600,000,000 in reservations expected to be issued in the last quarter of fiscal year



1974, the amount available should meet immediate requirements for the transitional period.

MODEL CITIES PROGRAMS

1974 appropriation-----	\$150,000,000
Estimate, 1975-----	<sup>1</sup> 125,000,000
Recommended in bill-----	125,000,000

<sup>1</sup> Requested in H. Doc. No. 93-341 as part of a community development grant program.

The budget estimates include \$125,000,000 in transitional funding for model cities programs. This amount is within the total of \$2,500,000,000 requested for the community development grants.

The Committee is recommending the budget estimate to provide interim funding for the model cities program until January 1, 1975. When funds for community development grants are subsequently considered, this amount will be deducted from the \$2,500,000,000 requested for that purpose.

The Committee has also earmarked \$1,000,000 for the rehabilitation and redevelopment of DeKalb County, Tennessee. This model city area was heavily damaged by the recent tornadoes which devastated that part of the country.

REHABILITATION LOAN FUND

Section 312 of the Housing Act of 1964, as amended, authorizes 20 year loans at three percent interest to owners or tenants of properties in urban renewal and code enforcement projects to bring properties up to code standards. A direct loan can be made only when financing cannot be obtained on comparable terms. While no new appropriation for rehabilitation loans is requested in 1975, including loan repayments, an estimated \$97,000,000 was available for this program in the current fiscal year. In September, 1973, the Department released \$60,000,000 of this amount, and following a recent court order, the \$37,000,000 balance has also been released for obligation.

The Committee recommends an appropriation of \$70,000,000 to maintain an on-going capability in this activity, at least until some form of new grant legislation is approved. This program is particularly effective in halting the rapid acceleration of urban decay, and the Department is urged to make full use of the funds provided during a transitional period. The amount provided will be deducted from the \$2,500,000,000 requested for community development whenever such funding is considered.

COMPREHENSIVE PLANNING GRANTS

1974 appropriation-----	\$75,000,000
Estimate, 1975-----	110,000,000
Recommended in bill-----	100,000,000
Decrease below estimate-----	-10,000,000

The Section 701 program, as it is commonly called, provides comprehensive planning assistance to States, local and metropolitan areas, and other eligible recipients. The Committee recommends \$100,000,000 for these grants, which is \$25,000,000 above the amount provided in 1974 and a decrease of \$10,000,000 below the budget estimate. The

Committee intends that these funds will be obligated to provide for an orderly continuity of planning support in 1975 and 1976.

A report prepared by the surveys and investigations staff indicated that more than \$700,000,000 of planning funds may be made available from 24 Federal spigots in 1975. The funds provided in this bill, taken together with funds made available from other sources, should be sufficient to meet necessary planning of the States and other entities assisted by these grants.

SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

1974 appropriation.....	\$33,363,000
Estimate, 1975.....	42,200,000
Recommended in bill.....	39,000,000
Decrease below estimate.....	-3,200,000

The Committee recommends \$39,000,000 for administrative expenses of community planning and development programs, which is a reduction of \$3,200,000 below the budget request. The Department asked funding for 299 additional positions to administer the proposed new community development grant program and other activities. There should be substantial unused capability in current staffing that could be used more productively and the Committee feels all these positions are not justified at this time.

FEDERAL INSURANCE ADMINISTRATION

FLOOD INSURANCE PROGRAM

1974 appropriation.....	\$20,000,000
Estimate, 1975.....	50,000,000
Recommended in bill.....	50,000,000

An appropriation of \$50,000,000 is proposed for the flood insurance program, which is an increase of \$30,000,000 above the level provided in 1974. This includes \$46,050,000 for studies and surveys to determine flood-prone areas as a basis for insurance and \$3,950,000 for administrative expenses.

Flood insurance participation is expanding rapidly and the Department now has a backlog of communities to convert from the emergency to the regular insurance program. The increase will provide for studies and surveys required before these communities are eligible for full coverage under the regular program.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

1974 appropriation.....	\$65,000,000
Estimate, 1975.....	70,000,000
Recommended in bill.....	60,000,000
Decrease below estimate.....	10,000,000

The bill contains an appropriation of \$60,000,000 to continue extensive research efforts in housing and urban development and other related activities. Excluding administrative expenses, which are provided in a separate appropriation in the budget in 1975, the amount

recommended is substantially the same as the level provided in the current fiscal year.

Research initiatives sponsored by the Department have expanded dramatically from the 1968 level of \$10,000,000. The Committee endorses many of the Department's research efforts, but feels that areas of interest should be selected on a basis of highest priority. The funds recommended encompass major experiments involving housing allowances, housing management, lead based paint poisoning, neighborhood preservation, and development of basic data for integrated utility systems.

SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

1974 appropriation-----	<sup>1</sup> \$4,735,000
Estimate, 1975-----	6,320,000
Recommended in bill-----	5,000,000
Decrease below estimate-----	-1,320,000

<sup>1</sup> Comparable program amount.

The bill includes \$5,000,000 for administrative expenses to carry out policy development and research activities. This is a decrease of \$1,320,000 below the budget request, and \$265,000 above the 1974 level.

The Committee notes that only 69 of the 180 positions are to maintain the present staffing capability in research and demonstration activities. The policy development and economic forecasting staffs have expanded by 29 positions in 1974. The Committee does not recommend any further expansion in 1975.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING AND EQUAL OPPORTUNITY

1974 appropriation-----	\$9,777,000
Estimate, 1975-----	11,900,000
Recommended in bill-----	10,900,000
Decrease below estimate-----	-1,000,000

The Committee recommends \$10,900,000 for the administration of fair housing and equal opportunity programs. This is a decrease of \$1,000,000 below the budget request, but an increase of \$1,123,000 above the amount provided in 1974. The budget proposes adding 50 temporary positions to relieve complaint backlogs and compliance reviews required under various civil rights legislation. The amount recommended should permit a balanced expansion of activity and cover the additional positions and the annualization of 1973 increased pay costs.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

1974 appropriation-----	\$6,161,000
Estimate, 1975-----	5,580,000
Recommended in bill-----	5,580,000

The bill provides the \$5,580,000 requested by the Secretary for the general staff offices reporting to him. On a comparable basis, after

transfer of various functions are taken into account, the amount provided is approximately \$1,000,000 above 1974. The increase will provide the annualized costs of higher average employment and full year funding of the 1973 pay raise.

## SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

1974 appropriation	-----	\$3,253,000
Estimate, 1975	-----	3,530,000
Recommended in bill	-----	3,530,000

The budget estimate of \$3,530,000 is recommended for the Office of General Counsel. This amount is \$277,000 above 1974 and will provide three additional positions for a staff level of 210 in 1975.

## SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

1974 appropriation	-----	\$6,708,000
Estimate, 1975	-----	6,830,000
Recommended in bill	-----	6,830,000

The Committee recommends \$6,830,000 for the Office of Inspector General, which is an increase of \$122,000 above the 1974 level. The additional funds are required for the full year costs of eighteen positions added in 1974 and for the annualization of 1973 pay adjustments.

## ADMINISTRATION AND STAFF SERVICES

1974 appropriation	-----	\$11,650,000
Estimate, 1975	-----	19,810,000
Recommended in bill	-----	19,513,000
Decrease below estimate	-----	-297,000

The bill provides \$19,513,000 in support of administration and staff services. The substantial increase of \$7,863,000 above 1974 will cover the annualized costs of positions added in the current fiscal year, the full year costs of 1973 pay raises, and the first year charges for space rental under the new law requiring rent payment to GSA. In accord with the general policy recommended in this bill, the Committee has made a ten percent reduction in the amount to be paid to GSA for such space costs.

## WORKING CAPITAL FUND

The budget proposes the obligation of \$14,065,000 for data processing services for the Department in fiscal year 1975. This represents an increase of \$4,275,000, or almost 44%, over the planned level of \$9,790,000 for fiscal year 1974. The principal reasons for this significant increase are the conversion of existing computer hardware to a dual Univac 1108 system that will support teleprocessing between field offices and the central office computer site, and a 70% increase in workload processed via the GSA Infonet teleprocessing network. Additionally, 22 positions have been requested to staff the enlarged computer installation on a three shift basis.

The Committee takes note of several favorable developments over the past year in HUD data processing and ADP management. Eleven new systems have been installed, making more timely information available to the Department, the Nation's housing industry and consumers. One new system, Automated Cost Evaluation, has shortened the length of time necessary for validating cost estimates of multi-family housing projects from 2½ days to less than one day. Several new systems are planned for operational status during fiscal year 1975.

The Committee is also pleased to note that the results of the Department's careful analysis of field teleprocessing and central office data processing service requirements are reflected in their budget justification. The plan to obtain the dual Univac 1108 configuration will be beneficial to the Government if it results in the projected savings of several millions of dollars through the termination of the procurement of these services from commercial sources. The Committee supports HUD's efforts to develop more economical teleprocessing alternatives and urges the Department to work closely with the Office of Management and Budget and the General Services Administration toward these objectives.

Finally, since much of the teleprocessing workload ordinarily performed by the commercial contract vendor will now be performed by the dual Univac 1108, and since several new systems originally scheduled for operation in fiscal year 1974 have been delayed for startup until well into fiscal year 1975, the \$2,230,000 requested for special contractual services may be excessive. More recent estimates of this requirement approximate \$1,700,000. The Department should monitor this situation closely so that any unexpended funds can be returned to the Treasury.

REGIONAL MANAGEMENT AND SERVICES

1974 appropriation-----	\$20, 224, 000
Estimate, 1975-----	30, 160, 000
Recommended in bill-----	29, 446, 000
Decrease below estimate-----	- 714, 000

The Committee recommends \$29,446,000 for regional management and services. This is an increase of \$9,222,000 above 1974 and a decrease of \$714,000 below the budget request. The additional funds provided are principally due to GSA space rental costs. The decrease represents a ten percent reduction in the amount charged by GSA for this activity.

The Committee is concerned that the HUD regional office structure is not an effective or efficient mechanism for administering the Department's programs in the field. A major problem in this connection is that the regional structure appears to intercept the normal chain of command and responsibility of the assistant secretaries. The Committee heard testimony indicating that HUD is also concerned with the regional structure, and urges the Department to examine carefully the regional offices with a view for substantial reductions and reassignments to area offices.

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

1974 appropriation.....	\$432,600,000
Estimate, 1975.....	200,000,000
Recommended in bill.....	200,000,000

The full budget estimate of \$200,000,000 is recommended for the disaster assistance program. Taken together with the \$88,602,000 estimated carryover at the end of the current fiscal year, and the \$32,600,000 provided in the Second Supplemental Act of 1974, there will be approximately \$321,202,000 available in 1975 for disaster assistance. This includes the initial implementation of the recently passed Disaster Relief Act of 1974. The level of fund requirements for natural disasters that may occur is impossible to predict, and additional funds may be required for this activity.

TITLE II

SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER  
INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

1974 appropriation.....	\$4,100,000
Estimate, 1975.....	5,465,000
Recommended in bill.....	4,512,000
Decrease below estimate.....	-953,000

The Committee recommends \$4,512,000 for the American Battle Monuments Commission to continue the 1974 staffing level. The decrease of \$953,000 from the budget estimate represents a 10 percent reduction in the requested payment to the General Services Administration for space rental charges, and deferral of funds to initiate construction of a proposed Pershing Memorial in the District of Columbia. Such funds have been applied to other higher priority purposes for veterans' care in this bill.

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

1974 appropriation.....	<sup>1</sup> \$24,078,000
Estimate, 1975.....	267,000
Recommended in bill.....	265,000
Decrease below estimate.....	-2,000

<sup>1</sup> Includes \$18,420,000 transferred to the Veterans Administration for the care of 82 national cemeteries pursuant to the National Cemeteries Act of 1973.

The bill provides \$265,000 for the U.S. Army Memorial Affairs Agency. The only decrease recommended is \$2,000 reflecting a 10 percent reduction in the payment to the General Services Administration for space rental charges.

The National Cemeteries Act of 1973 provided for the transfer of the National Cemetery System to the Veterans Administration, except for Arlington National Cemetery and the cemetery at the Soldiers' and Airmen's Home. These are still funded from this appropriation. In addition to the funds recommended herein, a carryover balance of \$3,468,000 from 1974 is anticipated.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

1974 appropriation-----	\$40, 155, 000
Estimate, 1975-----	46, 847, 000
Recommended in bill-----	46, 900, 000
Increase above estimate-----	+53, 000

The Committee recommends a total of \$46,900,000 for the Federal Communications Commission in 1975. Included in this amount is \$300,000 for an additional 25 positions above the budget request, which should be allocated on a priority basis to reduce substantial backlogs and to manage increasing workloads in nearly every activity. Offsetting the increase for additional personnel is a decrease of \$247,000 representing a ten percent reduction in the amount charged by GSA for space rental. Therefore, the net increase above the budget request is \$53,000.

In the past two years funds have been provided for an additional 265 positions to help reduce the growing backlogs in various activities. While the Committee recognizes that it requires time to incorporate this added manpower into the work stream, it is not fully satisfied with the Commission's achievements in backlog reduction and will expect more tangible progress in this area during fiscal year 1975.

Last year the Committee strongly urged the Commission to proceed as vigorously as possible—within constitutional limitations—to determine what its powers were in the area of program violence and obscenity—particularly as they affect children. This is the fifth consecutive year the Committee has included language in its report expressing concern with the effects of violence and questionable programming on children. It appears that the Commission has taken little or no action in response to those expressions.

The Committee feels that this issue needs resolution. Therefore, the Commission is directed to submit a report to the Committee by December 31, 1974, outlining specific positive actions taken or planned by the Commission to protect children from excessive programming of violence and obscenity.

The Committee also expects that the report will summarize whatever resolution or division of responsibility may be reached regarding the split of authority between the FCC and FTC concerning the effect of commercials on children. The Committee is reluctant to take punitive action to require the Commission to heed the views of the Congress, and to carry out its responsibilities, but if this is what is required to achieve the desired objectives, such action may be considered. The Committee hopes the Commission will move promptly to resolve the administrative, jurisdictional, and constitutional problems associated with this issue.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT	
1974 appropriation.....	<sup>1</sup> \$2, 189, 307, 000
Estimate, 1975.....	<sup>2</sup> 2, 341, 580, 000
Recommended in bill.....	2, 327, 380, 000
Decrease below estimate.....	-14, 200, 000

<sup>1</sup> Excludes \$4,693,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.

<sup>2</sup> Excludes \$4,435,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.

During the past year, the National Aeronautics and Space Administration marked the end of an era. The original manned space program, which began with Project Mercury, ended with the highly successful flight of Skylab. Except for the Apollo-Soyuz mission, American men will not return to space until the first Space Shuttle Mission in 1979. As the space program moves into the next era, NASA is to be congratulated for the role it has played in contributing to the technological leadership of the Nation.

The 1975 budget request proposes continuation of the Space Shuttle; the American-Russian Apollo-Soyuz project; the Viking program, which is scheduled to make a soft-landing on Mars in 1976; various weather and scientific satellites; and further development of a strong aeronautics research program.

The 1975 budget also requested initial funding for three new space flight projects—a Pioneer Venus mission proposed for 1978; SEASAT, a satellite designed to observe, measure and forecast ocean dynamics; and a Heat Capacity Mapping Mission designed to locate targets for the further exploration of mineral resources.

The Committee recommends an appropriation of \$2,327,380,000 in this bill. An additional \$4,435,000 has also been provided in the Special Energy Bill. The total recommended is \$14,200,000 below the budget request and is \$41,000,000 below the authorization.

Within the total recommended, the Committee suggests a number of changes from the amounts requested in the current budget plan.

1. The Committee recommends that the \$6,200,000 requested for planning funds for the Large Space Telescope be denied. The total cost of this project is estimated at between \$300,000,000 to \$500,000,000. The Committee notes that the LST is not among the top four priority telescope projects selected by the National Academy of Sciences, and suggests that a less expensive and less ambitious project be considered as a possible alternative.

2. The Committee recommends that the \$8,000,000 requested to initiate SEASAT be deferred. The Committee suggests that this satellite be configured to fly on an early operational shuttle flight. This will provide additional shuttle payload experience and could result in cost savings—particularly if SEASAT is launched in combination with another payload.



3. The 1975 NASA authorization provided \$16,000,000 to initiate a third Earth Resources Technology Satellite. Because the ERTS program has provided a wealth of valuable data, the Committee urges NASA to reprogram the necessary funds to begin work on ERTS "C" as soon as possible.

4. The conference report on the 1975 NASA authorization indicates that \$3,900,000 is to be applied to coal related research. No funds are provided in this bill for that purpose. If NASA's expertise and facilities can be utilized effectively for vital coal research, then the necessary funds should be provided from the \$400,000,000 available in the Department of the Interior as part of a coordinated program in this energy discipline.

5. The Committee directs that NASA not reprogram funds provided in this bill for further cost overruns on Project Viking, without requesting such additional funds. The Committee notes that more than \$40,000,000 of 1974 funds have been reprogrammed for this mission and is concerned that large additional reprogramings in 1975 could restrict other important NASA activities.

The bill contains the appropriation language requested that will permit initial proposals for a tracking and data relay satellite network to be considered. This language is authorized by Section 7 of the National Aeronautics and Space Administration Authorization Act of 1975, and is available for one year.

Finally, the Committee hopes that the \$45,000,000 invested in the JTS-D jet engine refan program will not be lost in a bureaucratic struggle over how much and what kind of commercial jet noise abatement is appropriate. The Committee is aware that the Federal Aviation Administration's proposed rule covering a sound absorption system could negate much of the work NASA has completed on refan technology. Based on technological considerations, it has been estimated that a refan retrofit of the DC-9 aircraft could begin in mid-1976 and work on the 727 aircraft could begin in mid-1977. The Committee hopes that no action will be taken that would effectively eliminate the work of NASA in this field until all the facts and various alternatives are carefully weighed and digested. NASA is urged to make every effort to insure that the valuable refan work completed is put to use as soon as possible.

CONSTRUCTION OF FACILITIES

1974 appropriation	\$101,100,000
Estimate, 1975	151,490,000
Recommended in bill	135,670,000
Decrease below estimate	-15,820,000

The Committee recommends \$135,670,000 for the construction of new facilities requested in the budget estimate. The funds approved are the same, except in four instances.

The Committee recommends that the \$4,880,000 requested for an addition to the Systems Development Laboratory at the Jet Propulsion Laboratory be denied. The new facility is proposed, in part, for Project Viking. With substantial unused space available at other NASA facilities, recent capabilities added at the Laboratory, and completion of earlier missions, construction of additional space for a specific project does not appear warranted at this time.

The Committee recommends that the \$1,940,000 requested for construction of an Orbiter Horizontal Flight Test Facility at the Flight Research Center be denied. The Committee received testimony indicating that NASA had explored the possibility of making use of existing hangar facilities. It is suggested that such efforts be continued. Funds necessary for modification of existing facilities could be reprogrammed from the total available in this appropriation. The shuttle orbiter should be of sufficient high priority to command existing hangar space at this location.

The Committee recommends a \$5,000,000 reduction in the proposed modifications to launch complex 39 at the Kennedy Space Center, and a \$4,000,000 reduction for construction of solid rocket motor test facilities. These decreases are in line with similar reductions made in the 1975 authorization bill.

The effect of the decreases outlined above is a \$15,820,000 net reduction below the budget estimate. The amount provided is \$34,570,000 above the 1974 appropriation, largely reflecting the additional requirements for modified or new Space Shuttle facilities.

RESEARCH AND PROGRAM MANAGEMENT

1974 appropriation-----	\$744, 600, 000
Estimate, 1975-----	749, 624, 000
Recommended in bill-----	740, 000, 000
Decrease below estimate-----	-9, 624, 000

The Committee recommends \$740,000,000 for research and program management, a reduction of \$9,624,000 below the budget request. With the continued contraction of NASA civil service employment and the partial closing of selected facilities, the level recommended should be sufficient to meet the management requirements of NASA in the coming year. Included in the reduction is \$500,000 representing a ten percent decrease in the estimated payment to GSA for space rental.

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES

1974 appropriation-----	<sup>1</sup> \$544, 680, 000
Estimate, 1975-----	<sup>2</sup> 681, 400, 000
Recommended in bill-----	666, 800, 000
Decrease below estimate-----	-14, 600, 000

<sup>1</sup> Excludes \$31,600,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.  
<sup>2</sup> Excludes \$101,800,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.

The Committee recommends an appropriation of \$666,800,000 in this bill in support of National Science Foundation programs. When taken together with the \$101,800,000 provided in the Special Energy Bill, a total of \$768,600,000 is made available for 1975. This is \$14,600,000 below the amount requested and is \$192,340,000 above the 1974 appropriation.

The bill includes a limitation of \$35,900,000 for Program Development and Management—a decrease of \$1,400,000 below the 1975 request. The reduction is directly related to amounts proposed for the 1975 program and includes \$260,000 representing a ten percent decrease in GSA rental costs.

Other limitations and earmarkings carried in the bill are \$5,000 for official reception and representation expenses; not more than \$40,000,000 for Research Applied to National Needs; not less than \$8,000,000 for Institutional Improvement for Science; not less than \$13,200,000 for Graduate Student Support; and not less than \$68,900,000 for Science Education Improvement.

With regard to the individual programs recommended for 1975, the Committee has allowed an additional \$3,000,000 above the budget plan for Science Information Activities. This restores this activity to the 1974 level of \$8,000,000, and the Committee intends that this shall be used to continue computerizing chemical and other information systems.

The budget proposes deleting the proviso prohibiting grant payments to individuals refusing to obey lawful regulations of educational institutions. The Committee recommends that this language be retained.

The budget also proposed adding language making the funds available until expended. While the Committee has recommended “no-year” funds in the Special Energy Bill to allow more latitude in the initial stages of direct energy research, it believes that annual funding should be retained to prevent the accumulation of unobligated balances which can complicate the authorization and appropriation processes.

The individual actions taken in the bill and report reflect many of the concerns expressed by the Committee previously. These actions are designed to insure that applied research is not pursued at the expense of basic research, and that both applied and basic research are not pursued at the expense of the Foundation's science education responsibilities.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

1974 appropriation-----	\$3,000,000
Estimate, 1975-----	5,000,000
Recommended in bill-----	5,000,000

The budget estimate of \$5,000,000 in support of the special foreign currency program is approved for 1975. This appropriation provides for the collecting, translating, abstracting and disseminating of foreign scientific and technological information, utilizing foreign currencies which the Treasury Department determines to be excess to normal requirements of the United States.

## RENEGOTIATION BOARD

## SALARIES AND EXPENSES

1974 appropriation	\$4,805,000
Estimate, 1975	5,195,000
Recommended in bill	5,163,000
Decrease below estimate	-32,000

The \$5,163,000 recommended for the Renegotiation Board will provide for a continuation of program activity at approximately the same level as 1974. The decrease of \$32,000 from the budget estimate is in accord with the general provision in the bill reducing the General Services Administration's space rental charge by 10 percent. The Committee is pleased to note recently reported savings of over \$70,000,000 through the renegotiation process for fiscal year 1974. This is the Board's largest return to the Treasury in the last fifteen years.

## SECURITIES AND EXCHANGE COMMISSION

## SALARIES AND EXPENSES

1974 appropriation	\$36,227,000
Estimate, 1975	42,131,000
Recommended in bill	43,077,000
Increase above estimate	+946,000

The Committee recommends a total of \$43,077,000 for the Securities and Exchange Commission. This is an increase of \$6,850,000 above the current fiscal year and \$946,000 above the budget request.

Last year the bill provided for an additional 263 positions over the fiscal 1973 level. The budget proposes that another 75 be added in 1975 and the Committee recommends that this be increased by 150, for a total of 225. This continues an accelerated effort to staff the Commission to enable the proper discharge of its growing responsibilities and maintain investor confidence in the capital-securities market. The ability of the Commission to meet its responsibilities effectively in the face of complex developments continues to require attention.

## SELECTIVE SERVICE SYSTEM

## SALARIES AND EXPENSES

1974 appropriation	\$53,760,000
Estimate, 1975	47,163,000
Recommended in bill	46,463,000
Decrease below estimate	-700,000

The bill includes \$46,463,000 for reduced requirements of the Selective Service System. This makes a significant further reduction from the current year, reflecting the continued conversion of the System to a standby mode. Personnel strength is being reduced from 6,241 on June 30, 1973, to 2,869 on June 30, 1975. The comparable reduction from 1974 is \$13,597,000 when the required payment for space rental costs to GSA in 1975 is considered. The only reduction from the budget request is in the payment to be made to GSA for space rental charges.

## VETERANS ADMINISTRATION

A total of \$13,414,680,000 in new budget (obligational) authority is recommended for the programs of the Veterans Administration. This

is a net increase of \$54,760,000 over the amount provided in the current fiscal year to date. The total for veterans programs next year will again be the largest amount in history.

The funds recommended will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families, and the 3,800,000 survivors of deceased veterans. These benefits include compensation payments for 2,600,000 veterans and survivors of deceased veterans for service-connected disabilities and death; pension payments for 2,300,000 non-service-connected disabled veterans, widows and children in need of financial assistance; educational and training assistance to 2,000,000 veterans and 76,000 sons, daughters, wives, and widows of deceased or seriously disabled veterans; housing credit assistance in the form of 350,000 guaranteed and 2,600 direct loans; supervision of a life insurance program covering 8,500,000 veterans and active duty servicemen; inpatient care and treatment of some 1,189,000 beneficiaries in the 170 hospitals, 18 domiciliaries, 87 nursing homes and other facilities; outpatient medical treatment involving nearly 15,000,000 visits; and the operating costs for the National Cemetery System transferred to the Veterans Administration on September 1, 1973.

COMPENSATION AND PENSIONS

1974 appropriation-----	\$6, 643, 800, 000
Estimate, 1975-----	6, 716, 200, 000
Recommended in bill-----	6, 716, 200, 000

The bill provides the full budget estimate of \$6,716,200,000 for compensation and pension payments. It is estimated that 2,197,120 veterans will receive disability compensation in 1975. Another 1,029,560 will receive pension payments. There are an estimated 1,684,926 survivors of deceased veterans that are also receiving benefits in these programs.

The request does not take into consideration recently passed legislation increasing various allowances and compensation payments that will increase the funding requirements for this account. Additional funds will therefore be needed at a later date when the revised costs are determined.

READJUSTMENT BENEFITS

1974 appropriation-----	\$3, 276, 000, 000
Estimate, 1975-----	2, 676, 000, 000
Recommended in bill-----	2, 676, 000, 000

The budget estimate of \$2,676,000,000 is recommended for readjustment benefits payments in 1975. This appropriation finances the education, training, and rehabilitation of veterans and servicemen, and educational assistance allowances for eligible dependents of veterans who died from service-connected causes or have a total and permanent rated service-connected disability, and servicemen who were captured or missing in action.

It has been necessary in the current fiscal year to provide a supplemental of \$750,000,000 for increased average costs per trainee, and for expanded enrollments because of successes in encouraging veterans to utilize the educational opportunities to which they are entitled. A further supplemental of \$77,000,000 is pending and will also be required for the current fiscal year.

Legislation is currently pending to further increase benefits, and extend the delimiting date of eligibility for Viet-nam veterans. It is therefore anticipated that additional funding will be required in fiscal year 1975.

VETERANS INSURANCE AND INDEMNITIES

1974 appropriation.....	(\$6,000,000)
Estimate, 1975.....	(6,000,000)
Recommended in bill.....	0

No appropriation is requested for insurance programs, although a transfer of \$6,000,000 from the Veterans Special Insurance Fund was proposed in the original budget estimates. The enactment of Public Law 93-289, effective May 24, 1974, makes policies under the Veterans special life insurance fund participating insurance and eligible for dividends. The excess earnings are therefore no longer available for insurance program adjustments. A revised budget estimate should be submitted when the revised insurance fund requirements are known.

MEDICAL CARE

1974 appropriation.....	\$2,859,173,000
Estimate, 1975.....	3,175,000,000
Recommended in bill.....	3,190,044,000
Increase above estimate.....	+15,044,000

The Committee recommends \$3,190,044,000 for medical care. This is \$330,871,000 above the current fiscal year and \$15,044,000 above the budget estimate. The budget proposes an increase of 8,184 in average employment in 1975, most of which are designated for direct patient care. The increase is to provide for an additional 1,000 nursing or direct patient care positions, and reflects a 10 percent reduction in the GSA space rental charge.

The Committee report accompanying the bill last year expressed reservation and concern over the adequacy of the budget request for medical funding, policies relating to hospital admissions, staffing for direct patient care, emergency care capability, adequate space and staffing to deal with increasing outpatient workloads, and other areas of the medical program. Since the 1975 budget program was transmitted to the Congress early in February, the President, in a special nationwide address on March 31, 1974, has said "While there are continuing improvements in the quality of medical care in our veterans hospitals, we must also continue our efforts to ensure that all patients receive full treatment and that the most efficient use is made of their excellent facilities. We should spend whatever money is necessary so that the quality of care in these hospitals will be second to none."

To examine the quality of that care the newly appointed Chief Medical Director of the Veterans Administration has been directed by the President to conduct a thorough investigation of the condition of the VA hospitals and clinics, including a personal tour of some of those facilities. About 30 hospitals have thus far been visited. A report of the findings is expected by the Committee.

From the Committee's own examination, it is clear that the additional personnel recommended at this time are a minimal requirement for continuing to maintain quality care and for meeting acceptable bed levels to meet the health care needs of the increased and aging veteran population.

The Committee continues to stand ready to favorably entertain consideration of future justified proposals submitted by the Administration to supplement medical care funding provided in this bill as such needs may develop.

MEDICAL AND PROSTHETIC RESEARCH

1974 appropriation.....	\$75,500,000
Estimate, 1975.....	89,000,000
Recommended in bill.....	86,770,000
Decrease below estimate.....	-2,230,000

The bill provides \$86,770,000 for medical and prosthetic research. This is an increase of \$11,270,000 over 1974 and \$2,230,000 less than the budget estimate. The full request is included for the prosthetic research program.

Last year the Congress provided the requested increase in average employment of 89 for medical research. The Committee notes that the Veterans Administration now plans to increase the average employment for medical research in 1974 by only 21. Because of other increases provided for direct patient care and some slippage in 1974 requirements, the Committee has applied the aforementioned reduction to other priority areas.

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

1974 appropriation.....	\$25,000,000
Estimate, 1975.....	0
Recommended in bill.....	30,000,000
Increase above estimate.....	+30,000,000

The Committee recommends \$30,000,000 above the budget for additional assistance for health manpower training institutions.

During the hearings the Committee was informed that the first round of grant applications had been received and that the grant application requests for the first 12 months totaled \$71,500,000. The \$30,000,000 recommended in the bill, when added to the \$45,000,000 already appropriated, brings total funding for this grant assistance program to \$75,000,000.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

1974 appropriation.....	\$34,063,000
Estimate, 1975.....	37,508,000
Recommended in bill.....	37,508,000

An appropriation of \$37,508,000 is recommended for medical administration and miscellaneous operating expenses. This provides an increase of \$1,822,000 for research and development in health services and \$2,130,000 for postgraduate and in-service training.

GENERAL OPERATING EXPENSES

1974 appropriation .....	\$331,623,000
Estimate, 1975 .....	391,000,000
Recommended in bill .....	388,130,000
Decrease below estimate .....	-2,870,000

The Committee recommends \$388,130,000 for the general operating expenses. This appropriation provides for the administration of non-medical veterans benefits through the Department of Veterans Benefits, operation and maintenance of the National Cemetery System, data processing operations and communications systems through the Department of Data Management, and top management direction and support. This is an increase of \$56,507,000 over 1974 and a decrease below the budget estimate of \$2,870,000.

The Veterans Administration has recently requested \$2,500,000 to implement a campus representative program in 1974 to assist in working out problems that have been experienced in delivering benefit payments to veterans. The funds in the bill for this item may be used to continue this new effort until a revised request can be considered for 1975 to adequately provide for this requirement.

The largest single item of the 1975 increase is \$28,700,000 for the General Services Administration's space rental charges. Other increases include \$16,220,000 for the National Cemetery System, which was transferred from the Department of the Army, and annualization of pay costs. The decrease of \$2,870,000 represents the 10 percent decrease in GSA space rental charges.

CONSTRUCTION, MAJOR PROJECTS

1974 appropriation .....	\$68,343,000
Estimate, 1975 .....	230,850,000
Recommended in bill .....	230,850,000

The bill provides the budget estimate of \$230,850,000 for major construction projects costing \$1,000,000 or more. This is the largest construction request since shortly after the Second World War. Construction projects already initiated or proposed for fiscal year 1975 will require an estimated \$233 million in the future to complete.

The Committee directs the Veterans Administration to reprogram \$5,173,900 of these funds for construction of a new research and education building at the Houston VA hospital.

A listing of the projects and amounts approved and recommended is as follows:



## CONSTRUCTION OF FACILITIES—MAJOR PROJECTS

Item and location	Appropriation		
	Available through 1974	Recommended for 1975	Future requirement
<b>Replacement and modernization:</b>			
Augusta, Ga., replacement hospital	\$4,337,000	\$2,730,000	\$41,887,000
Boise, Idaho, new clinical support facility	4,340,000	1,120,000	
Bronx, N.Y., replacement hospital	9,045,000	72,644,000	
Columbia, S.C., new bed building and modernization	3,093,000	21,573,000	4,972,000
Little Rock, Ark., replacement hospital	4,475,000	100,000	65,285,000
Loma Linda, Calif., replacement hospital	6,500,000	46,510,000	
Los Angeles, Calif., replacement hospital	34,268,000	39,376,000	
Madison, Wisc., modernization		1,134,000	10,206,000
Northport, N.Y., replacement hospital	20,046,000	6,000,000	
Philadelphia/Southern New Jersey, new hospital	3,700,000	100,000	47,768,000
Phoenix, Ariz., modernization, phase II		600,000	5,400,000
St. Albans, N.Y., modernization		4,600,000	
West Roxbury, Mass., spinal cord rehabilitation center and modernization	8,717,000	2,774,000	5,588,000
Wichita, Kansas, modernization-addition and alterations	193,000	2,687,000	
<b>Total, replacement and modernization</b>	<b>98,715,000</b>	<b>201,948,000</b>	<b>181,106,000</b>
<b>Nursing home care facilities:</b>			
Manchester, N.H., 120 beds	2,336,000	1,271,000	
Phoenix, Ariz., 120 beds		220,000	2,930,000
Wilmington, Del., 60 beds	94,000	1,609,000	
<b>Total, nursing home care facilities</b>	<b>2,430,000</b>	<b>3,100,000</b>	<b>2,930,000</b>
<b>Research and education facilities: Houston, Tex.</b>	<b>328,000</b>	<b>5,173,900</b>	
<b>Cemeteries:</b>			
Fort Snelling, Minn.		1,000,000	2,174,000
Jefferson Barracks, Mo.		1,400,000	85,000
National Memorial Cemetery of the Pacific (Hawaii)		250,000	2,454,000
3 new national cemeteries		750,000	3,990,000
Willamette, Oreg.		640,000	1,343,000
<b>Total, cemeteries</b>		<b>4,040,000</b>	<b>10,046,000</b>
<b>Improvements to outpatient clinics:</b>			
Albuquerque, N. Mex.	134,000	1,868,000	
Cleveland, Ohio	1,500,000	1,287,000	
Kansas City, Mo.		560,000	5,041,000
Palo Alto, Calif.	195,000	2,952,000	
<b>Total improvements to outpatient clinics</b>	<b>1,829,000</b>	<b>6,667,000</b>	<b>5,041,000</b>
<b>Air-conditioning systems:</b>			
Augusta, Ga. (Lenwood)		260,000	3,463,000
Biloxi, Miss. (Gulfport)	81,000	919,000	
Fayetteville, Ark.		284,000	2,554,000
Huntington, W. Va.	1,520,000	172,000	
Kerrville, Tex.	260,000	2,107,000	
Lebanon, Pa.		625,000	5,602,000
Lincoln, Neb.		240,000	2,158,000
Mountain Home, Tenn.		165,000	1,482,000
Poplar Bluff, Mo.	147,000	1,962,000	
Salem, Va.		540,000	4,842,000
Salisbury, N.C.	5,985,000	698,000	
<b>Total, air-conditioning systems</b>	<b>7,993,000</b>	<b>7,972,000</b>	<b>20,101,000</b>
<b>Other general projects:</b>			
Booklyn, N.Y., additional elevators	96,000	1,195,000	
East Orange, N.J., correction of electrical deficiencies		1,025,000	
Gainesville, Fla., clinical improvements	200,000	297,000	6,832,000
Huntington, W. Va., clinical improvements	85,000	73,000	1,417,000
Iowa City, Iowa, boiler plant	91,000	44,000	1,219,000
New York, N.Y., correction of electrical deficiencies		1,031,000	
San Diego, Calif., clinical improvements		262,000	1,821,000
Tuscaloosa, Ala., boiler plant		130,000	1,170,000
Waco, Texas, boiler plant		126,000	1,131,000
<b>Total other general projects</b>	<b>472,000</b>	<b>4,123,000</b>	<b>13,590,000</b>
<b>Correction of seismic deficiencies</b>		<b>3,000,000</b>	
<b>Reprogramming for Houston research and educational building</b>		<b>-5,173,900</b>	
<b>Total, major projects</b>	<b>111,767,000</b>	<b>230,850,000</b>	<b>232,814,000</b>

## CONSTRUCTION, MINOR PROJECTS

1974 appropriation-----	\$40,018,000
Estimate, 1975-----	45,150,000
Recommended in bill-----	45,150,000

The budget estimate of \$45,150,000 is recommended for minor construction projects. Of the recommended amount, \$32,676,200 is for construction projects estimated to cost less than \$1,000,000 and \$12,473,800 is for the general administration costs for the construction programs.

## GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

1974 appropriation-----	\$ 0
Estimate, 1975-----	10,000,000
Recommended in bill-----	10,000,000

This program provides grants to assist the States in the construction of State nursing facilities, and to remodel, modify, or alter existing hospital and domiciliary facilities in State homes for providing care and treatment to war veterans.

The bill provides the budget estimate of \$10,000,000 for such grants for construction, including \$5,000,000 for State nursing homes and \$5,000,000 for the State home hospitals and domiciliaries.

## GRANTS TO THE REPUBLIC OF THE PHILIPPINES

1974 appropriation-----	\$2,000,000
Estimate, 1975-----	2,100,000
Recommended in bill-----	2,100,000

The Committee recommends \$2,100,000 as requested for grants to the Republic of the Philippines. Of that amount, \$2,000,000 is for medical care and treatment and nursing home care of eligible Philippine Commonwealth Army veterans and new Philippine Scouts. In addition, \$100,000 is provided for health service personnel training and equipment and facility rehabilitation grants. The bill provides that \$50,000 for hospital, plant, and facilities rehabilitation grants should remain available until expended as proposed in the budget.

## PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

1974 appropriation-----	\$4,400,000
Estimate, 1975-----	1,828,000
Recommended in bill-----	1,828,000

The budget estimate of \$1,828,000 is recommended for payment of participation sales insufficiencies on pooled mortgages or other obligations guaranteed by the Veterans Administration. The funds are available for transfers to the direct loan revolving fund and the loan guaranty revolving fund to cover contractual commitments.

## LOAN GUARANTY REVOLVING FUND (LIMITATION ON OBLIGATIONS)

1974 limitation-----	\$500,000,000
Estimate, 1975-----	500,000,000
Recommended in bill-----	500,000,000

The Committee recommends a limitation of \$500,000,000 to finance costs, other than administrative expenses, for the loan guaranty program. The assistance normally provided consists of the guaranty of insurance of loans made by private lenders to veterans. Under certain conditions, the Veterans Administration may make loans directly to veterans for home and farm residences.

TITLE III  
CORPORATIONS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOUSING ADMINISTRATION

	<i>Administrative</i>	<i>Nonadministrative</i>
1974 limitation-----	\$15,445,000	\$176,796,000
Estimate, 1975-----	13,880,000	191,730,000
Recommended in bill-----	13,803,000	190,500,000
Decrease below estimate-----	-77,000	-1,230,000

The bill contains the budget estimate for both the administrative and nonadministrative expense limitations of the Federal Housing Administration, except for a ten percent adjustment in the reimbursement to GSA for space rental charges in each item.

An average employment of 581 can be supported with the recommended \$13,803,000 for administrative expenses, including 495 in housing production and housing management and necessary central office overhead for the mortgage insurance programs.

The \$190,500,000 recommended as a limitation for nonadministrative expenses to be financed from corporate funds is for a field staff of 4,625, and also the 66 central office positions currently financed by this limitation. This is an increase of \$13,704,000 above the current amount, and is related primarily to anticipated workload increases in insurance of multifamily housing, and a further strengthening of housing management.

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

1974 limitation-----	\$7,772,000
Estimate, 1975-----	8,080,000
Recommended in bill-----	8,080,000

The bill provides the budget request of \$8,080,000 for the limitation on administrative expenses for the Government National Mortgage Association. This is an increase of \$308,000 over the current fiscal year. The increase is considered necessary for the full year funding of pay increases provided by law, and for higher tandem plan and mortgage-backed security workload activity expected in 1975.

FEDERAL HOME LOAN BANK BOARD

LIMITATION OF ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,  
FEDERAL HOME LOAN BANK BOARD

	<i>Administrative</i>	<i>Non- administrative</i>
1974 limitation -----	\$9,700,000	\$18,530,000
Estimated, 1975-----	10,470,000	20,800,000
Recommended in bill -----	10,400,000	20,736,000
Decrease below estimate-----	--70,000	-64,000

The Committee recommends limitations of \$10,400,000 for administrative expenses and \$20,736,000 for nonadministrative expenses of the Board.

The recommended amounts are decreases of \$70,000 and \$64,000 below the budget estimates, respectively, due to the 10 percent reduction in the payment requested for the General Services Administration's space rental charges.

The Committee has included the requested language to allow members and alternates of the Federal Savings and Loan Advisory Council per diem payments not to exceed the dollar amount set forth in 5 U.S.C. 5703(d)(1). This increases the maximum payment for per diem from \$25 to the more realistic amount of \$40 as permitted by the cited provision of law.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

1974 limitation-----	\$740,000
Estimate, 1975-----	776,000
Recommended in bill-----	772,000
Decrease below estimate-----	-4,000

The bill provides \$772,000 as a limitation on administrative expenses of the Federal Savings and Loan Insurance Corporation. This decrease of \$4,000 from the budget estimate is in accord with the general provision in the bill which reduces the General Service Administration's space rental charge by 10 percent. The amount recommended will continue funding the operations of administrative expenses of the corporation at the 1974 level.

TITLE IV

GENERAL PROVISIONS

The Committee recommends that the general provisions applicable to the Department and agencies carried in the current year be continued essentially the same in 1975, except for the addition of Section 405 relating to payments to be made to the General Services Administration discussed earlier in the report.

Section 301 of the Supplemental Appropriation Act, 1974, requires the Veterans Administration to have an independent audit for all construction contract settlements in excess of \$1,000,000. This is permanent law and is therefore omitted from the bill.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended.

On page 4, in connection with Model cities programs:  
*, of which \$1,000,000 shall be available only for rehabilitation and redevelopment of the DeKalb County, Tennessee, model cities area devastated by recent tornado damage.*

On pages 14 and 15, in connection with the National Science Foundation:  
*; not less than \$8,000,000 shall be used only for Institutional Improvement for Science*

On page 16, in connection with the Securities and Exchange Commission:  
*, and not to exceed \$2,000 for official reception and representation expenses*

On page 27, in connection with the Federal Home Loan Bank Board:  
*: Provided further, That members and alternates of the Federal Savings and Loan Advisory Council shall be entitled to reimbursement from the Board as approved by the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid in lieu of subsistence per diem not to exceed the dollar amount set forth in 5 U.S.C. 5703 (d) (1)*

On page 30, in connection with General provisions:  
*SEC. 405. No part of any appropriation, funds, or other authority contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.*

SUPPLEMENTAL VIEWS OF HON. ROBERT O. TIERNAN

THE SELECTIVE SERVICE SYSTEM

In House Report 93-296, I expressed opposition to the continued funding of the Selective Service System in Fiscal Year 1974. My opposition to that funding remains today, reinforced by the successful institution of the all volunteer Armed Services during the past year. Although the all volunteer system has encountered some difficulties, it is accomplishing its objective, and its success coupled with historical precedence, the climate of detente, and the need for fiscal responsibility, should have signaled the end of the Selective Service System. To continue the operation of a multi-million dollar stand-by draft system, the need and statutory authority for which are questionable at best, constitutes a senseless waste of American manpower and money.

It is senseless to maintain a \$46.4 million stand-by draft system, when there is no historical precedence for the necessity of having such a system in order to meet the manpower needs of a national emergency. In each instance when the United States has had to mobilize manpower during times when there was no draft, we have done so quickly and efficiently, regardless of whether or not a stand-by draft system was in operation at the time.

In 1917, after enacting draft legislation in response to a declaration of war, the United States inducted 475,000 men during a six month period. Similarly, after enactment of the "Selective Service and Training Act" in 1940, 280,000 men were inducted during a six month period. When draft legislation was passed on June 24, 1948, it took only 131 days for the first man to be inducted. The fact that only 20,000 men were inducted in the first six months is largely attributable to the absence of any pressure for quick inductions. Like the two aforementioned periods, this took place at a time when there was no stand-by draft authority. The one time when the stand-by system was in operation, in June of 1950, 219,000 men were inducted in six months.

From the experience of the past it is clear that we do not need to maintain a stand-by draft authority in order to meet national emergency manpower requirements in the future. In addition, according to experts there is little likelihood that the United States will become involved in the type of conventional ground warfare which would require the mobilization of more troops than are already available within the Armed Services today. A former Member of the House Armed Services Committee, Major General Leroy Anderson (U.S. Army, Ret.) provided a succinct explanation of this position for the HUD-Space-Science-Veterans Subcommittee of the Appropriations Committee:

With the adoption of the Nixon Doctrine and the Congressional decision to offer adequate wages to first term enlisted men, the only condition under which this country is likely to need draftees again would be if it became involved in a lengthy, large scale, conventional ground war. Every indicator suggests the probability of this happening to be extremely remote.

Even in the unlikely eventuality of a "large-scale, conventional ground war," President Nixon presently has at his disposal over 5 million trained troops, (2.1 million active forces, 2 million Ready Reserves, 532,000 Standby Reservists, and 710,000 Retired Reservists) a force which approaches that available to President Roosevelt one year after World War II began. There is more likelihood that supplies and materials, rather than manpower, would be in short supply in national emergency of the magnitude that would require more forces than are presently available.

Not only is the necessity for the continuation of the Selective Service System a misconception, but the claim that the system is winding down its operations to the minimum allowable level of personnel is suspect. From an examination of the system's personnel estimates for Fiscal Years 1974 and 1975 it is clear that the agency is leaving its top managerial and supervisory positions intact while eliminating many in the lower ranks. Of the 867 position reductions scheduled for FY 75, only .002 percent have a GS rating of 13 or above. In FY 74 the Selective Service had 112 authorized positions above GS-12, comprising 3.5 percent of the 3117 authorized positions. It plans to eliminate only two of these positions in FY 75, and thereby increase the relative strength of its managerial positions from 3.5 to 4.8 percent of its total work force.

Similarly, the percentage of supervisory positions, GS-8 through 12, will increase from 9.1 percent of the work force in FY 74 to 11.2 percent in FY 75. Only 32 of the 285 positions in this range authorized in FY 74 will be eliminated in FY 75. Those reductions amount to 3.8 percent of the total anticipated reduction in FY 75.

Conversely, 80 percent of the FY 75 reductions will be made at the GS-5 through 7 level, even though these positions comprised only 69 percent of the FY 74 authorized work force. Fully 700 of the 867 personnel reductions will be taken from this category and another 132 will come from the ungraded through GS-4 positions.

Obviously, the bulk of any large-scale personnel reduction must come from those categories of positions which are the greatest numerically. However, an agency should not attempt to disguise a disproportionate cutback, such as we have here, as an attempt to reduce an agency to a skeleton operational force. Why is it necessary for a standby draft agency to increase its managerial and supervisory strength over that maintained while the draft was in effect? Why are nearly the same number of people needed to supervise the work of 800 fewer personnel who are performing fewer, less complicated tasks?

In an effort to appease Congress, the Selective Service System is ostensibly curtailing its structure by making large-scale personnel reductions. In fact, it is increasing its managerial and supervisory capacity and entrenching itself in the Federal bureaucracy.

During this time of severe economic hardships for many American citizens, it is extremely irresponsible and unwise to spend \$46.4 million to support a superfluous bureaucratic agency which performs no useful function. For this reason and those stated above I can not support the continued funding of the Selective Service System.

ROBERT O. TIERNAN.



**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE  
BUDGET ESTIMATES FOR FISCAL YEAR 1975**

**PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS**

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

(1) Agency and item	(2) New budget (obligational) authority, 1974	(3) Budget estimates of new budget (obligational) authority, 1975	(4) Increase (+) or decrease (-)
Department of Housing and Urban Development:			
College housing—loans and other expenses (indefinite)-----	\$403,000	\$405,000	+\$2,000
Federal Housing Administration fund (authority to spend public debt receipts, indefinite)-----	903,314,000	1,079,354,000	+176,040,000
Interstate land sales (indefinite, special)-----	990,000	1,220,000	+230,000
Public facility loans (indefinite)-----	1,200,000	1,061,000	-139,000
Government National Mortgage Association: Special assistance functions fund (indefinite)-----	3,805,000	3,066,000	-739,000
Total, permanent new budget (obligational) authority, Federal funds.	909,712,000	1,085,106,000	+175,394,000

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY--TRUST FUNDS

American Battle Monuments Commission: Contributions (indefinite)-----	35,000	35,000	-----
National Aeronautics and Space Administration: Miscellaneous trust funds (indefinite)-----	35,000,000	23,000,000	-12,000,000
National Science Foundation: Donations (indefinite)-----	1,000	1,000	-----
Veterans Administration:			
General post fund, national homes (indefinite)-----	3,700,000	3,800,000	+100,000
National service life insurance fund (indefinite)-----	811,251,000	837,257,000	+26,006,000
U.S. Government life insurance fund (indefinite)-----	38,509,000	38,345,000	-164,000
Total, permanent new budget (obligational) authority, trust funds-----	888,496,000	902,438,000	+13,942,000

NOTE.—Amounts as estimated and shown in the February 1974 budget document. The items are indefinite in amount, and thus are subject to later reestimation.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1975—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority, fiscal year 1974 (2)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in bill (4)	Fill compared with	
				New budget (obligational) authority, fiscal year 1974 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (6)
TITLE I					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
HOUSING PRODUCTION AND MORTGAGE CREDIT					
Salaries and expenses, Housing production and mortgage credit programs-----	\$5, 246, 000	\$14, 340, 000	\$14, 340, 000	+\$9, 094, 000	
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Payment of participation sales insufficiencies-----	19, 821, 000	22, 883, 000	22, 883, 000	+3, 062, 000	
Total, Housing Production and Mortgage Credit-----	25, 067, 000	37, 223, 000	37, 223, 000	+12, 156, 000	
HOUSING MANAGEMENT					
Housing payments-----	2, 020, 000, 000	2, 425, 000, 000	2, 425, 000, 000	+405, 000, 000	
Salaries and expenses, Housing management programs-----	24, 521, 000	*23, 400, 000	23, 400, 000	-1, 121, 000	

Total, Housing Management.....	2, 044, 521, 000	2, 448, 400, 000	2, 448, 400, 000	+ 403, 879, 000	
COMMUNITY PLANNING AND DEVELOPMENT					
Urban renewal programs.....	600, 000, 000	( <sup>6</sup> )	200, 000, 000	- 400, 000, 000	+\$200, 000, 000
Model cities programs.....	150, 000, 000	( <sup>3</sup> )	125, 000, 000	- 25, 000, 000	+ 125, 000, 000
Rehabilitation loan fund.....			70, 000, 000	+ 70, 000, 000	+ 70, 000, 000
Open space land programs.....	25, 000, 000			- 25, 000, 000	
Community Development.....		* 395, 000, 000			- 395, 000, 000
Comprehensive planning grants.....	75, 000, 000	110, 000, 000	100, 000, 000	+ 25, 000, 000	- 10, 000, 000
Salaries and expenses:					
Community planning and management programs.....	10, 359, 000			- 10, 359, 000	
Community development programs.....	23, 004, 000			- 23, 004, 000	
Community planning and development programs.....		4 42, 200, 000	39, 000, 000	+ 39, 000, 000	- 3, 200, 000
Total Community Planning and Development.....	883, 363, 000	547, 200, 000	534, 000, 000	- 349, 363, 000	- 13, 200, 000
FEDERAL INSURANCE ADMINISTRATION					
Flood insurance.....	20, 000, 000	* 50, 000, 000	50, 000, 000	+ 30, 000, 000	
POLICY DEVELOPMENT AND RESEARCH					
Research and technology.....	65, 000, 000	70, 000, 000	60, 000, 000	- 5, 000, 000	- 10, 000, 000

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1975—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1974	(3) Budget estimates of new budget (obligational) authority, fiscal year 1975	(4) New budget (obligational) authority recommended in bill	Bill compared with	
				(5) New budget (obligational) authority, fiscal year 1974	(6) Budget estimates of new budget (obligational) authority, fiscal year 1975
TITLE I—Continued					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued					
POLICY DEVELOPMENT AND RESEARCH—Continued					
Salaries and expenses, Policy development and research		\$6,320,000	\$5,000,000	+\$5,000,000	-\$1,320,000
Total, Policy Development and Research	\$65,000,000	76,320,000	65,000,000		-11,320,000
FAIR HOUSING AND EQUAL OPPORTUNITY					
Fair housing and equal opportunity	9,777,000	11,900,000	10,900,000	+1,123,000	-1,000,000
DEPARTMENTAL MANAGEMENT					
General departmental management	6,161,000	5,580,000	5,580,000	-581,000	
Salaries and expenses:					
Office of general counsel	3,253,000	3,530,000	3,530,000	+277,000	

Office of inspector general.....	6,708,000	6,830,000	6,830,000	+122,000	-297,000
Administration and staff services.....	11,650,000	19,810,000	19,513,000	+7,863,000	-714,000
Regional management and services.....	20,224,000	730,160,000	29,446,000	+9,222,000	-1,011,000
Total, Departmental Management.....	47,996,000	65,910,000	64,899,000	+16,903,000	-26,531,000
Total, Department of Housing and Urban Development.....	3,095,724,000	3,236,953,000	3,210,422,000	+114,698,000	
FUNDS APPROPRIATED TO THE PRESIDENT					
FEDERAL DISASTER ASSISTANCE ADMINISTRATION					
Disaster relief.....	8432,600,000	200,000,000	200,000,000	-232,600,000	
Total, Title I.....	3,528,324,000	3,436,953,000	3,410,422,000	-117,902,000	-26,531,000
TITLE II					
SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES					
AMERICAN BATTLE MONUMENTS COMMISSION					
Salaries and expenses.....	10 4,100,000	5,465,000	4,512,000	+412,000	-953,000
DEPARTMENT OF DEFENSE—CIVIL					
CEMETERIAL EXPENSES, ARMY					
Salaries and expenses.....	11 24,078,000	267,000	265,000	-23,813,000	-2,000
FEDERAL COMMUNICATIONS COMMISSION					
Salaries and expenses.....	40,155,000	46,847,000	46,900,000	+6,745,000	+53,000

See footnotes at end of table p. 40.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1975—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1974	(3) Budget estimates of new budget (obligational) authority, fiscal year 1975	(4) New budget (obligational) authority recom-mended in bill	Bill compared with	
				(5) New budget (obligational) authority, fiscal year 1974	(6) Budget estimates of new budget (obligational) authority, fiscal year 1975
TITLE II—Continued					
SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES—Continued					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Research and development.....	\$2,189,307,000	\$2,341,580,000	\$2,327,380,000	+\$138,073,000	-\$14,200,000
Construction of facilities.....	101,100,000	151,490,000	135,670,000	+34,570,000	-15,820,000
Research and program management.....	744,600,000	749,624,000	740,000,000	-4,600,000	-9,624,000
Total, National Aeronautics and Space Administration.....	3,035,007,000	3,242,694,000	3,203,050,000	+168,043,000	-39,644,000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses.....	\$44,660,000	\$681,400,000	\$666,800,000	+122,140,000	-14,600,000
Scientific activities (special foreign currency program).....	3,000,000	5,000,000	5,000,000	+2,000,000	-----
Total, National Science Foundation.....	547,660,000	686,400,000	671,800,000	+124,140,000	-14,600,000

RENEGOTIATION BOARD							
Salaries and expenses.....	4, 805, 000	5, 195, 000	5, 163, 000	+ 358, 000	- 32, 000		
SECURITIES AND EXCHANGE COMMISSION							
Salaries and expenses.....	36, 227, 000	42, 131, 000	43, 077, 000	+ 6, 850, 000	+ 946, 000		
SELECTIVE SERVICE SYSTEM							
Salaries and expenses.....	53, 760, 000	47, 163, 000	46, 463, 000	- 7, 297, 000	- 700, 000		
VETERANS ADMINISTRATION							
Compensation and pensions.....	6, 643, 800, 000	6, 716, 200, 000	6, 716, 200, 000	+ 72, 400, 000			
Readjustment benefits.....	3, 276, 000, 000	2, 676, 000, 000	2, 676, 000, 000	- 600, 000, 000			
Veterans insurance and indemnities (by transfer).....	(6, 000, 000)	(6, 000, 000)		(- 6, 000, 000)	(- 6, 000, 000)		
Medical care.....	2, 859, 173, 000	3, 175, 000, 000	3, 190, 044, 000	+ 330, 871, 000	+ 15, 044, 000		
Medical and prosthetic research.....	75, 500, 000	89, 000, 000	86, 770, 000	+ 11, 270, 000	- 2, 230, 000		
Assistance for health manpower training institutions.....	25, 000, 000		30, 000, 000	+ 5, 000, 000	+ 30, 000, 000		
Medical administration and miscellaneous operating expenses.....	34, 063, 000	37, 508, 000	37, 508, 000	+ 3, 445, 000			
General operating expenses.....	331, 623, 000	391, 000, 000	388, 130, 000	+ 56, 507, 000	- 2, 870, 000		
Construction, major projects.....	68, 343, 000	230, 850, 000	230, 850, 000	+ 162, 507, 000			
Construction, minor projects.....	40, 018, 000	45, 150, 000	45, 150, 000	+ 5, 132, 000			

See footnotes at end of table.



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE BUDGET ESTIMATES FOR FISCAL YEAR 1975—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority, fiscal year 1974 (2)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recom- mended in bill (4)	Bill compared with New budget (obligational) authority, fiscal year 1974 (5)	Budget estimates of new budget (obligational) authority, fiscal year 1975 (6)
TITLE II—Continued					
SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES—Continued					
VETERANS ADMINISTRATION—Continued					
Grants for construction of State extended care facilities.....	\$2,000,000	\$10,000,000	\$10,000,000	+\$10,000,000	-----
Grants to the Republic of the Philippines.....	4,400,000	2,100,000	2,100,000	+100,000	-----
Payment of participation sales insuffi- cencies.....	1,828,000	1,828,000	1,828,000	-2,572,000	-----
Loan guaranty revolving fund (limitation on obligations).....	(500,000,000)	(500,000,000)	(500,000,000)	-----	-----
Vocational rehabilitation revolving fund.....	-----	100,000	100,000	+100,000	-----
Total, Veterans Administration.....	13,359,920,000	13,374,736,000	13,414,680,000	+54,760,000	+ \$59,944,000

Total, Title II:	17, 105, 712, 000	17, 450, 898, 000	17, 435, 910, 000	+ 330, 198, 000	- 14, 988, 000
New budget (obligational) authority	(6, 000, 000)	(6, 000, 000)		(- 6, 000, 000)	(- 6, 000, 000)
By transfer					
TITLE III					
CORPORATIONS					
Department of Housing and Urban Development:					
Federal Housing Administration:					
Administrative expenses	(15, 445, 000)	(13, 880, 000)	(13, 803, 000)	(- 1, 642, 000)	(- 77, 000)
Nonadministrative expenses	(176, 796, 000)	<sup>16</sup> (191, 730, 000)	(190, 500, 000)	(+ 13, 704, 000)	(- 1, 230, 000)
Government National Mortgage Association:					
Administrative expenses	(7, 772, 000)	(8, 080, 000)	(8, 080, 000)	(+ 308, 000)	
Federal Home Loan Bank Board:					
Administrative expenses	(9, 700, 000)	(10, 470, 000)	(10, 400, 000)	(+ 700, 000)	(- 70, 000)
Nonadministrative expenses	(18, 530, 000)	(20, 800, 000)	(20, 736, 000)	(+ 2, 206, 000)	(- 64, 000)
Federal Savings and Loan Insurance Corporation, Administrative expenses	(740, 000)	(776, 000)	(772, 000)	(+ 32, 000)	(- 4, 000)
Total, Title III, administrative and nonadministrative expenses	(228, 983, 000)	(245, 736, 000)	(244, 291, 000)	(+ 15, 308, 000)	(- 1, 445, 000)

See footnote at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1974 AND THE  
BUDGET ESTIMATES FOR FISCAL YEAR 1975—Continued

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority, fiscal year 1974 (2)	Budget estimates of new budget (Obliga- tional) authority, fiscal year 1975 (3)	New budget (obligational) authority recom- mended in bill (4)	Bill compared with	
				New budget (obligational) authority, fiscal year 1974 (5)	Budget estimates of new budget (Obliga- tional) authority, fiscal year 1975 (6)
Grand total, titles I, II, and III:					
New budget (obligational) authority---	\$20,634,036,000	\$20,887,851,000	\$20,846,332,000	+\$212,296,000	--\$41,519,000
By transfer-----	(6,000,000)	(6,000,000)	-----	(-6,000,000)	(-6,000,000)
Limitation on corporate funds to be expended-----	(228,983,000)	(245,736,000)	(244,291,000)	(+15,308,000)	(-1,445,000)

1 Includes \$3,140,000 in H. Doc. No. 93-311.  
 2 Includes \$350,000 in H. Doc. No. 93-311.  
 3 Budget included \$2,000,000 for a proposed Better Communities Act program, which was amended in H. Rep. No. 93-311 to \$2,553,000 for Community Development, including \$200,000 for urban renewal, \$125,000,000 for Model Cities, and \$100,000,000 for special transitional grants to the new program. Only \$385,000,000 is reflected as considered at this time; and \$2,165,000,000 is deferred for later consideration after authorizing legislation is finalized.  
 4 Includes \$9,500,000 in H. Doc. No. 93-311.  
 5 Includes \$15,000,000 in H. Doc. No. 93-311.  
 6 Includes \$170,000 in H. Doc. No. 93-311.  
 7 Includes \$800,000 in H. Doc. No. 93-311.  
 8 Carried in the Treasury, Postal Service, and General Government Appropriation Act, 1974.  
 9 Includes \$100,000,000 in H. Doc. 93-311.  
 10 Carried in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1974.  
 11 Carried in the Public Works for Water and Power Development and Atomic Energy Commission Appropriation Act, 1974.  
 12 Excludes \$4,693,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.  
 13 Excludes \$4,435,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.  
 14 Excludes \$31,600,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.  
 15 Excludes \$101,800,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.  
 16 Includes \$10,800,000 increase in limitation in H. Doc. No. 93-311.