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APPROVED
SEP 6 - 1974

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day - September 7

September 5, 1974

*Posted
9/7*

*To Archives
9/9*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KEN COLE

SUBJECT:

Enrolled Bill H. R. 15572

Attached is the House bill H. R. 15572, Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Executive Agencies Appropriation Act for 1975.

This bill appropriates a total of \$21,215,812,000 for fiscal year 1975 for activities of the Department of Housing and Urban Development, the Veterans Administration, the National Aeronautics and Space Administration, the National Science Foundation, and other smaller agencies.

The Counsel's office, Bill Timmons, and OMB concur.

RECOMMENDATION

That you sign the attached bill H. R. 15572.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 3 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15572 - Department of Housing
and Urban Development; Space, Science, Veterans,
and Certain Other Independent Executive Agencies
Appropriation Act, 1975
Sponsor - Representative Boland (D) Massachusetts

Last Day for Action

September 7, 1974 - Saturday. We would recommend that this bill not be signed until the National Science Foundation Authorization Bill (H.R. 13999), which is now awaiting your signature, is signed into law.

Purpose

Appropriates a total of \$21,215,812,000 for fiscal year 1975 for activities of the Department of Housing and Urban Development, the Veterans Administration, the National Aeronautics and Space Administration, the National Science Foundation, and other smaller agencies.

Agency Recommendations

Office of Management and Budget	Approval
Affected agencies	Approval (informally)

Discussion

H.R. 15572 provides \$221 million less in budget authority than the total budget requests of \$21,437 million. (This excludes \$2.2 billion deferred for lack of authorizing legislation.) There are no major increases in the bill over the budget requests and the largest decrease (\$125 million in the housing payments program) is a "paper cut." These housing payments are estimates of what will be needed to honor contractual obligations in 1975. Therefore, this reduction may have to be restored at some later date. The effect of this bill will be to reduce 1975 outlays by \$43 million and 1976 outlays by \$51 million.



Congress made the following reductions to other Housing and Urban Development (HUD) programs:

- \$15 million for planning and research
- \$8 million for salaries and expenses
- \$5 million for Urban renewal and Model cities programs

These reductions are not expected to have a significant impact on program operations.

The Congress deferred action on nearly \$2.2 billion of the \$2.5 billion requested for the community development block grant program authorized by S. 3066, signed into law on August 22. Both the House and Senate appropriations committees indicated that they would consider these deferred requests in the first consolidated supplemental appropriations bill for 1975, thus permitting the new program to get underway on January 1, 1975, as planned.

This bill reduces the National Aeronautics and Space Administration's budget request of \$3.2 billion by approximately \$36 million. This reduction is distributed as follows:

- \$15 million for research and development
- \$11 million for construction of facilities (of which \$9 million was cut from Space Shuttle facilities)
- \$10 million for research and program management

These Congressional reductions are not expected to cause serious interference with planned operations, although they will require some "belt-tightening."

The only other agency to receive a significant decrease in its budget request is the National Science Foundation (NSF). This reduction of \$20 million below the budget request will primarily affect the research support activities of NSF (e.g., university research projects).

H.R. 15572 includes language which may weaken significantly HUD's ability to maintain the suspension of the Section 236 rental housing assistance program. The bill makes administration of the revised public housing leasing program contingent upon making the unused balance of authority under the section 236 program "available for commitment."

HUD believes the joint explanatory statement of the conferees indicates clearly that the Congress does not intend to mandate resumption of the program. Rather, the Congress intends that the section 236 authority be used only in the event the leasing program is unable to fill the need for low income housing.

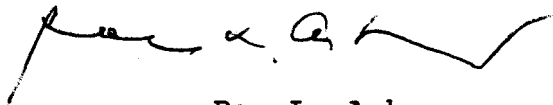
OMB's General Counsel concedes that statements by the floor managers are not inconsistent with HUD's interpretation of the joint statement. Nonetheless, Counsel believes enactment of the language would make HUD extremely vulnerable to law suits by persons seeking approval for specific section 236 projects. In our judgment, the statement of intent appears to be at variance with what would be statutory language if the bill is approved, and could easily be dismissed in court.

We have generally opposed mandatory language on the grounds that it represents an encroachment on the powers of the President. In this case, however, we do not believe a veto of this bill could be sustained, since:

- (1) The language does not contain an unequivocal directive to reactivate the section 236 program.
- (2) The Congress would cite the joint statement as an indication that it did not intend to mandate use of the funds.
- (3) The funding levels in the bill are not unacceptable.

Recommendation

I recommend that you sign this bill.



Roy L. Ash
Director

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 560

Date: September 3, 1974

Time: 2:30 p. m.

FOR ACTION: ✓ James Cavanaugh
Michael Duval - ~~Handwritten~~
✓ Ted Hyllin
✓ Phil Buchen
✓ Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Thursday, September 5, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15572 - Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Executive Agencies Appropriation Act, 1975

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE
WASHINGTON

9/3/74

TO: WARREN HENDRIKS

RDL
Robert D. Linder

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 560

Date: September 3, 1974

Time: 2:30 p. m.

FOR ACTION: James Cavanaugh
Michael Duval
Tod Hullin
✓ Phil Buchen
Bill Timmons
FROM THE STAFF SECRETARY

cc (for information): Warren K. Hendriks
Jerry Jones

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ACTION REQUESTED:

- For Necessary Action
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- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

No objection

D.C.

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Warren K. Hendriks
For the President

THE WHITE HOUSE

WASHINGTON

September 4, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *WET*

SUBJECT: Action Memorandum - Log No. 560
Enrolled Bill H. R. 15572 - Dept. of Housing and
Urban Development; Space, Science, Veterans,
and Certain Other Independent Executive Agencies
Appropriation Act, 1975

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 560

Date: September 3, 1974

Time: 2:30 p. m.

FOR ACTION: James Cavanaugh
Michael Duval
Tod Hulin
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Thursday, September 5, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15572 - Department of Housing and
Urban Development; Space, Science, Veterans, and Certain
Other Independent Executive Agencies Appropriation Act,
1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

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Warren K. Hendriks
For the President

September 5, 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Enrolled Bill H. R. 15572

Attached is the House bill H. R. 15572, Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Executive Agencies Appropriation Act for 1975.

This bill appropriates a total of \$21,215,812,000 for fiscal year 1975 for activities of the Department of Housing and Urban Development, the Veterans Administration, the National Aeronautics and Space Administration, the National Science Foundation, and other smaller agencies.

The Counsel's office, Bill Timmons, and OMB concur.

RECOMMENDATION

That you sign the attached bill H. R. 15572.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 560

Date: September 3, 1974

Time: 2:30 p. m.

FOR ACTION: James Cavanaugh
Michael Duval
Tod Hullin
Phil Buchen
Bill Timmons
FROM THE STAFF SECRETARY

cc (for information): Warren K. Hendriks
Jerry Jones

DUE: Date: Thursday, September 5, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15572 - Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Executive Agencies Appropriation Act, 1975

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

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Warren K. Hendriks
For the President

Date: September 3, 1974

Time: 2:30 p. m.

FOR ACTION: James Cavanaugh
Michael Duval
✓ Tod Hullin
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Bill Timmons
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cc (for information): Warren K. Hendriks
Jerry Jones

DUE: Date: Thursday, September 5, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill H.R. 15572 - Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Executive Agencies Appropriation Act, 1975

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

OK
/
JH

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

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Date: September 3, 1974

Time:

2:30 p. m.

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Time:

2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15572 - Department of Housing and
 Urban Development; Space, Science, Veterans, and Certain
 Other Independent Executive Agencies Appropriation Act,
 1975

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
 For the President

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 (1)	Appropriations, 1974 (2)	Budget estimates, 1975 (3)	Bill compared with—		
			Recommended in bill (4)	Appropriations, 1974 (5)	Budget estimates, 1975 (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	(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	+5,850,000	+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	13,414,683,000	+54,730,000	+39,944,000
Total	20,634,036,000	20,887,851,000	20,846,332,000	+212,296,000	-41,519,000

¹ 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.....	¹ 200,000,000
Recommended in bill.....	200,000,000

¹ 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.....	¹ 125,000,000
Recommended in bill.....	125,000,000

¹ Requested in H. Doc. No. 93-311 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-----	¹ \$4,735,000
Estimate, 1975-----	6,320,000
Recommended in bill-----	5,000,000
Decrease below estimate-----	-1,320,000

¹ 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.....	\$24, 078, 000
Estimate, 1975.....	267, 000
Recommended in bill.....	265, 000
Decrease below estimate.....	-2, 000

¹ 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.....	\$2,189,307,000
Estimate, 1975.....	2,341,580,000
Recommended in bill.....	2,327,380,000
Decrease below estimate.....	-14,200,000

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

² 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 JT8D 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.....	¹ \$544,660,000
Estimate, 1975.....	² 681,400,000
Recommended in bill.....	666,800,000
Decrease below estimate.....	-14,600,000

¹ Excludes \$31,600,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.

² 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 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
Replacement and modernization:			
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	9,046,000	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	
Total, replacement and modernization	98,715,000	201,948,000	181,106,000
Nursing home care facilities:			
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	
Total, nursing home care facilities	2,430,000	3,100,000	2,930,000
Research and education facilities: Houston, Tex.	328,000	5,173,900	
Cemeteries:			
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
Total, cemeteries		4,040,000	10,046,000
Improvements to outpatient clinics:			
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	
Total improvements to outpatient clinics	1,829,000	6,667,000	5,041,000
Air-conditioning systems:			
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	
Total, air-conditioning systems	7,993,000	7,972,000	20,101,000
Other general projects:			
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		202,000	1,821,000
Tuscaloosa, Ala., boiler plant		130,000	1,170,000
Waco, Texas, boiler plant		126,000	1,131,000
Total other general projects	472,000	4,123,000	13,590,000
Correction of seismic deficiencies		3,000,000	
Reprogramming for Houston research and educational building		-5,173,900	
Total, major projects	111,767,000	230,850,000	232,814,000

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

	Administrative	Non- administrative
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 DeKabb 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 stand-by 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

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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 (in- definite)-----	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.

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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)	Full compared with	
				New budget (obligational) authority, fiscal year 1974 (5)	Budget estimates of new budget (obliga- tional) 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	1 \$14, 340, 000	\$14, 340, 000	+ \$9, 094, 000	-----
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Payment of participation sales insuffi- ciencies-----	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 manage- ment 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	(3)	200, 000, 000	- 400, 000, 000	+ \$200, 000, 000
Model cities programs-----	150, 000, 000	(3)	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 manage- ment programs-----	10, 359, 000			- 10, 359, 000	-----
Community development programs-----	23, 004, 000			- 23, 004, 000	-----
Community planning and develop- ment programs-----		+ 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 (obliga- tional) authority, fiscal year 1975	(4) New budget authority recom- mended in bill	Bill compared with	
				(5) New budget (obligational) authority, fiscal year 1974	(6) Budget estimates of new budget (obliga- tional) 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 Re- search.....	\$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	
Administration and staff services.....	11,650,000	19,810,000	19,513,000	+7,863,000	-297,000
Regional management and services.....	20,224,000	730,160,000	29,446,000	+9,222,000	-714,000
Total, Departmental Management.....	47,996,000	65,910,000	64,899,000	+16,903,000	-1,011,000
Total, Department of Housing and Urban Development.....	3,095,724,000	3,236,953,000	3,210,422,000	+114,698,000	-26,531,000
FUNDS APPROPRIATED TO THE PRESIDENT					
FEDERAL DISASTER ASSISTANCE ADMINISTRATION					
Disaster relief.....	* 432,600,000	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

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)	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					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Research and development.....	12 \$2,189,307,000	12 \$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.....	14 544,660,000	14 681,400,000	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 (oblig- ational) authority, fiscal year 1976 (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 (oblig- ational) authority, fiscal year 1976 (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- ciencies-----	4,400,000	1,828,000	1,828,000	-2,572,000	-----
<i>Loan guaranty revolving fund (limitation on obligations)</i> -----	(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	+ \$39,944,000

Total, Title II:

New budget (obligational) authority-----	17,105,712,000	17,450,898,000	17,435,910,000	+330,198,000	-14,988,000
By transfer-----	(6,000,000)	(6,000,000)	-----	(-6,000,000)	(-6,000,000)

TITLE III

CORPORATIONS

**Department of Housing and Urban Develop-
ment:**

Federal Housing Administration:

<i>Administrative expenses</i> -----	(15,445,000)	(13,880,000)	(13,803,000)	(-1,642,000)	(-77,000)
<i>Nonadministrative expenses</i> -----	(176,796,000)	¹⁶ (191,730,000)	(190,500,000)	(+13,704,000)	(-1,230,000)

**Government National Mortgage Associa-
tion:**

<i>Administrative expenses</i> -----	(7,772,000)	(8,080,000)	(8,080,000)	(+308,000)	-----
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Federal Home Loan Bank Board:

<i>Administrative expenses</i> -----	(9,700,000)	(10,470,000)	(10,400,000)	(+700,000)	(-70,000)
<i>Nonadministrative expenses</i> -----	(13,530,000)	(20,800,000)	(20,736,000)	(+2,206,000)	(-64,000)

**Federal Savings and Loan Insurance
Corporation, Administrative expenses:**

<i>Administrative expenses</i> -----	(740,000)	(776,000)	(772,000)	(+32,000)	(-4,000)
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**Total, Title III, administrative and nonad-
ministrative expenses-----**

	(223,983,000)	(245,736,000)	(244,291,000)	(+15,308,000)	(-1,445,000)
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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 (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)
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)	(+15,303,000)	(-1,445,000)

¹ Includes \$3,140,000 in H. Doc. No. 93-311.

² Includes \$650,000 in H. Doc. No. 93-311.

³ Budget included \$2,300,000 for proposed Better Communities Act program, which was included in H. Doc. No. 93-311 for \$2,500,000 for Community Development, including \$200,000,000 for urban renewal, \$125,000,000 for Model Cities, and \$100,000,000 for special transitional grants to the new program. Only \$85,000,000 is reflected as considered at this time, and \$2,165,000,000 is deferred for later consideration after authorizing legislation is passed.

⁴ Includes \$1,500,000 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 \$860,000 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 \$4,635,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.

¹³ Excludes \$4,635,000 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 \$10,460,000 increase in limitation in H. Doc. No. 93-311.

Calendar No. 1045

93^D CONGRESS }
2d Session }

SENATE }

REPORT
No. 93-1091

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

August 15, 1974.—Ordered to be printed

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

REPORT

[To accompany H.R. 15572]

The Committee on Appropriations, to which was referred the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made.

AMOUNT IN NEW BUDGET (OBLIGATIONAL) AUTHORITY

Amount of bill as passed House.....	\$20,846,332,000
Amended estimates not considered by House.....	618,962,000
Subtotal.....	21,465,294,000
Amount of decrease by Senate.....	254,575,580
Amount of bill as reported to Senate.....	21,210,718,420
Amount of appropriations, 1974.....	20,813,036,000
Amount of budget estimate.....	21,436,813,000
Under the estimates for 1975.....	226,094,580
Over the appropriations for 1974.....	397,682,420



SUMMARY OF THE BILL

Department or agency	Appropriations, 1974	Budget estimates, 1975	House bill	Committee recommendations	Bill compared with—		
					Appropriations, 1974	Budget estimates, 1975	House bill
Department of Housing and Urban Development.....	\$3,095,724,000	\$3,166,953,000	\$3,210,422,000	\$3,016,138,430	-\$80,685,570	-\$151,814,570	-\$195,283,570
Funds appropriated to the President: Disaster Relief.....	432,600,000	200,000,000	200,000,000	200,000,000	-232,600,000		
American Battle Monuments Commission.....	4,100,000	5,465,000	4,512,000	4,376,640	+276,640		-135,360
Cemeterial Expenses, Army.....	24,078,000	287,000	265,000	257,050	-23,820,950	-9,950	-7,950
Federal Communications Commission.....	40,155,000	46,847,000	46,900,000	46,900,000	+6,745,000	+53,000	
National Aeronautics and Space Administration.....	3,035,007,000	3,242,694,000	3,203,050,000	3,206,735,300	+171,728,300	-35,958,700	+3,685,300
National Science Foundation.....	547,660,000	686,400,000	671,800,000	659,600,000	+111,940,000	-26,800,000	+12,200,000
Renegotiation Board.....	4,805,000	5,195,000	5,163,000	5,163,000	+358,000	-32,000	
Securities and Exchange Commission.....	36,227,000	42,131,000	43,077,000	43,077,000	+6,850,000	+946,000	
Selective Service System.....	53,760,000	47,163,000	46,463,000	37,345,000	-16,415,000	-9,813,000	-9,118,000
Veterans Administration.....	13,538,920,000	13,993,698,000	13,414,680,000	13,992,126,000	+453,206,000	-1,572,000	+577,446,000
Total.....	20,813,036,000	21,436,813,000	20,846,332,000	21,210,718,420	+397,682,420	-226,094,580	+364,386,420

¹ Deferred consideration of \$2,175,000,000 for community development block grants.

GENERAL STATEMENT

The Committee previously reported this bill on August 1, 1974, Senate Report number 93-1056. The bill was ordered recommitted by the Senate on August 5, 1974, thus this is the second report on this bill.

The Committee recommends \$21,210,718,420 in new budget (obligational) authority for the Department of Housing and Urban Development, the National Aeronautical and Space Administration, the National Science Foundation, the Veterans Administration and eight other independent agencies. This sum is \$226,094,580 below the budget estimates considered by the Committee and \$364,386,420 over the sum recommended in the House bill. The committee considered estimates aggregating \$618,962,000 which were not considered by the House, consequently the sum recommended by the committee is \$254,575,580 less than the House allowance.

On the opposite page there is a summary table indicating the amounts recommended in the bill and a comparison with the appropriations for fiscal year 1974, the budget estimate for 1975 and the amount contained in the House bill.

Concurring with the action of the House, the Committee has deferred consideration of an additional \$2,175,000,000 requested for a Community Development Grant Program, pending final Congressional action on the Housing and the Urban Development Act of 1974.

In Title I of the bill, which covers the items for the Department of Housing and Urban Development, the Committee recommends an appropriation of \$3,015,138,430, which sum is \$151,814,570 less than the budget estimate and \$195,283,574 under the House allowance. Included in the sum made available for the Department is \$315,250,000 for the Urban Renewal programs and Model Cities. Under pending legislation, these aforementioned categorical grant programs will be replaced by some type of Community Development Block Grant program, presently being considered by a Conference Committee of the Banking and Urban Affairs Committee of the Senate and the Banking and Currency Committee of the House of Representatives. In this connection, the Committee was informed that if this legislation is enacted, the Department of Housing and Urban Development would be prepared to put into effect a Community Development Block Grant program by January 1, 1975.

For the Space Programs, the Committee recommends an appropriation of \$3,206,735,000 which is \$35,598,700 more than the budget estimate and \$3,685,300 over the House allowance.

For the National Science Foundation, the Committee recommends an appropriation of \$659,600,000 which is \$12,200,000 under the sum recommended by the House, and \$26,800,000 below the budget estimate.

More than 65 percent of the sum recommended by the Committee of new budget obligational authority is for the budget of the Veterans' Administration which totals \$13,992,126,000. Of this amount, \$7,283,000,000 or more than 50 percent is for Compensation and Pensions for veterans and widows and their survivors; \$2,676,000,000 is for Readjustment Benefits and \$3,187,644,000 is for the medical care of our Nation's veterans.

The Committee has concurred with the House and has recommended an increase above the budget for the Federal Communications and the Securities and Exchange Commissions, in order to insure that these

very important watchdogs of the public welfare will be able to more effectively meet their very demanding and expanding workloads.

For the Selective Service System, the Committee recommends an appropriation of \$37,345,000, which is \$9,818,000 less than the budget estimate and \$9,118,000 under the amount contained in the House bill. Once again, the Committee considered providing a minimal amount of funds in order to terminate the Selective Service System. However, this action would amount to an effective repeal of the Selective Service System statute and in the opinion of the Committee, it was felt that if the act is to be repealed, it should be accomplished through the legislative process.

The Committee has also concurred with the House by incorporating a flat 10 percent reduction from the sum requested by the Department and agencies for the payment of space rental provisions levied by the General Services Administration, in accordance with the Public Buildings Amendments of 1972, Public Law 92-313, approved June 16, 1972. In concurring with the House action, the Committee also felt that the 10 percent reduction will have the effect of bringing the charges imposed by the General Services Administration in consonance with the costs of services provided.

STATUS OF AUTHORIZATIONS

All of the appropriations recommended by the Committee have been duly authorized by the Congress except the National Science Foundation which is pending in a conference committee.

EFFECTS OF COMMITTEE ACTION ON BUDGET EXPENDITURES

The budget outlays (expenditures) for the Department and other agencies covered in this bill are estimated at \$23,114,000,000 in FY 1975. The Committee recommendations are expected to reduce this total by approximately \$150,000,000, for a total of \$22,964,000,000.

PERMANENT OBLIGATION AUTHORITY—FEDERAL FUNDS AND TRUST FUNDS

Considerable sums are provided the Department and other agencies through so-called "back door" financing, which is authority granted by permanent legislation to borrow from the Treasury for certain insurance and guaranty programs, and through so-called "side door" financing, better known as contract authority for certain veteran and subsidized housing programs. The estimates for this authority aggregated \$1,085,106,000 in Federal funds and \$902,438,000 in trust funds for FY 1975 and are tabulated in the tables appearing at the end of this report.

LIMITATION ON VEHICLE USE

The Committee has added a provision to the bill which in effect restates existing law and restricts the usage of government vehicles. Section 638a of Title 31 of the United States Code prohibits the use of government vehicles for other than "official purposes." It also states that "official purposes" shall *not* include the transportation of government officers and employees between their domiciles and their places of employment.

The exceptions to this prohibition are extremely limited and include the President and his Cabinet, medical doctors on out-patient duty, and those employees engaged in field work who live far from their headquarters.

The hearings of this Committee over a two year period indicate that this prohibition is violated by almost every agency under its jurisdiction, for which various excuses are given.

It was claimed by one non-Cabinet official that he was justified in being driven to and from his home in McLean, Virginia because he was on "field work." Others stated that since Congress in the past had provided funds for cars and drivers we have acquiesced in the practice and the clear and obvious prohibition found in the law does not apply.

In order that there may be no doubt as to the position of this Committee that existing law must be observed, language was added to the bill stating that none of the funds in the act may be expended in violation of Section 638a of Title 31 and Section 101 of Title 5, USC. While it may seem to be unnecessary to state that the existing law must be carried out, it is vitally necessary because of the excuses and legerdemain of the officials involved.

The only officer to whom such limitation would not apply in this bill would be the Secretary of Housing and Urban Development who is specifically excluded by the provisions of Title 5, Section 101 of the United States Code, as a Cabinet officer. No other official is excluded from the provisions of the law.

The Committee also directs the Comptroller General of the United States to determine that the provisions of the law and of this Act are scrupulously adhered to and to exercise such authority as he has to see that the provisions of Section 638a are carried out.

Section 638a provides for the suspension or removal of any officer or employee who willfully uses or authorizes the use of any vehicle to transport officials between their domiciles and places of employment.

As a result of the activities of this Committee and its Members, considerable progress has been made in reducing the number of limousines (Class VI, V, and IV cars) in Washington. We have been less successful in preventing the abuse of Section 638a. What we are too often seeing now is chauffeur driven Pintos instead of chauffeur driven Cadillacs.

In addition to the fundamental proposition that the law should be obeyed there are two additional and compelling reasons why driving officials to and from their homes is wrong. First, during this period of high fuel prices and shortages, it means a doubling of the mileage. The car goes both ways twice in a single day. Second, our hearing established that the average annual earnings, including overtime, of the chauffeurs is about \$15,000. In one case it was \$20,000 a year. This is an absolutely unnecessary expense at a time of rampaging and double digit inflation.

The provision in the bill as well as this report language are designed to leave no question that it is the intention of this Committee to see that the law is obeyed.

GENERAL EXPENSES

The Committee concurs with the House and recommends that the General Provisions applicable to the Department and agencies in fiscal year 1974 be continued in fiscal year 1975.

Also, the Committee agrees with the House in adding a new Section 405, relating to the reimbursement to be made to the General Services Administration as previously discussed in this report.

Further, the Committee has added a new Section 406, which places certain restrictions on the use of Government vehicles.

TITLE I

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

The Committee is distressed and deeply concerned by the Administration's action to abandon our nation's historic housing program. In 1949, the Congress declared our policy to provide a decent home in a suitable living environment for every American family.

In 1968, Congress set a housing goal of 2.6 million housing units a year for 10 years of which 600,000 were to be for low and moderate income families.

In January 1973, the Administration froze virtually all new starts for low and moderate income families. Some 17 housing programs or programs closely associated with housing were stopped. Except for units already in the pipelines, programs for low income housing were abandoned, and programs for moderate income housing were abandoned as well. This has resulted in additional families in the lower 40 to 50 percent of American income groups being denied access to public housing or the ability to buy a new home.

Exacerbating this situation, due to exceedingly high interest rates, approximately 70 percent of the American people under private enterprise and conventional housing programs have also been unable to purchase new homes.

Instead of a total of 2.6 million housing units a year, the annual rate for the first half of 1974 was about 1.5 million units, or over a million units below the national housing goals promulgated by the Congress.

Homebuyers, builders, thrift institutions, and those associated with the housing industry—furniture, durable goods, heating and cooling, among others—have felt the housing moratorium pinch.

The Committee feels that the Administration has justified its actions for a variety of unsupported reasons. Among other things, it has claimed that the programs were not achieving the goals set by the Congress, but by no stretch of the imagination is that correct.

Public housing, for all its particular difficulties, is highly popular and a badly needed program. The waiting lists are exceedingly long. The vacancy rates are exceedingly low. Thus, it may be concluded that public housing provides better housing to millions of Americans than they could otherwise afford or are now getting.

The Sections 235 and 236 programs suffered from both HUD mismanagement, and actual corruption, rather than from any inherent defects in the programs. In cities with good HUD management, such as Milwaukee, the program was a great success. In cities with rampant corruption among housing officials, it, along with other HUD programs, failed. But the failures in certain cities were not peculiar to Sections 235 and 236 and, in fact, these programs were not the main ones affected or which failed, contrary to the opinion of the Department and some judicial mistakes of fact. The Department blamed the programs instead of its own mismanagement. As a consequence of this mismanagement, over 400 indictments have been handed down in housing fraud cases.

Over 10 percent of the total defaults in the Section 235 program were in two cities, Seattle and Dallas where there was serious unem-

ployment stemming from cutbacks in the air and space industries. In the State of Wisconsin, 97 percent of those assisted have been successful.

In the country as a whole, HUD studies show that the Section 235 program is actuarially sound. There are now 350,000 Section 235 homeowners making their monthly payments. The actual number of defaults has not exceeded the number anticipated and the insurance reserves have covered anticipated claims. By any measurement, the program has been a major success in attaining the objective of assisting those with incomes well below the national median.

More than two-thirds of those receiving assistance receive lower subsidies each year because their incomes are rising, which was a major aim of the program. Some 50,000 Section 235 homebuyers have gone off subsidy altogether and, in the Committee's opinion, these are distinct measures of program success.

The Department has argued that if not everyone could be subsidized under the program, no one should be subsidized. Evidently, they halted the program out of policy distaste rather than from factual evidence.

We are now awaiting action for new and substitute programs. These were delayed by HUD's failure to finish its studies in a timely fashion and to recommend any program at all until September, 1973.

The Department now wishes to rely entirely on what is called the new Section 23 program, a program of leased housing to replace the conventional public housing program, and Sections 235 and 236.

The Committee feels that it would be a tragic error to take this course. First, Section 23 may not work. Second, if it does work, it could take a very long time to go into effect. Third, even if it works, it may not do two important things, namely, service the kind of low income families that public housing helped, and build in the regions or areas where housing is most needed.

Under Section 23, the builders become the housing managers. It would seem that since they must rent out the units, they will seek the elderly, those without children, and the upper reaches of low and moderate income families.

The large poor families and the very poor families, for whom public housing was such a great program, may well be left out in the cold.

For all these reasons, we should not accept the abandonment of the traditional programs as the price for Section 23. The traditional programs and Section 23 should be implemented concurrently.

Hopefully this will be the result of the legislative conference now taking place between the House and the Senate concerning future housing policy and programs. When the pending legislation is finally agreed to, this Committee will examine the Administration's funding request to carry out the will of the Congress.

HOUSING PRODUCTION AND MORTGAGE CREDIT PROGRAMS

SALARIES AND EXPENSES, HOUSING PRODUCTION AND MORTGAGE CREDIT
PROGRAMS

Appropriation, 1974.....	\$5,246,000
Amended budget estimate.....	14,340,000
House allowance.....	14,340,000
Committee recommendation.....	12,125,000

For salaries and expenses of the Housing Production and Mortgage Credit Programs, the Committee recommends an appropriation of \$12,125,000 which is \$2,215,000 less than the House and the budget estimate.

The initial budget estimate totaled \$11,200,000. An additional \$3,140,000 was requested in the amended budget for the purpose of adding 227 additional positions (167 man-years) to handle the added workload in applications in the revised Section 23 Leased Housing Program. These additional positions will be filled in the field offices of the Department.

In addition to the new budget obligational authority made available, the sum of \$2,470,000 is anticipated to be derived from fees and will also be used to fund the salaries and expenses in this account, making a total of \$14,595,000 available for this item in fiscal 1975.

The House included language, in its report, directing 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. In this connection, the Committee has included language in the bill which in effect concurs with the House report language and also provides that the unused balance of contract authority, currently available under Section 235, shall also be used concomitantly.

The Committee recognizes that the Department expects to rely heavily on a revised public housing leasing program to provide housing in private accommodations for low income families. This program, when used in conjunction with mortgage financing supplied by state housing finance agencies, holds some promise. However, in the opinion of this Committee, the leasing program should not be viewed as a substitute for the traditional public housing program, as the committee has previously indicated in this report.

The traditional public housing program, despite some problems in inner city areas, has provided some one million units of housing for low income families. It has provided excellent housing for many elderly families. Also, as the House Appropriations Committee report points out, the traditional public housing program is considerably less expensive than the new leasing program as a means of providing housing for low income families.

Therefore, the Committee expects the Department to continue to use the traditional public housing program to provide housing for the elderly and to meet the housing needs of large families and families which live in geographic areas where the new leasing program does not prove to be an effective vehicle for providing housing assistance.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

Appropriation, 1974.....	\$19,821,000
Budget estimate.....	22,883,000
House allowance.....	22,883,000
Committee recommendation.....	22,883,000

The Committee recommends an appropriation of \$22,883,000 for the payment of Participation Sales Insufficiencies. This sum is the same as the House allowance and the budget estimate and \$3,062,000 more than the amount appropriated in FY 1974.

The Participation Sales Act of 1966 authorized appropriations to cover payments for insufficiencies in the amount required to be paid by the trustors on account of outstanding participations. These insufficiencies are comprised primarily of the excess interest payments to holders of participation certificates over the interest payments received from the pooled mortgages or other obligations.

For sales authorized in 1967, the Independent Offices Appropriation Act of 1967, authorized a permanent, indefinite appropriation to cover such insufficiencies. For sales authorized in 1968, the Independent Offices and Department of Housing and Urban Development Appropriation Acts since 1968 have established annual appropriations for insufficiencies.

For fiscal year 1975, permanent indefinite appropriations of \$4,532,000 are estimated to cover insufficiencies for sales authorized in 1967. An appropriation of \$22,883,000, the sum recommended herein will be required to cover insufficiencies for sales authorized in 1968.

HOUSING MANAGEMENT

HOUSING PAYMENTS

Appropriation, 1974.....	\$2,020,000,000
Budget Estimate.....	2,425,000,000
House Allowance.....	2,425,000,000
Committee Recommendation.....	2,300,000,000

For Housing Payments, the Committee recommends an appropriation of \$2,300,000,000, which is \$125,000,000 under the budget estimate and the House allowance.

Past history indicates that the estimated amount of housing payments is often overstated, not because it is done deliberately, but rather because it is not possible to come up with an accurate estimate. The Committee feels that this year is no exception and it has made this reduction, without prejudice, and directs the Department of Housing and Urban Development to request a supplemental appropriation, in the event that the actual payments in 1975 will exceed the amount recommended by the Committee.

The Committee has also added language in the bill which places a floor on the amount of operating subsidies to be made available to local housing authorities in the amount of \$500,000,000.

The Housing Act of 1937 as amended by the Congress in 1970 allows payment of limited operating funds by housing authorities to support public housing tenant organizations. The Committee expects that operating subsidies appropriated in this act will be used to promote improved communication between tenants and management in public housing. Insofar as operating subsidies are used in this manner, the committee expects the Secretary of HUD to exercise adequate budgetary and accountability safeguards to be imposed by local housing authorities or tenant organizations to insure that these funds will be used in a constructive manner.

The budget estimate for FY 1975 for Housing Payments consists of the following:

Rent Supplement.....	\$192,000,000
Home Ownership Assistance (Sec. 235).....	374,000,000
Rental Housing Assistance (Sec. 236).....	394,000,000
Low Rental Public Housing.....	1,473,000,000
College Housing Grants.....	21,000,000
	<hr/>
	2,454,000,000
Less: Payments supported from Rental Housing Assistance Fund.....	29,000,000
	<hr/>
Total.....	2,425,000,000

In testimony presented to the Committee, it was pointed out that 2,063,000 units were eligible for payment at the end of fiscal year 1974. In FY 1975, an additional 288,000 units are estimated to become eligible for payment of which 36,000 will be Rent Supplement units, 36,000 will be Section 235 Home Ownership Assistance units, 139,000 will be Rental Housing Assistance units and 77,000 will be Low Rental Public Housing units.

SALARIES AND EXPENSES, HOUSING MANAGEMENT PROGRAMS

Appropriation, 1974.....	\$24,521,000
Amended budget estimate.....	23,400,000
House allowance.....	23,400,000
Committee recommendation.....	21,825,000

For staff expenses of Housing Management, the Committee recommends an appropriation of \$21,825,000 which is \$1,575,000 under the budget estimate and the House allowance.

The original budget estimate New Budget (Obligational) Authority for staff expenses was \$22,450,000 and in addition, \$46,500,000 of FHA funds were also to be used to fund a total of 3,159 positions at an aggregate cost of \$69,950,000. The amended budget estimate called for the addition of 105 positions with 50 of these positions to be funded by the \$950,000 increase in New Budget (Obligational) Authority contained in the amended budget estimate and 55 of these positions to be funded by the use of an additional \$960,000 of FHA funds.

COMMUNITY PLANNING AND DEVELOPMENT

URBAN RENEWAL PROGRAMS

Appropriation, 1974.....	\$600,000,000
Amended budget estimate.....	¹ 200,000,000
House allowance.....	200,000,000
Committee recommendation.....	194,000,000

¹ Requested in H. Doc. No. 93-311 as part of community development program.

To fund the Urban Renewal Programs until January 1, 1975, the Committee recommends an appropriation of \$194,000,000, which is \$6,000,000 under the budget estimate and the sum contained in the House bill. This sum was included in the budget estimate of \$2,500,000,000 which was requested for Community Development Block Grants. This funding will enable Urban Renewal projects to be continued until they are replaced by the proposed Community Develop-

ment Grant Program, which as previously indicated, is presently being considered by a conference committee.

In view of the urgent need to proceed with the reconstruction of communities ravaged by the April 3, 1974 tornadoes, pending the implementation of the economic recovery programs established by Title V of the Disaster Relief Act Amendments of 1974, the Committee encourages the use of urban renewal program funding for this purpose.

MODEL CITIES PROGRAM

Appropriation, 1974.....	\$150,000,000
Amended Budget Estimate.....	¹ 125,000,000
House Allowance.....	125,000,000
Committee Recommendation.....	121,250,000

¹ Requested in H. Doc. No. 93-311 as part of community development program.

The Committee concurs with the House and recommends an appropriation of \$121,250,000 in transitional funding for the Model Cities Programs, which is \$3,750,000 under the amount contained in the overall budget estimate of \$2,500,000,000 requested for the Community Development Grants. It is also \$3,750,000 under the House allowance.

This appropriation is provided solely for the purpose of furnishing interim funding for the Model Cities Programs until January 1, 1975. When the Committee subsequently considers funds for Community Development grants, this amount will be deducted from the \$2,500,000,000 requested for that purpose.

The Committee has also deleted the \$1,000,000 which was earmarked in the House bill for the rehabilitation and redevelopment of DeKalb County, Tennessee. In its report, the House pointed out that this model city area was heavily damaged by the recent tornadoes which devastated that part of the country. The Committee feels that many other areas were also devastated by these same tornadoes and that earmarking of funds discriminates in favor of one particular location.

REHABILITATION LOAN FUND

The House bill contained an appropriation of \$70,000,000 to maintain the on-going capability and activity of the Rehabilitation Loan Fund in FY 1975. The Committee has deleted any appropriation for this item at this time, but it does so without prejudice to the program.

The Committee was told by the Department that it now appears that only about \$50,000,000 in Rehabilitation Loans will be made in FY 1974. It was further advised that approximately \$47,000,000 will be carried over in FY 1975, which together with estimated loan repayments of \$22,800,000, will make possible a program level of up to nearly \$70,000,000 without any additional appropriation.

The Committee also learned that the previous highest years activity in this program occurred in FY 1973 at a level of \$59,000,000.

Nonetheless, the Committee concurs with the House in noting and emphasizing that this program is particularly effective in halting the rapid acceleration in urban decay and it therefore directs the department to make full use of available funds during the transitional period before conversion to the Community Development Grant Program.

THE NEW COMMUNITIES PROGRAM

The Administration did not request any new funds for supplementary grants, public service grants, interest differential grants and special planning assistance authorized by Title VII of the Housing and Urban Development Act of 1970. During the hearings on the New Communities Administration's (NCA) budget, Mr. Alberto Trevino, General Manager of NCA, was questioned on the implementation of these sections of Title VII along with others including interest loans and technical assistance. HUD's response indicated little understanding of Title VII and of Congressional intent in creating the Title VII program.

Since the inception of Title VII, the Committee has urged HUD to implement all portions of Title VII, in order to achieve the goals of the new communities program as set out by the Congress. At the same time, the Committee has consistently supported administrative discretion in utilizing the best combination of the tools in Title VII. But the Committee finds it difficult to understand how Title VII can be successful when all sections of Title VII are ignored except for the loan guarantee.

During the hearings, the Committee was pleased to learn that HUD intends to fully evaluate the program, but the Committee does not understand how HUD can evaluate a program which has not been fully implemented. In fact, the Committee is concerned that failure to carry out the program as intended could jeopardize millions of dollars in loan guarantees and make it impossible to learn anything from such a truncated and enfeebled effort. The Committee reaffirms its own support for Title VII and urges the Department to take the needed leadership required to make it the effective community development program it can be.

COMPREHENSIVE PLANNING GRANTS

Appropriation, 1974.....	\$75,000,000
Budget Estimate.....	110,000,000
House Allowance.....	100,000,000
Committee Recommendation.....	106,700,000

The Committee recommends an appropriation of \$106,700,000 for Comprehensive Planning Grants, which sum is a 3 percent reduction in the estimate and the House allowance.

SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

Appropriation, 1974.....	\$33,463,000
Amended Budget Estimate.....	42,200,000
House Allowance.....	39,000,000
Committee Recommendation.....	37,830,000

For this item the Committee concurs with the House and recommends an appropriation of \$37,830,000. This amount is \$4,170,000 less than the sum estimated, and \$1,170,000 below the House.

FEDERAL INSURANCE ADMINISTRATION

FLOOD INSURANCE

Appropriation, 1974.....	\$20,000,000
Amended Budget Estimate.....	50,000,000
House Allowance.....	50,000,000
Committee Recommendation.....	50,000,000

For the National Flood Insurance Program, the Committee recommends an appropriation of \$50,000,000 which is the budget estimate and the sum recommended by the House.

The original budget estimate for this program was \$35,000,000, thus the amended budget estimate, contained in H. Doc. No. 93-311, is an increase of \$15,000,000 over the original request. The Committee was advised this increase was necessary because of the greatly augmented participation in the program, as communities reacted to the incentives of the Flood Disaster Protection Act of 1973, which was approved on December 31, 1973.

The amended budget estimate of \$50,000,000 includes \$46,050,000 for Studies and Surveys and \$3,950 for Administrative Expenses. The Committee was informed that the increase in the account for Administrative Expenses and for Studies and Surveys of flood-prone areas in 1974 is required in order to meet the unanticipated accelerated workload. The increased Administrative Expenses will provide for the additional staff which is needed to notify flood-prone communities and to provide them with the necessary flood hazard information. In addition, these funds will provide added staff to consult with communities and for the new appeals process and also will make it possible to manage a larger volume of actuarial contracts.

The revised budget estimate for Studies and Surveys is an increase of \$14,100,000 over the original estimate. The Committee was told that these additional funds will permit the Administration to perform additional studies to determine actuarial rates which are necessary before communities are eligible for the full coverage of the regular Flood Insurance Program.

Under the aforementioned legislation, the Secretary is directed by statute to establish flood-risk zones, estimate probable average annual damages over a period of years (usually 100 years) and determine probable flood-caused loss rates for each of these areas by August 1, 1983. These studies and investigations will be carried out in conjunction with the Corps of Engineers, Soil Conservation Service, Geological Survey, National Oceanic and Atmospheric Administration, Tennessee Valley Authority, and State and local agencies and private engineering firms, as necessary. Upon completion of the studies, actual rates will be set by the Secretary, taking into account operating costs of selling and servicing insurance, contingencies, and an operating allowance for an insurance company profit, in addition to the pure-risk factor.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

1974 appropriation-----	\$65,000,000
Estimate, 1975-----	70,000,000
House allowance-----	60,000,000
Committee recommendation-----	67,900,000

For Research and Technology, the Committee recommends an appropriation of \$67,900,000, which is \$2,100,000 below the budget estimate and \$7,900,000 above the allowance in the House bill.

Title V of the Housing and Urban Development Act of 1970 authorizes and directs the Secretary to undertake programs of research, studies, testing and demonstrations relating to the mission and programs of the Department. This includes encouraging and promoting the acceptance and application of advance methods, technology, and materials by the general public and by the housing industry, communities, and industries engaged in urban development activities.

The proposed 1975 program includes continuing research into three areas provided with separate authorization for appropriations by the Congress—housing allowance; housing abandonment; and the elimination of lead-based paint hazards. Since the general research authorization of the HUD Act of 1970 is broad enough to cover these activities, these programs will continue to be funded under the Research and Technology appropriation rather than under separate appropriations.

The HUD research program is intended to serve as a stimulus for positive change by conducting technological and managerial research, by demonstrating new systems and methods for application by other elements of government and private enterprise, and by generally improving knowledge of the housing and community development processes. The program serves as a national focal point for housing and community development research, and as a central point for research, analysis, data collection and dissemination.

SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

1974 appropriation-----	¹ \$4,735,000
Estimate, 1975-----	6,320,000
House allowance-----	5,000,000
Committee recommendation-----	6,130,400

¹ Comparable program amount.

For Salaries and Expenses, Policy Development and Research, the Committee recommends an appropriation of \$6,130,400, which is \$189,600 below the budget estimate and \$1,130,400 over the House allowance.

This is a new appropriation, combining the administrative expenses formerly financed through a limitation in the "Research and Technology" appropriation with administrative expenses of policy development and program evaluation formerly financed under the appropriation for "General Departmental Management."

FAIR HOUSING AND EQUAL OPPORTUNITY

1974 appropriations-----	\$9,777,000
Estimate, 1975-----	11,900,000
House allowance-----	10,900,000
Committee recommendation-----	11,543,000

The Committee recommends an appropriation of \$11,543,000 for the Department's Fair Housing and Equal Opportunity program. This amount is \$357,000 below the budget estimate and \$643,000 over the allowance contained in the House bill.

Officials of the Department explained that the basic approach of HUD's equal opportunity program includes major emphasis on the enforcement of fair housing and equal opportunity laws and regulations. This is mandated by Title VIII of the Civil Rights Act of 1968, Title VI of the Civil Rights Act of 1964, Executive Order 11063, 11478, 11625, and 11246, and Section 3 of the Housing and Urban Development Act of 1968, as amended.

The approach includes the encouragement of voluntary cooperation and assistance in aiding individuals, firms, agencies and organizations to comply with the provisions of the law and HUD regulations. HUD equal opportunity staff offers maximum assistance to both grant recipients and HUD program staff in Area and Insuring Offices to establish institutional change that will enhance and encourage meaningful freedom of choice and equal opportunity for all Americans.

Existing laws provide the Office of Fair Housing and Equal Opportunity with the necessary tools to investigate and conciliate fair housing and equal opportunity complaints, and to monitor and evaluate compliance with HUD guidelines through voluntary efforts or administrative procedures. Underlying this policy is the philosophy that strict enforcement of laws, executive orders and regulations will aid in achieving the ultimate goal of equal opportunity for all Americans.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

1974 appropriation-----	\$6,161,000
Estimate, 1975-----	5,580,000
House allowance-----	5,580,000
Committee recommendation-----	5,412,600

The Committee recommends an appropriation of \$5,412,600 for General Departmental Management. The Committee recommendation is \$167,400 below the budget estimate and the amount contained in the House bill.

This appropriation supports the functions performed in the Office of the Secretary and the Office of the Assistant Secretary for Legislative Affairs.

SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

1974 appropriation-----	\$3,253,000
Estimate, 1975-----	3,530,000
House allowance-----	3,530,000
Committee recommendation-----	3,424,100

The Committee recommends an appropriation of \$3,424,100 for Salaries and Expenses of the Office of General Counsel. This sum is \$105,900 below the budget estimate and the House allowance.

The Office of General Counsel was established in 1966 as the law office of the Department of Housing and Urban Development. The General Counsel is the Chief Law Officer of the Department and, as such, is legal adviser to the Secretary and other principal staff of the Department. He is responsible for providing all legal advice and services necessary at the Headquarters level with respect to the formulation, implementation and operation of the Department's programs and its internal administration. He also provides advice and counsel on Departmental policy with respect to those matters.

The General Counsel is assisted by the Deputy General Counsel, and four Associate General Counsels, each of whom is responsible for a portion of the legal work of the Department.

SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

1974 appropriation	\$6,708,000
Estimate, 1975	6,830,000
House allowance	6,830,000
Committee recommendation	6,625,100

For Salaries and Expenses for the Office of Inspector General, the Committee recommends an appropriation of \$6,625,100 which is \$204,900 below the budget estimate and the House allowance.

The Inspector General is the Department's focal point for independent review of integrity of operations. The role of the Inspector General does not, however, lessen the responsibility of the Assistant Secretaries or heads of other major elements to carry out their functions effectively, efficiently and with integrity. The Inspector General is the central authority concerned with the quality, coverage, and coordination of the audit, investigation and security services of the Department. In directing these monitoring and review activities, the Inspector General emphasizes both the protective and constructive aspects of these services as a tool of management within a comprehensive Departmental effort to attain improved management effectiveness. The Office of Inspector General has authority to inquire into all program and administrative activities of the Department, and the related activities of all parties performing under contracts, grants, or other agreements with the Department. These inquiries may be in the nature of audits, investigations, or such other reviews as may be appropriate in the circumstances.

ADMINISTRATION AND STAFF SERVICES

1974 appropriation	\$11,650,000
Estimate, 1975	19,810,000
House allowance	19,513,000
Committee recommendation	18,927,610

For Administration and Staff Services, the Committee concurs with the House and recommends an appropriation of \$18,927,610, which is \$882,390 below the budget estimate and \$585,390 below the House amount.

The reduction by the Committee and the House was made in order to reduce the reimbursement of space rental cost to the General Services Administration by 10 percent.

REGIONAL MANAGEMENT AND SERVICES

1974 appropriation	\$20,224,000
Estimate, 1975	30,160,000
House allowance	29,446,000
Committee recommendation	28,562,620

For Regional Management and Services, the Committee recommends an appropriation of \$28,562,620 which is \$1,597,380 below the budget estimate and \$883,380 under the House allowance. The decrease represents a 10 percent reduction in the amount charged by the GSA for spare rental costs.

FEDERAL DISASTER ASSISTANCE ADMINISTRATION FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

1974 appropriation	\$432,600,000
Amended estimate, 1975	¹ 200,000,000
House allowance	200,000,000
Committee recommendation	200,000,000

¹ Original estimate \$100,000,000. Increased to \$200,000,000 in H. Doc. No. 93-311.

For Federal Disaster relief, the Committee recommends an appropriation of \$200,000,000, which is the same as the budget estimate and the House allowance.

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
House allowance	4,512,000
Committee recommendation	4,376,640

For Salaries and Expenses of the American Battle Monuments Commission, the Committee recommends an appropriation of \$4,376,640, which \$1,088,360 below the budget estimate and \$135,360 under the amount allowed in the House bill.

In addition to a 10 percent reduction of \$3,000 in space rental costs to be reimbursed to the GSA, the committee has disallowed the \$950,000 requested for the proposed Pershing Memorial in the District of Columbia. The committee felt that, with inflation running rampant, this was no time to construct a memorial to our revered hero of World War I.

The Commission is responsible for commemorating the achievements of the Armed Forces of the United States where they have served since April 6, 1917; controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and constructing, administering and maintaining cemetery memorials on foreign soil.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

1974 appropriation.....	\$24,078,000
Estimate, 1975.....	267,000
House allowance.....	265,000
Committee recommendation.....	257,050

For Cemeterial Expenses, Department of the Army, the Committee recommends that \$257,050 be appropriated. This sum is \$9,950 below the budget estimate and \$7,950 less than the House allowance. The reduction includes a 10 percent reduction in GSA space rental cost.

Responsibility for Arlington and Soldiers' Home National Cemeteries is vested in the Secretary of the Army, who has delegated to the U.S. Army Memorial Affairs Agency the responsibilities for staff and technical supervision of the day-to-day operations.

The committee learned that Arlington and Soldiers' Home National Cemeteries contain the remains of 173,852 persons and comprise a total of 573.6 acres, and in FY 1975 there were 2,720 interments.

Each grave is marked with a headstone or grave marker, except in a relatively few instances, where the family may be authorized to erect a monument of its own design at private expense. In addition, a headstone or marker may be furnished for the unmarked grave of any deceased eligible serviceman interred in a private cemetery. Procurement of headstones and grave markers is the responsibility of the Veterans' Administration.

These cemeteries require a program of construction each year. The funds requested for construction are expended to develop available land areas and thus provide gravesites and facilities required to accomplish the interment of the remains of eligible persons. In addition, certain new construction and alterations are required of existing facilities to protect the Government's investment in these cemeteries.

FEDERAL COMMUNICATION COMMISSION

SALARIES AND EXPENSES

1974 appropriation.....	\$40,155,000
Estimate 1975.....	46,847,000
House allowance.....	46,900,000
Committee recommendation.....	46,900,000

The Committee concurs with the House and recommends an appropriation of \$46,900,000 for Salaries and Expenses of the Federal Communications Commission, which is \$53,000 over the budget estimate.

For the past few years, the Committee has been deeply concerned about the substantial backlog and the ability of the FCC to manage increasing workloads in nearly all of its activities. Thus, the Committee has included \$300,000 for an additional 25 positions above the budget request and directs the Commission to allocate these positions on a permanent basis to reduce the substantial backlog.

The Committee has also concurred with the House and reduced the budget estimate by \$247,000, which represents a 10% reduction in the space rental cost to be reimbursed to the GSA.

The Committee also joins with the House in urging the Commission to proceed as vigorously and as rapidly as possible—within Constitutional limitations—to determine what is its power in the area of program violence and obscenity, particular as to their effect on children. Agreeing with the House, the Committee feels that this situation requires resolution and urges the Commission to submit the same report to it which was requested by the House by December 31, 1974.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

1974 appropriation.....	¹ \$2,189,307,000
Estimate, 1975.....	² 2,341,580,000
House allowance.....	2,327,380,000
Committee recommendation.....	2,326,580,000

¹ Excludes \$4,693,000 shown in report accompanying Special Energy Research and Development Appropriation bill for 1975.

² Excludes \$4,435,000 appropriated in aforementioned bill.

The Committee recommends an appropriation of \$2,326,580,000 for funding NASA's Research and Development program. This amount is \$15,000,000 under the budget estimate and \$800,000 under the allowance in the House bill.

The Committee approved all budgeted items in this account, including \$6,200,000 for the Large Space Telescope (LST) and \$8,000,000 for SEASAT, funding for which had been denied by the House. The Committee reduction of \$15,000,000 has not been directed to any specific program because the Committee feels that NASA is better able to apply this reduction with a minimum of disruption in its priorities.

The LST, would provide a permanent astronomical observatory above the Earth's atmosphere, increasing ten-fold our ability to observe the universe. These funds will support refined studies of the LST design and cost. On the basis of these studies, the Congress will be in a better position to consider the project when it is proposed as a new start.

SEASAT, an experimental satellite for studying the oceans, offers the promise of great benefits to environmentally safe off-shore drilling, ocean-going shipping, and better understanding of the effects of the oceans on our weather.

Data from the ERTS program is proving invaluable in numerous fields, including crop monitoring, land use, forestry, pollution control, and the search for new sources of energy. Despite the obvious need for continuity of data in this new program, the Administration has not sought funds for starting the third ERTS satellite. In this connection, the Committee concurs with the House and urges NASA to reprogram the necessary funds to begin work on ERTS "C" as soon as possible.

The Committee notes with dismay the large and continuing overruns in the admittedly sophisticated Viking program. Further reprogrammings of funds for Viking will be considered only with the greatest reluctance.

The Committee was informed that NASA's program of research and development is directed toward advancing man's knowledge of earth and its space environment and toward developing and utilizing aero-

nautics and space technology to accomplish National goals. The program is conducted through the following elements:

Manned space flight: A program building on the success of the Apollo and Skylab missions to demonstrate an international cooperative space docking capability and to develop a new space transportation system significantly improving the access of man and instruments to space.

Space science: An unmanned space flight program to further man's knowledge of the earth, the atmosphere, the moon, the sun, the planets, interplanetary space, and the stars.

Applications: A research and development program using ground, air, and space systems to demonstrate space techniques to benefit mankind in such areas as weather and climate, pollution monitoring, earth resources survey, earth and ocean physics, communications, and space processing.

Aeronautics and space technology: A program to acquire fundamental knowledge and develop the technology needed to continue United States leadership in aeronautics and space programs.

Tracking and data acquisition: A worldwide program to support the manned and unmanned programs of the agency.

Technology utilization: A program to accelerate the dissemination to industry and other users of the technological and engineering information gained during conduct of the agency missions.

CONSTRUCTION OF FACILITIES

1974 appropriation.....	\$101, 100, 000
Estimate, 1975.....	151, 490, 000
House allowance.....	135, 670, 000
Committee recommendation.....	140, 155, 300

For Construction of Facilities, the Committee recommends an appropriation of \$140,155,300, which is \$11,334,700 below the budget estimate and \$4,485,300 above the House allowance.

The Committee intends that this economy reduction be absorbed through the deferral of certain projects rather than the elimination of any specific project.

The Committee recommendation provides funds for all authorized construction projects including \$4,880,000 for the Systems Development Laboratory, which had been denied by the House, and \$3,940,000 for the Shuttle Hanger, for which the budgeted amount of \$1,940,000 for a temporary facility had been denied by the House.

The Systems Development Laboratory addition at the Jet Propulsion Laboratory, is for an addition to an existing building which would meet requirements for 3 additional floors to support "mission control" for the 1976 Mars Viking landing mission. The alternative is to lease off-site space for this requirement or relocate other functions off-site in leased space, either of which is costly and requires extensive electrical mechanical, structural and control system rearrangements which could endanger the mission.

The other 3 floors in the addition would be used to reduce the operational inefficiency and leasing costs involved in existing off-site space. The total savings from this project are estimated to recover the construction costs in 5½ years.

The Orbiter Horizontal Flight Test Facilities (shuttle hanger), at the Flight Research Center, is required to support the space shuttle

sub-orbital flight test program over the Mojave desert. No existing hangars or other facilities are available for this purpose. The funding provided will allow construction of a permanent aeronautical research facility.

This appropriation provides for contractual services for the design, major rehabilitation, and modification of facilities; the construction of new facilities; minor construction; the purchase of related equipment and advanced design related to facilities planned for future authorization.

The program for 1975, in many aspects, reflects a continuation of prior years' endeavors, especially in regard to:

- (a) Space shuttle facilities
- (b) Facility rehabilitation and modification and minor construction programs
- (c) Facility planning and design.

SPACE SHUTTLE FACILITIES

The purpose of this project is to rehabilitate, modify and add to existing government-owned facilities and to construct those limited new facilities necessary to meet unique requirements in support of the space shuttle program. In FY 1975, these facilities are primarily for the launch and landing requirements at John F. Kennedy Space Center. The work includes completing the construction of the landing facilities that were initiated with FY 1974 resources, the construction of an orbiter processing facility for maintenance and checkout of the orbiter and modifications to the Launch Complex 39 to support the launch of the space shuttle. FY 1975 requirements at other locations include modifications and additions to existing facilities to provide major ground test capability for dynamic testing of the shuttle vehicle, horizontal flight testing of the orbiter vehicle, crew training, vibro-acoustic testing and material testing. In addition, facility requirements to support the production and tests of the solid rocket motors during the design, development, test and evaluation phase of the program have also been included.

The Rehabilitation and Modification of Facilities program is intended to provide for the rehabilitation and modification of facilities at NASA field installations and Government-owned industrial plants engaged in NASA activities. Included in this project are those priority rehabilitation and modification facility needs for FY 1975 which can be foreseen at the time of the submission of these estimates, and which are estimated to cost not in excess of \$500,000. The purpose of this program is to protect, preserve, and enhance the capabilities and usefulness of existing NASA facilities, and to insure the continued safe, economical, and efficient use of this physical plant. While, in earlier years, this particular program was specifically directed toward the general nonprogrammatic segment of NASA facilities, this is the third year in which additional attention has been given to these types of facility requirements generated by specific programs or projects.

Minor construction funds provide for minor facility construction at NASA field installations and at Government-owned industrial plants engaged in NASA activities. This provides for the construction of minor new facilities or additions to existing facilities, each project of which is estimated to cost not in excess of \$250,000. Such minor con-

struction is necessary in FY 1975 to improve the usefulness of NASA's physical plant by making it possible to accomplish needed adjustments in the utilization and augmentation of its capabilities.

Funds for Facility planning and design are required to provide for the following advance planning and design activities related to facilities activities and projects:

(a) The accomplishment of necessary development and master planning for field installations and, where not otherwise provided for, the updating of "as-built" drawings and the provision of engineering services.

(b) The preparation of preliminary engineering reports, cost estimates, and design and construction schedules.

(c) The preparation of final construction contract plans, specifications, and associated cost estimates and schedules that are required to implement construction projects.

(d) The accomplishment of facilities siting and other investigations, as well as special facilities studies and reports.

RESEARCH AND PROGRAM MANAGEMENT

1974 appropriation-----	\$744,600,000
Estimate, 1975-----	749,624,000
House allowance-----	740,000,000
Committee recommendation-----	740,000,000

For funds to support NASA's Research and Program Management, the Committee recommends an appropriation of \$740,000,000, which is \$9,624,000 below the budget estimate and the same as the House allowance. The reduction includes a \$500,000, or a 10 percent cut in GSA rental space costs, as contained in the House bill.

Personnel cuts of 1,880 in FY 1974 and an additional 354 scheduled for FY 1975 have already been factored into the NASA budget estimate. These reductions resulted in a NASA R&PM budget request only \$5 million above FY 1974 in spite of a \$38 million pay raise imposed by law.

According to NASA, the Research and Program Management appropriation includes funding for research in Government laboratories, management of programs, and other activities of the agency. Principally, it is intended to provide for the civil service staff needed to perform in-house research, and to plan, manage, and support the Research and Development programs; and the other elements of operational capability of the laboratories and facilities such as logistics support (travel and transportation, maintenance, and operation of facilities), and technical and administrative support.

The in-house personnel funded by the Research and Program Management appropriation are engaged in research and technology and direct and indirect support of project work. Over three-fourths of this appropriation is used to pay salaries and related benefits of these employees. The balance, embracing travel, facilities services, technical services, and administrative support at all NASA installations, provides the test and operational facilities and related activities which make possible the efficient accomplishment of NASA's approved missions.

The Committee notes that NASA has made some progress in meeting its goal of full compliance with the Committee's support of mi-

nority hiring. The Committee reminds NASA, however, that it will tolerate no slippage or breakdown in this program.

The Committee directs NASA to prepare an updated safety study out of available funds of the Soyuz/Salyut spacecraft in anticipation of the ASTP and future joint missions.

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES	
1974 appropriation-----	¹ \$544,660,000
Estimate, 1975-----	² 681,400,000
House allowance-----	666,800,000
Committee recommendations-----	654,750,000

¹ Excludes \$31,600,000 carried in report accompanying Special Energy Research and Development appropriation bill for 1975.

² Excludes \$101,800,000 appropriated in aforementioned bill.

For the appropriation to fund the Salaries and Expenses of the National Science Foundation, the Committee recommends \$654,750,000, which is \$26,650,000 below the budget estimate and \$12,050,000 under the House allowance.

In arriving at this figure, the Committee included only \$1 million each for the National R&D Incentive program and for the Intergovernmental Science and Research Utilization program, which are the same as the budget estimates. The Committee also found that the objectives of the Science Faculty Fellowship Program, for which there was no budget estimate, are being met by other programs and consequently has provided no funds for this specific activity in FY 1975.

The Foundation requested \$8 million for Earthquake Engineering Research in FY 75. While the Committee recognizes the importance of research in this field, it believes that \$8 million is more money than can be justified within the tight constraints of the RANN program, and directs the Foundation to reprogram some of these funds to other areas within RANN.

This Committee is concerned with the increasing tendency of committees other than Appropriation Committees to set floors on funding for specific programs, and urges the Congress to refrain from this practice, which the Committee believes is inconsistent with the spirit of the Budget Control Act of 1974.

The Committee has also placed this appropriation on a no-year basis in order to give the Foundation greater flexibility, and avoid the necessity to rush into obligations at the end of the fiscal year.

The sum recommended plus the \$101,800,000 included in the Special Energy Bill for NSF activities makes a total of \$756,550,000 available for NSF activities in fiscal 1975.

The bill includes a limitation of \$36,500,000 for Program Development and Management—a decrease of \$800,000 below the 1975 request and an increase of \$600,000 over the House-approved amount. This reduction includes \$260,000 representing a ten percent decrease in GSA rental costs.

Other limitations contained in the bill are not more than \$50 million for Research Applied to National Needs; not more than \$3 million for Institutional Improvement for Science; not more than \$12.7 million for Graduate Student Support; and not more than \$61.4 million for Science Education Improvement. These limitations in the bill replace the floors or minima established in the House bill, and the amounts,

except for RANN, are decreased to the budget amounts. The limitation on RANN is \$5,500,000 under the budget and \$10,000,000 over the amount provided in the House bill.

The Committee directs the NSF to spend the \$3 million earmarked for Institutional Improvement for Science on the Institutional Grants for Science program with the funds to be provided only to those schools that receive less than \$1 million a year in Federal research support. The Committee has not provided funding for Institutional Grants for Research Management Improvement. These funds have been provided in the past to institutions that receive considerable Federal support for research; these institutions should be able to improve their management of research grants using overhead funds.

The Committee recommendation includes \$5 million for Science Information Activities, which is the budget estimate. The additional \$3 million provided by the House is unnecessary in view of the fact that costly automation of major abstracting and indexing services had been completed so that an emphasis can now be placed on reducing gaps and duplication in information systems and the efficient exchange of information among the systems.

The Committee is distressed over the increase requested for social science activities in view of the apparent marginal value of some of NSF-funded social science work in the past. The Committee instructs the NSF to apply the budget reductions made by the Committee to the proposed increases in the social science field before attempting to absorb them elsewhere.

The purposes of the National Science Foundation are to increase the Nation's base of scientific knowledge; encourage research in areas that can lead to improvements in economic growth, productivity, and environmental quality; promote international cooperation through science; and develop and help implement science education programs that can better prepare the Nation for meeting the challenges of the decades ahead.

NSF reported to the Committee that the following program areas make up the core of their research support activities:

Scientific Research Project Support (SRPS)—the core research support activity of the Foundation. It includes research in all fields of science—physical, environmental, biological, materials and social sciences, and engineering. The research is conducted mainly through academic institutions and nonprofit research institutions with a small but increasing participation by industrial firms and other for-profit institutions.

National and Special Research Programs—Includes major research programs that have as a chief characteristic one or more of the following: they are heavily involved with research dealing with global environmental issues such as air-sea interaction, global weather, ocean circulation patterns; they require coordinated efforts on a national or international scale; or they address special science problem areas. For example, the U.S. Antarctic Research Program, the Arctic Research Program, the Ocean Sediment Coring Program, and the International Decade of Ocean Exploration involve extensive international coordination and cooperation in the planning and conduct of the research, as well as extensive interaction with other U.S. Government agencies.

NSF supports and sponsors five National Research Centers as part of their overall research support activity.

Science Information Activities.—Includes \$5,000,000 for projects to develop and improve information systems and services to promote the dissemination of scientific information and to help scientists and engineers in all sectors of our economy use the results of worldwide scientific research.

International Cooperative Scientific Activities.—To provide increased support for 17 bilateral research and exchange programs. Expanded programs of science cooperation are planned with various countries including the USSR, France, and others. In addition, there will be growth in cooperative efforts with Japan and other Pacific nations. Through such agreements and programs, the U.S. and foreign scientists are provided opportunities to do research on scientific problems whose solutions may be accelerated through collaborative efforts. The Foundation has lead agency responsibility for many of the areas approved under the U.S.-U.S.S.R. Agreement for Science and Technology.

Increased funding for fiscal year 1975 will be used to support a special program in international cooperation in the field of energy research and development. The Foundation will also provide support to the National Academy of Sciences for operation of selected U.S. National Committees that are important for effective U.S. participation in non-governmental international scientific activities. Included in this program is \$1,000,000 for the annual U.S. share of support for the International Institute of Applied Systems Analysis.

Research Applied to National Needs (RANN).—To support five major program areas: Energy Research and Technology; Environmental Systems and Resources; Advanced Technology Applications; Social Systems and Human Resources; and Exploratory Research and Problem Assessment.

The RANN program is designed to focus U.S. scientific and technical resources on selected problems of national importance, with the objective of contributing to their practical solution. An important purpose of RANN is to shorten the lead time between the discoveries of science and their application in meeting the Nation's needs. RANN provides a key bridge between the Foundation's basic research and education programs and the development and operations programs of the Federal mission agencies and other elements of the user community, including State and local governments and private industry. A major emphasis in all program areas of RANN is research utilization, and special emphasis is being placed on efforts to move RANN results into the public and private sectors in FY 1975.

The principal emphasis of the RANN program is placed currently in three major problem areas. These are Energy, the Environment, and productivity. Applied research in each of these areas builds upon the results of exploratory research and problem assessments undertaken to determine the need for more intensive study and the applicability of science and technology in meeting national needs.

Intergovernmental Science and Research Utilization Program.—Provides support for efforts designed (1) to aid State and local governments to increase their capability to employ science and technology effectively; and (2) to formulate policies, procedures and programs for the dissemination and utilization of research results from the Foundation's Research Applied to National Needs (RANN) program.

The program plays a significant role in understanding and analyzing the implications of New Federalism and science and technology policies.

Institutional Improvement for Science.—For continuation of the program of assisting universities, colleges, and independent nonprofit research institutions to explore methods and techniques for improving their research management capabilities to enhance the effectiveness of Federal funds provided to them.

Graduate Student Support.—Providing for 3 year fellowships designed to insure that a cadre of the brightest science students will have an opportunity to pursue science careers in disciplines of their choice.

Science Education Improvement.—Provides support for programs that are designed to increase educational efficiency, help provide the essential number and variety of trained scientists and engineers, and provide science training that will enable the non-scientist to function confidently both as a worker and as a citizen in our science and technology-intensive society. The NSF programs for fiscal year 1975 aim directly at the achievement of these goals.

Planning and Policy Studies.—Provide the factual data and analytical basis for sound decisions leading to the development of improved policies and plans for the advancement and utilization of science. The major elements of the program are: (1) studies of science resources; (2) science planning and policy analysis; and, (3) program evaluation studies.

Program Development and Management.—All operating costs of the National Science Foundation, including the management of the various program activities and the executive direction and administrative management of the Foundation, are included in this activity.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

1974 appropriation.....	\$3,000,000
Estimate, 1975.....	5,000,000
House allowance.....	5,000,000
Committee recommendation.....	4,850,000

The Committee recommends an appropriation of \$4,850,000 to fund NSF's Special Foreign Currency Program. This amount is \$150,000 under the budget estimate and the House allowance.

The Committee learned that the Special Foreign Currency Program utilizes U.S.-owned excess currencies in certain foreign countries to support cooperative scientific projects, seminars, and the travel of U.S. and foreign scientists involved in mutually beneficial efforts. The Foundation awards grants to both U.S. and foreign institutions and scientists. The funds used in this program are from those which the United States has accumulated abroad, principally through the sale of agricultural commodities, the repayment of loans, and the payment of interest on outstanding loans. The "excess" funds may be used for U.S. purposes in the country of origin, with the concurrence of the concerned foreign government. The Department of the Treasury determines when, where, and how much of these funds are excess to the U.S. Government's requirement. There are eight special foreign currency countries: Burma, Egypt, Guinea, India, Pakistan, Poland, Tunisia, and Yugoslavia.

Two categories of activity are included under this program: (1) cooperative research programs, joint seminars, and travel of scientists, and (2) translation, publication and dissemination of foreign scientific and technical information to U.S. scientists and engineers.

The objectives of the program are to support cooperative scientific activities of significance to the U.S.A. and the cooperating foreign countries; supplement our domestic research effort through use of U.S.-owned foreign currencies; obtain access to unusual research environments and facilities; arrange for the translation of foreign scientific and technological literature for distribution to U.S. scientists; and promote the exchange of information between U.S. and foreign scientists.

RENEGOTIATION BOARD

SALARIES AND EXPENSES

1974 appropriation.....	\$4,805,000
Estimate, 1975.....	5,195,000
House allowance.....	5,163,000
Committee recommendation.....	5,163,000

For Salaries and Expenses of the Renegotiation Board, the Committee recommends an appropriation of \$5,163,000, which is \$32,000 under the budget estimate and the same as the House allowance.

The Committee is deeply concerned over the continued lack of leadership by the Chairman of the Board and by the disappointing performance by the Board as a whole. The Chairman apparently fails to understand that Congress intends this agency to diligently review the financial submissions of all companies subject to the Act, to scrutinize the books and records of all those who may have taken excess profits on government contracts, and to make determinations of the full amount of excess profits where such determinations are justified by the facts.

The Board is seriously understaffed and ill-equipped to deal with its heavy responsibilities. There are only a handful of professional auditors in the Washington office to screen the thousands of filings submitted each year. The legal staff numbers only 6. The total number of personnel of the Board, professional and non-professional is less than 200, down from 239 in 1971 and far below the peak year of 1953 when the Board had a staff of 742 persons.

The Committee finds that the Board is not able to effectively perform the renegotiation function with such a small staff. The magnitude of the problem is illustrated by the amount of defense prime contract awards which totaled \$36.9 billion in fiscal year 1973, and which has been consistently above \$34 billion annually since 1966. It is not possible for an agency with such a small staff to keep up with the workload indicated by the figures for defense contract awards and the large number of filings.

The Committee is puzzled by the unwillingness of the Chairman to request additional manpower or to seek ways to improve the effectiveness of the Board.

The Committee is also puzzled by the reluctance of the Board to adequately consider the return on capital or the return on net worth in making its determinations of excess profits.

The Committee is pleased to note that the Senate has directed that a study be conducted into the activities of the Board and the adequacy of the Renegotiation Act. The study, to be completed next year, will contain recommendations for further congressional action.

The Renegotiation Board has authority under the Renegotiation Act of 1951, as amended, to determine and eliminate excessive profits realized by contractors and subcontractors in the defense and space programs.

Renegotiation is conducted not with respect to individual contracts, but with respect to the receipts or accruals of a contractor under all renegotiable contracts and subcontracts in a fiscal year of the contractor.

Not all Government contracts are within the scope of the Act. The Act relates only to prime contracts with the Departments of Defense, the Army, the Navy, and the Air Force, the Maritime Administration, the Federal Maritime Commission, the General Services Administration, the National Aeronautics and Space Administration, the Atomic Energy Commission, and the Federal Aviation Administration; and to related subcontracts, including purchase orders. Moreover, certain types of contracts with these agencies and certain types of subcontracts are exempt, in whole or in part, from renegotiation.

The Act provides that a report must be filed with the Board by every contractor or subcontractor having receipts or accruals in a fiscal year which exceed \$1 million (\$25,000 in the case of brokers and manufacturers' agents) from contracts or subcontracts subject to the Act. Contractors or subcontractors with renegotiable receipts or accruals amounting to less than the above minimum need not file a report but may, if they choose, file a Statement of Non-Applicability.

Operations are conducted at the Headquarters Office and two Regional Boards. The Eastern Regional Renegotiation Board serves the eastern part of the United States and the Western Regional Renegotiation Board serves the western part.

For a contractor whose renegotiable receipts or accruals in a fiscal year exceed the applicable minimum, the renegotiation process begins with the filing of a Standard Form of Contractor's Report. To compile the report, a contractor must segregate his negotiable from his non-renegotiable business and must also determine the costs and expenses allocable to each such segment. Generally, all amounts deductible for Federal income tax purposes are allowable as costs in renegotiation to the extent allocable to renegotiable business.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

1974 appropriation-----	\$36,227,000
Estimate, 1975-----	42,131,000
House allowance-----	43,077,000
Committee recommendation-----	43,077,000

The Committee recommends an appropriation of \$43,077,000 for Salaries and Expenses of the Securities and Exchange Commission. This amount is \$946,000 over the budget estimate and the same as the House allowance.

The Committee has also included language which increases the travel expense limitations of the Commission to \$1,200,000 for FY 1975.

The increased sum recommended by the Committee has been provided to permit the commission to increase budgeted positions by 150.

The Committee was informed that the SEC expects to collect and deposit in the Treasury, based on their current fee schedule, slightly over \$24 million or about 61% of their budget request. In this connection, the Committee understands that the Commission has initiated a study of its fee schedule in relation to costs incurred. According to data received by the Committee, in FY 75 the SEC expects to collect fees for the following services in the amounts shown:

	<i>Estimate, 1975</i>
Registration of securities under the Securities Act of 1933-----	\$14,000,000
Fees for other filings and reports-----	5,375,000
From stock exchanges under section 31 of the Securities Exchange Act of 1934-----	4,400,000
Non-NASD brokers and dealers-----	400,000
Qualification of trust indentures-----	1,000
Other fees-----	10,000
Total -----	\$24,186,000

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

1974 appropriation-----	\$53,760,000
Estimate, 1975-----	47,163,000
House allowance-----	46,463,000
Committee recommendation-----	37,345,000

For salaries and Expenses of the Selective Service System, the Committee recommends an appropriation of \$37,345,000, which is \$9,818,000 below the House allowance and \$9,118,000 below the budget estimate.

In light of very encouraging reports from both the Secretary of the Army and the Secretary of Defense concerning the success of the Volunteer Army, the Committee feels that an accelerated winding-down of the Selective Service System's operations is justified in fiscal year 75.

Statistics show, among other things, that the average length of initial terms has increased 21%, the average length of initial terms in Army Combat Arms is up by 45%, and that reenlistment by second term volunteers is up 70% in fiscal year 74. The morale and intelligence of the volunteer soldier is high and there are strong indications that our military forces are now both combat-ready and of sufficient strength to meet our military manpower needs.

The Committee directs the Selective Service System to continue to explore vigorously alternative less costly methods of maintaining a stand-by draft system, with particular emphasis on the increased use of volunteer registration and processing personnel, and on a greater percentage of position reductions in the GS 13 and above categories.

The committee was told that the Selective Service System must be prepared to furnish the men necessary to maintain the Armed Forces at authorized strength to the extent that this cannot be done by volun-

tary means. This is accomplished by means of inductions, the magnitude of which is determined by the Department of Defense. Since January 1, 1970, the order of registrants to be selected for induction has been determined by lottery drawings which assign random sequence numbers. Since March 1972, under the authority of the 1971 amendments to the Military Selective Service Act, random sequence numbers have been used in a Uniform National Call method. Section 10 (b) of the Act requires that the System maintain a readiness, notwithstanding the expiration of induction authority, to satisfy possible emergency mobilization requirements by registering and classifying young men.

The Committee also learned that the duties of the Selective Service System include:

1. *Service to registrants.*—This activity includes registering, classifying, selecting, inducting when authorized, and providing service to registrants including information. Over 45,000 uncompensated citizens, including the members of local boards and advisors to registrants, help provide service to registrants.

2. *Examination services.*—As the draft call varies, so do the costs of selectee travel to preinduction examination. Preinduction travel costs are based on fulfillment of the requirements of section 4(a) of the Military Selective Service Act.

3. *General and administrative.*—Fiscal, personnel, and other administrative support is provided to carry out the program of the System.

4. *Executive direction.*—This activity includes top policy-making officials, heads of major divisions at National Headquarters, and State Directors.

5. *Special programs.*—For fiscal year 1975, this activity consists of the Selective Service Reserve.

VETERANS' ADMINISTRATION

COMPENSATION AND PENSIONS

1974 appropriation.....	\$6, 743, 800, 000
Amended estimate, 1975.....	¹ 7, 283, 000, 000
House allowance.....	6, 716, 200, 000
Committee recommendation.....	7, 283, 000, 000

¹ Original estimate of \$6,716,200,000 increased by amended estimate contained in S. Doc. No. 93-96, \$566,800,000.

For Compensation and Pensions of our nation's veterans and their dependents, the Committee recommends an appropriation of \$7,283,000,000 which is the same as the amended budget estimate and \$566,800,000 above the House allowance. The amended estimate was not considered by the House.

The Veterans' Administration informed the Committee that there are two major programs which provide supplements to the income of certain veterans and their dependents or survivors. The first is for those veterans who suffer losses in their earning capacity as a result of service-connected disabilities. Compensation is provided to offset such losses. For the dependents of veterans who die in service or as a result of service-connected disease or disability, dependency and indemnity compensation benefits are available.

The second—Pension—aids those veterans whose disability are not a result of their service in the armed forces and who have income below the limits set by this program. Pension is also provided to widows and children of deceased war veterans whose deaths were not related to service.

Payments of compensation and pension to almost 5 million veterans and dependents of deceased veterans continues to be the largest program of benefits administered by the Veterans' Administration. For the past year these payments amounted to \$6.5 billion and accounted for approximately 55 percent of the Agency's total expenditures.

The Committee also learned that from a 1973 caseload of 2,192,423 the number of veterans receiving disability compensation is estimated to increase to 2,197,120 in 1975. Most of this increase is due to the Vietnam veteran caseload. During the same period the cost of these cases is estimated to increase from about \$3.1 billion to about \$3.2 billion due to the increasing Vietnam veteran caseload.

An average of 1,072,338 veterans received pensions in 1973. Decreases in the average caseload is projected to continue for both FY 1974 and FY 1975. Decreases are due primarily to the rising number of World War I veteran deaths with less than offsetting increases for the more recent war periods. This is probably a consequence of the recent social security increases, providing income levels above the existing statutory limitations for VA pension qualification. Costs are estimated to decrease from \$1,476,651,000 in 1973 to \$1,430,907,000 in 1975.

The survivors of over 1.6 million deceased veterans were receiving death compensation, dependency and indemnity compensation, or death pension as of June 1973. Total costs of these programs exceeded \$1.8 billion in 1973. The caseload is projected to increase at a slower rate thru 1975 as a result of recent Social Security rate increases. The increase in caseload is dominated by the World War II category where the potential veteran deaths and the likelihood of surviving widows are greatest.

READJUSTMENT BENEFITS

1975 appropriation.....	\$3, 353, 000, 000
Estimate, 1975.....	2, 676, 000, 000
House allowance.....	2, 676, 000, 000
Committee recommendation.....	2, 676, 000, 000

The Committee recommends an appropriation of \$2,676,000,000 which is the same as the House allowance and the budget estimate for Readjustment Benefits for veterans, their wives, widows, and children.

The Committee was informed that this program is primarily concerned with providing both educational and rehabilitative assistance to veterans and certain other classes of beneficiaries. Under this broad category, benefits are available to basically three different groups of individuals:

Service disabled veterans.—Vocational rehabilitation is provided for the purpose of restoring employability lost by reason of handicap due to service-connected disability—title 38, U.S.C., Chapter 31.

Veterans and servicemen.—Financial assistance and services are provided to restore lost educational opportunities where careers were interrupted or impeded by reasons of military service after January 31, 1955—title 38, U.S.C., Chapter 34.

Dependents and survivors.—Financial assistance is provided for children, wives and widows of veterans whose deaths or permanent total disabilities were service-connected and for wives and children of prisoners of war or missing in action, that their education may be pursued—title 18, U.S.C., Chapter 35.

The Veterans' Administration also informed the Committee that the total number of individuals participating in training has increased during each fiscal year since 1967. A total of 2,223,315 persons received training during fiscal year 1973. This is a 13.4% increase over the 1,960,349 who received training in the preceding year. By type of educational program, trainees under chapter 31 (service disabled veterans) decreased by 6.6% while chapter 34 (Post Korean conflict veterans) and chapter 35 (dependents and survivors) trainees increased by 14.0% and 5.6% respectively.

In the six year period of the current education bill nearly 363,000 servicemen have entered training. Of this number, over 282,000 trained in schools below the college level, primarily by correspondence.

The Committee learned that of the total beneficiaries in training, dependents and survivors of World War II veterans comprise more trainees (33,972) than any other service period. However, among these, the largest number of widows in training (3,369) came from Vietnam era compared to 1,862 coming from World War II.

During 1973, a total of 57,678 children of deceased or totally disabled veterans, servicemen missing in action or prisoners of war received educational assistance. This is an increase of 2,682 over 1972 trainees. In 1973 90% or 51,972 pursued their training at the college level.

Educational assistance for wives of 100 percent disabled veterans, servicemen missing in action, prisoners of war and widows of deceased veterans has shown a steady increase in enrollment. A total of 10,505 wives and widows were in training during fiscal year 1973. Over 72% of the wives and widows chose college level training.

Since the current education program began (for post-Korean conflict veterans) in June 1966, almost 4,103,000 veterans and servicemen entered training through the end of June 1973. Of this number, over 3,092,000 were veterans or servicemen from the Vietnam era. The cumulative cost of this training through June 1973 was nearly \$8.1 billion.

It is estimated that 2,450,000 veterans and servicemen will receive training at a cost of over \$3.0 billion in 1974. After peaking, the number is expected to decrease to 1,996,000 trainees in 1975 with an estimated cost of nearly \$2.5 billion.

As of June 30, 1973, a total of over 205,000 children had entered training at a cost of \$545.8 million.

In fiscal year 1975, it is estimated that 63,500 children will receive educational assistance at a cost of \$99.0 million. This is an increase of 1,900 trainees and \$3.0 million in cost over the fiscal year 1974 estimate of 61,600 trainees and \$96.0 million.

Educational assistance for wives and widows has been available since December 1968. It is estimated that 12,500 wives and widows will receive educational assistance during fiscal year 1975 at a cost of \$15.2 million. This is an increase of 1,000 trainees and \$1.2 million over the 11,500 trainees estimated for 1974 at a cost of \$14.0 million.

The total number of service-disabled veterans who trained under vocational rehabilitation programs through June 1973 was 954,000. The cumulative cost of this benefit, including World War I, amounted to \$2.8 billion through June 1973. These payments include \$6 billion paid from old World War I funds; \$1.7 billion paid for subsistence allowances; and \$.5 billion for tuition books, supplies, and equipment.

It is estimated that 28,000 service-disabled veterans will train in fiscal year 1975. This is a decrease of 1,000 trainees from the 29,000 estimated for fiscal year 1974. Cost is expected to increase from an actual \$23.0 million in fiscal year 1973 to an estimated \$70.6 million in fiscal year 1974. This large increase results from subsistence allowances being funded under this appropriation for the first time in fiscal year 1974. The cost is expected to increase to \$75.2 million in fiscal year 1975 due to the observed long-term rise in the charges for tuition, books, supplies, and equipment.

VETERANS INSURANCE AND INDEMNITIES

1974 appropriation (<i>by transfer</i>)	(\$6,000,000)
Amended estimate, 1975	8,750,000
House allowance	not considered
Committee recommendation	8,750,000

¹ Contained in S. Doc. No. 93-96.

For Veterans Insurance and Indemnities, the Committee recommends an appropriation of \$8,750,000, which is the same as the budget estimate but \$8,750,000 above the House allowance.

The budget estimate for this item, which is contained in S. Doc. 93-96, was submitted to the Congress subsequent to House action and was therefore not considered by the House.

Public Law 93-289, which became effective May 24, 1974, provides that policies under the veterans special life insurance fund are now participating and therefore eligible for the payment of dividends. Therefore it is no longer possible to use surplus earnings to fund this item.

MEDICAL CARE

1974 appropriation	\$2,859,173,000
Estimate, 1975	3,175,000,000
House allowance	3,190,044,000
Committee recommendation	3,187,644,000

The Committee recommends an appropriation for medical care of veterans of \$3,187,644,000 which is \$2,400,000 less than the amount contained in the House bill and \$12,644,000 over the budget estimate.

The Committee has concurred with the House and provided \$16,000,000 for the hiring of an additional 1,000 nurses. It has also concurred with the House and reduced the estimate by \$956,000 which represents a 10 percent reduction in the space rental costs to be reimbursed to the GSA.

The \$2,400,000 reduction below the amount recommended by the House represents a denial of funds for the purchase of five (5) new electron microscopes and 19 upgradings of existing units. A General Accounting Office report in November of 1973 showed that these \$100,000 microscopes were being grossly underutilized, some at the alarming rate of only 9% utilization. In view of the large capital outlay, low

utilization rates, and subsequent GAO recommendations for the deactivation of those electron microscopes not justified on the basis of workload, the Committee recommends that funding for these 5 new units and 19 upgradings be deferred until the Veterans Administration can show proof positive that there has been a substantial increase in their level of use.

The Committee is aware that the President recently announced plans to make substantial cutbacks in total Federal employment throughout the Government. The Committee wishes to express its very strong view that any personnel freeze or other personnel limitations resulting from such a Government-wide policy should not be applied to the medical and hospital employment within the Veterans Administration. In 1972 the VA hospital and medical program suffered from the effects of a Government-wide freeze on hiring which had an absolutely disastrous impact on the capacity of the VA system to provide quality patient care. Based on that experience, it is projected that over a full year the VA medical program could be expected to lose over 11,000 employees—based upon an attrition rate of between 10% and 33%—especially in the fields of pathology, radiology, nursing, and medical administration. Of these, the vast majority would be in the nursing service (over 8,000), the most critical direct patient care category, where normal VA attrition runs from 15% to 20%.

This appropriation provides for expenses necessary for the maintenance and operation of Veterans Administration hospitals, nursing home care units, domiciliaries and outpatient clinics, and the care and treatment of eligible beneficiaries in contract hospitals, community nursing and State nursing home facilities, State home hospitals, and State home domiciliaries. In addition, training of medical residents and interns and other professional, paramedical, and administrative personnel in the health-science fields is provided to support the Agency's manpower supply in these shortage categories.

MEDICAL AND PROSTHETIC RESEARCH

1974 appropriation-----	\$75,500,000
Estimate, 1975-----	89,000,000
House allowance-----	86,770,000
Committee recommendation-----	89,000,000

This program funds medical research projects which are conducted in Veterans' Administration laboratories unless it is more advantageous or economical to contract for such work with universities or other institutions.

This appropriation also funds the Prosthetic Research program which provides new and improved prosthetic and sensory aids for veteran beneficiaries, develops more efficient techniques of fabrication, fitting, aligning, and evaluating prosthetic devices, maintains a system of quality control by the development of meaningful standards and specifications, and disseminates information to VA field stations about the results of the research program.

For this item, the Committee recommends an appropriation of \$89,000,000, which is the same as the budget estimate but \$2,230,000 over the amount contained in the House bill.

The Committee feels strongly that the research funded in this appropriation deserves the highest priority and should be funded before items of lesser importance. Consequently in order to effect economies and reduce spending it has made reductions in many other items contained in this bill.

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

1974 appropriation-----	\$25,000,000
Estimate, 1975-----	None.
House allowance-----	30,000,000
Committee recommendation-----	None.

Additional funds were not requested for this program that includes grants for new state medical schools, grants to affiliated medical schools, grants to other health manpower institutions, and expansion of Veterans' Administration hospital education and training capacity.

The Committee has not recommended an appropriation for Assistance for Health Manpower Training Institutions, for fiscal year 1975. On July 23, 1974 the Committee was informed by the Veterans Administration that a total of 77 grants had been tentatively approved with a first year funding requirement of \$25,738,000. These tentatively approved grants were chosen from 190 that had been submitted with a first year cost of \$71,466,000.

To date only \$930,000 has been obligated for grants for new State Medical Schools, leaving \$24,070,000 available for obligation from the prior appropriation of \$25 million. For grants to existing affiliated medical schools \$4,311,000 has been obligated and for grants to other Health Manpower Institutions a total of \$3,242,000 has been obligated, leaving \$12,447,000 available for obligation from the prior appropriation of \$20 million.

The Committee is aware that a zero appropriation for fiscal year 1975 will limit the ability of the Veterans Administration to make new grants under subchapters II, III and IV of chapter 82 which was added to title 38 by that Public Law. Nonetheless, the Committee will certainly be following the application process in connection with such new first-year grants and would give consideration to providing funds in a supplemental appropriations act if the need can be justified by those applications.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

1974 appropriation-----	\$34,063,000
Estimate, 1975-----	37,508,000
House allowance-----	37,508,000
Committee recommendation-----	37,508,000

The Committee recommends an appropriation of \$37,508,000, which is the same as the budget estimate and the House allowance.

This appropriation provides for the administration and supervision of all agency medical programs by the Chief Medical Director, assisted by his Central Office staff elements; the conduct of postgraduate and inservice training activities to support the Medical Care programs; and the exchange of the most advanced medical information with the medical-scientific community.

GENERAL OPERATING EXPENSES

1974 appropriation-----	\$333, 623, 000
Amended estimate-----	¹ 434, 412, 000
House allowance-----	388, 130, 000
Committee recommendation-----	428, 842, 000

¹ Original estimate of \$391,000,000 increased by \$43,412,000 in S. Doc. No. 93-96.

For General Operating Expenses, the Committee recommends an appropriation of \$428,842,000, which is \$5,570,000 below the budget estimate and \$40,712,000 above the House allowance.

The Committee considered estimates of \$434,412,000 which were \$43,412,000 above the estimates considered by the House.

The House allowance reduced the original estimate by \$2,870,000 which amounts to a 10 percent decrease in GSA space rental charges. The Committee concurs with this House action.

The Committee has approved the full \$24,400,000 designated by the Veterans Administration for funding of the new Veteran Representative-on-Campus Program (Vet-Rep) that is designed to improve the speed of check delivery to the veteran. In this connection the Committee directs the Chief of the Department of Veterans Benefits to report periodically to the Committee on the progress and results of the Vet-Rep Program during the school year.

The Committee is aware of the clear interrelationship between these new positions in the Department of Veterans Benefits and the need for improved staffing and performance in the VA's regional offices. In this connection, it has been assured that the regional offices, with the concurrence of the Chief Benefits Director of the VA, will have considerable flexibility in the assignment of Vet Reps in terms of particular campus needs. In those instances where a Vet Rep can perform more effectively in a regional office in terms of carrying out the special responsibilities of coordination and liaison with campus veterans, assignment of the Vet Rep to regional offices obviously would improve the capacity of those offices to provide effective services, and thus would reduce the need for additional DVB personnel.

The Committee has reduced the amended budget estimate by \$2,700,000. It allows \$8,083,000 to fund 599 new positions instead of \$9,383,000 and 699 new positions requested for additional support personnel to augment field station staffs. In addition, the Committee recommends an appropriation of \$3,000,000 to be used for the reorganization of 40 offices in the Department of Veterans Benefits, that includes, among other things, the moving of files, partitions, equipment, and electrical outlets. This figure compares with \$4,400,000 contained in the amended budget estimate.

The appropriation for General Operating Expenses provides for the administration of all non-medical veterans' benefits; data processing operations and communications systems; and top management direction and support.

The Committee concurs with the House and the estimate and has included the phrase, "cemeterial expenses as authorized by law", in the language of the General Operating Expenses appropriations so that cemeterial activities transferred from the Army to the VA by Public Law 93-43 can be funded through this account.

CONSTRUCTION, MAJOR PROJECTS

1974 appropriation-----	\$68, 343, 000
Estimate, 1975-----	230, 850, 000
House allowance-----	230, 850, 000
Committee recommendation-----	223, 924, 500

The Committee recommends an appropriation of \$223,924,500 for this item which is \$6,925,500 below the budget estimate and the amount recommended by the House.

The Committee intends that this 3% economy reduction be absorbed through savings derived from reprogrammings.

The Construction, Major Projects appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$1,000,000 or more.

A complete listing of the projects funded herein may be found on page 25 of the House report on the bill, House Report 93-1139, and thus is not repeated here.

The Committee's Report, dated May 31, 1972, covering Veterans Administration appropriations for FY 1973 included \$18,875,000 for planning and architectural services for a number of major health care projects including a new hospital and several replacement hospitals. The Committee is appalled that the demographic studies and initial planning which is required to determine appropriate use of existing facilities, siting of new construction, environmental impact, and coordination with local health care planning and local regulatory agencies has not been completed for these projects and that the VA does not contemplate completing those studies until fiscal year 1976. The Committee notes that this is entirely inconsistent with the President's nationally broadcast speech of March 31, 1974 on veterans' matters. The Committee believes this foot-dragging should cease and directs that, within the funds made available for these projects in fiscal year 1973, the necessary studies for these projects should be completed by June 30, 1975 so that the projects can receive Presidential approval and thus be eligible for full funding in the Budget for fiscal year 1976.

The committee concurs with the House and directs the Veterans Administration to reprogram \$5,173,900 of these funds for the construction of a new research and education building at the Houston VA hospital. It also directs the Veterans Administration to reprogram \$5,397,300 of the funds for the construction of a similar building at the VA hospital located in Jackson, Mississippi.

In this Committee's report accompanying the Fiscal Year 1974 appropriation bill, the background of funding for the proposed Veterans Administration Hospital at Baltimore, Maryland was given. The \$5,224,000 for planning and site acquisition cited in that report continues to remain available to the Veterans Administration for the Baltimore project. The joint explanatory statement of the Committee of Conference on last year's appropriations bill stated that the conferees agreed with referenced report language. Another year has passed and arrangements have not yet been made for acquisition of the site and final planning for construction of a new Veterans Administration Hospital at Baltimore, Maryland, even though all those con-

cerned, including the Veterans Administration, recognize the need for this new Hospital. It is heartening to know, however, that the Veterans Administration is presently negotiating with the State of Maryland and certain political subdivisions thereof for a possible transfer of a suitable site for this project at no cost to the Federal Government.

This Committee believes that such an opportunity for site acquisition should not be allowed to pass by but rather every effort should be made by the Veterans Administration to reach an agreement for site acquisition and to forthwith commence final planning and then construction of this much needed new Veterans Hospital.

CONSTRUCTION, MINOR PROJECTS

1974 appropriation-----	\$40,018,000
Estimate, 1975-----	45,150,000
House allowance-----	45,150,000
Committee recommendation-----	43,795,500

The appropriation of \$43,795,500 is recommended by the Committee for Construction, Minor Projects. This amount is \$1,354,500 below the budget estimate and the House allowance. As in the case of Construction, Major Projects, the Committee intends that this 3 percent economy reduction be absorbed through savings derived from reprogramming.

This appropriation provides for constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than \$1,000,000 and for the expenses of the Office of the Assistant Administrator for Construction.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

1974 appropriation-----	None
Estimate, 1975-----	\$10,000,000
House allowance-----	10,000,000
Committee recommendation-----	9,700,000

For Grants for construction of State extended care, the Committee recommends an appropriation of \$9,700,000, which is \$300,000 under the budget estimate and the House allowance.

Funds under this program are for grants to assist the several States to construct State nursing home facilities and to remodel, modify or alter existing hospital and domiciliary facilities in State homes, for furnishing care to veterans.

The Committee was informed that the \$5,000,000 requested under the State Nursing Home program will provide grants to assist the States in the construction of State facilities for furnishing nursing home care to war veterans. The grant may not exceed 65% of the total cost of the project and may not provide for more than two and one-half beds per thousand war veteran population in any State.

Grants provided under the Hospital and Domiciliary Facilities program will assist the States to remodel, modify or alter existing hospital and domiciliary facilities in State Homes. The grant may not exceed 65% of the total cost of the project, nor may any one State receive in any fiscal year more than 20 per centum of the amount appropriated for that fiscal year.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

1974 appropriation-----	\$2,000,000
Estimate, 1975-----	2,100,000
House allowance-----	2,100,000
Committee recommendation-----	2,037,000

An appropriation of \$2,037,000 is recommended by the Committee for Grants to the Republic of the Philippines, which is \$63,000 below the budget estimate and the allowance in the House bill.

This appropriation provides grants to the Republic of the Philippines for medical care and treatment of eligible Philippine Commonwealth Army veterans and new Philippines Scouts, and for programs of medical education and training of health services personnel. Medical care and treatment of eligible veterans is provided by the Republic of the Philippines at the Veterans Memorial Hospital in Manila, or at other facilities by contract. Also, treatment of leprosy cases is provided at the Central Luzon Sanitarium and at the Mindanao Central Sanitarium.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

1974 appropriation-----	\$4,500,000
Estimate, 1975-----	1,828,000
House allowance-----	1,828,000
Committee recommendation-----	1,828,000

For payment of Participation Sales Insufficiencies, the Committee recommends an appropriation of \$1,828,000, which is the allowance in the House bill and the budget estimate.

The Committee was informed that the Housing Act of 1964, as amended by the Participation Sales Act of 1966, authorized the pooling of mortgages or other types of obligations of certain Government departments or agencies and the sale by the Federal National Mortgage Association (now the Government National Mortgage Association) as trustee, of beneficial interests, or participations, in such pools. The Participation Sales Act of 1966 provided that the aggregate amount of participations issued for the account of any trustor may not exceed the amount authorized for that trustor in an appropriation act.

The Participation Sales Act of 1966 also authorized the establishment of appropriations to cover payment for insufficiencies in the amounts required to be paid by trustors on account of outstanding participations. These insufficiencies are primarily comprised of the excess of interest payments to holders of participation certificates over the interest payments received from the pooled mortgages or other obligations. Insufficiencies are met from (1) revenue from the Participation sales fund; (2) the portion of retained earnings reserved; and (3) the appropriation for Payment of participation sales insufficiencies, in that order.

LOAN GUARANTY REVOLVING FUND (LIMITATION ON OBLIGATIONS)

1974 appropriation-----	(\$500,000,000)
Estimate, 1975-----	(\$500,000,000)
House allowance-----	(\$500,000,000)
Committee recommendation-----	(\$500,000,000)

For the limitation of obligations of the Loan Guaranty Revolving Fund the Committee recommends the sum of \$500,000,000, which is the budget estimate and the amount recommended by the House.

The principal objective of the loan guaranty program is to assist eligible veterans to obtain credit on favorable terms for the purchase or construction of homes to be occupied by the veterans and their families.

The assistance provided normally consists of the guaranty of insurance of loans made by private lenders to veterans. However, under certain conditions the Veterans Administration may make loans directly to veterans for homes and farm residences.

The Veterans Housing Act of 1970, Public Law 91-506 approved October 23, 1970 revived unused expired loan guaranty entitlement of World War II and Korean Conflict veterans and made all loan guaranty entitlement available until used whether derived from World War II, Korean Conflict, or Post-Korean Conflict service. The Loan guaranty revolving fund provides for expenses and revenues of property and loan transactions resulting from settlement of guaranty claims.

The VA explained that the \$121,244,207 net loss existing in the Loan Guaranty Fund at the close of fiscal year 1973 is the net cost to date, exclusive of administrative expenses which has resulted from paying claims for the guaranty or insurance issued on 8.5 million loans in the amount of \$98.6 billion. The net loss reflects the results of the liquidation of properties as well as claim payments.

On this basis, there has been an average loss of \$400.04 on the claims paid through June 30, 1973. Cast in other terms, the loss has been about one-tenth of one percent of the dollar value guaranteed or insured.

The Committee learned that normal revenue and receipts consist principally of interest income, cash proceeds from the sale of real property acquired as a result of foreclosure on guaranteed loans, and repayments on mortgages made incident to such sales. It is estimated that \$181.5 million in 1974 and \$167.1 million in 1975 will be received from these sources. Also an estimated \$361.0 million vendee loans will be sold in 1974 and an additional \$342.0 million in 1975.

VOCATIONAL REHABILITATION REVOLVING FUND

1974 appropriation.....	None.
Estimate, 1975.....	\$100,000
House allowance.....	100,000
Committee recommendation.....	97,000

The Committee recommends an appropriation of \$97,000, for the Vocational Rehabilitation Revolving Fund, which is \$3,000 under the budget estimate and the allowance in the House bill.

The Veterans Administration explained to the Committee that chapter 31, paragraph 1507, of 38 U.S.C., provides for a revolving fund for making advances, not in excess of \$200 to disabled veterans who are commencing or undertaking courses of vocational rehabilitation and are without sufficient funds to meet their expenses. Repayments are used to make new advances. Historically, the pattern of activity in the fund has been that loans have exceeded receipts in the first six months of the fiscal year, with the reverse true for the latter part of the year. It is estimated at the end of FY 1974 that only \$28 thousand will be

available to continue making loans in FY 1975. To ensure loan making capability during the early months of FY 1975, an appropriation of \$100 thousand is required.

TITLE III

CORPORATIONS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE AND NON-ADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

	Administrative	Nonadministrative
1974 appropriation.....	(\$15,445,000)	(\$176,796,000)
Estimate, 1975.....	(13,803,000)	(191,730,000)
House allowance.....	(13,803,000)	(190,500,000)
Committee recommendation.....	(13,803,000)	(190,500,000)

For the limitation on Administrative Expenses of the Federal Housing Administration, the Committee recommends an amount of \$13,803,000, which is \$77,000 less than the budget estimate and the same as the House allowance. The entire reduction represents a reduction of 10 percent in GSA space rental costs.

The Administrative Expense Limitation covers those costs generally described as overhead. The staff develops the technical and underwriting standards and the operating plans and procedures under which the FHA programs are executed, provides line supervision and technical advice and guidance to the field staff which carries out these programs at the local level, and performs fiscal and administrative management services required for the efficient operation of the FHA programs.

The Administrative Expense Limitation funds the function mentioned above as they relate to the housing production activities of the FHA programs. It also funds the Central Office line and program supervision of the FHA multifamily mortgage servicing and home mortgage servicing activities under the direction of the Assistant Secretary for Housing Management, the administrative legal services provided by the Office of General Counsel and the FHA fund share of the fiscal and administrative management functions performed on a centralized basis under the direction of the Assistant Secretary for Administration. This justification covers only the Housing Production activities. The other activities are briefly explained later in this justification.

The administrative staff develops the policies and procedures governing the housing production functions of the FHA mortgage insurance programs, initiation of loan insurance, and the subsidy programs. It is this staff which develops the underwriting standards and instructions in the three disciplines (architecture, appraisal, and mortgage credit) which underlie the mortgage insurance programs. This staff also monitors the local level, to see that Departmental policies and procedures are being faithfully administered, and that weaknesses or deficiencies are corrected when they are identified. All of these functions, together with fiscal, administrative management, and actu-

arial and statistical services, oversee and support the field employees engaged in FHA production activities.

The Committee recommends a limitation of \$190,500,000 for Non-administrative expenses. This amount is \$1,230,000 less than the budget estimate and the same as the allowance contained in the House bill. This reduction is attributed to a 10 percent reduction in GSA space rental costs.

The Nonadministrative Expense Limitation covers several activities performed by or in support of the FHA mortgage and loan insurance activities which are administered by several Assistant Secretaries. The initiation of mortgage and loan insurance for both the subsidized and unsubsidized insured housing programs and various direct support functions such as market analysis are the responsibility of the Assistant Secretary for HPMC-FHA Commissioner.

Liquidation and settlement activities, including acquisition and disposition of properties and mortgages as a result of insurance claims and mortgage servicing, although funded from this limitation, are administered by the Assistant Secretary for Housing Management. The supportive legal services performed in the Central Office by the General Counsel are also an expense of this limitation. In the field, these services are funded under the Regional Management and Services portion of this limitation.

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

1974 appropriation.....	(\$7,772,000)
Estimate, 1975.....	(8,080,000)
House allowance.....	(8,080,000)
Committee recommendation.....	(8,080,000)

The Committee recommends a limitation on administrative expenses for the Government National Mortgage Association of \$8,080,000, which is the budget estimate and the House allowance.

The Government National Mortgage Association (GNMA) is a corporate entity within the Department of Housing and Urban Development. The Secretary of Housing and Urban Development determines its general policies and selects and effects the appointment of qualified persons to fill the offices of President and Vice President and such other offices as may be provided for in the bylaws. The President of the Association is responsible for the general supervision of GNMA's daily business affairs and for carrying out general policies determined by the Secretary.

Prior to September 1, 1968, the functions of GNMA were carried out by the Federal National Mortgage Association (FNMA). On September 1, 1968, under the provisions of the Housing and Urban Development Act of 1968, the Federal National Mortgage Association was partitioned into two separate and distinct corporate bodies, each possessing continuity and corporate succession. One of these corporations, assuming the functions of the Secondary Market Operations of the original FNMA, is the Federal National Mortgage Association, a Government-sponsored privately owned corporation, which, since September 30, 1968, has not been included within Federal budget totals. The other corporation is the Government National Mortgage Association, which remains in the Department of Housing and Urban Devel-

opment and continues to operate the Special Assistance and Management and Liquidating Functions as well as the Participation Sales Fund and Guarantees of Mortgage-Backed Securities programs, the details of which are explained in this section of the justifications.

FEDERAL HOME LOAN BANK BOARD

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

	Administrative	Nonadministrative
1974 appropriation.....		
Estimate, 1975.....	(\$9,700,000)	(\$18,530,000)
House allowance.....	(10,470,000)	(20,800,000)
Committee recommendation.....	(10,400,000)	(20,736,000)

For the limitation on Administrative Expenses the Committee recommends \$10,400,000, which is \$70,000 less than the budget estimate and the same as the House allowance.

A limitation of \$20,736,000 is recommended by the Committee for nonadministrative expenses and represents an amount which is \$64,000 under the budget estimate but the same as the House allowance.

The recommended reductions of \$70,000 and \$64,000, respectively represent a 10% reduction in GSA space rental costs.

The Committee learned from the Board that subsection (c) of Section 18 of the Federal Home Loan Bank Act authorized, utilizing the services of the Administrator of General Services, to acquire for the purpose of the subsection real property in the District of Columbia, in the name of the United States. It further authorizes the Board, utilizing such services, to construct, develop, furnish and equip such building thereon, and such facilities as may be appropriate to provide to such extent as it may deem advisable, suitable and adequate quarters and facilities for the Board and the agencies under its administration of supervision.

Financing the acquisition of and improvements to the real property may be provided through assessments on and advances by the Federal Home Loan Bank. However, the Committee was told that there was no provision in the aforesaid subsection for the Board to acquire assistance or advances for the above mentioned purposes from other agencies with respect to which the Board and its members have functions of administration or supervision.

In order to make it possible for the assessment or advances for the purposes of the aforesaid subsection (c) to be made, and in order to include related commercial facilities, and further, in order to adjust interest paid on such advances to a realistic rate, the Committee has included the following language, which was requested in an amended estimate contained in Senate Document Number 93-98, in the bill on page 27, line 22:

Provided further, That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative reassments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required

by the Board as non-administrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the references therein to agencies under the Board's supervision, and the Board's is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder.

The Federal Home Loan Bank Board supervises and regulates the Federal Home Loan Bank System, the System of Federal Savings and Loan Associations, and the Federal Savings and Loan Insurance Corporation, created to serve the American public through the media of savings and loan associations, co-operative banks, and other financial institutions engaged in the encouragement of thrift and economical home ownership.

The Federal Home Loan Bank System, through its 12 regional Federal Home Loan Banks, strategically located throughout the country, provides a permanent credit reserve for eligible institutions. The Federal Home Loan Banks advance funds to these member institutions to meet withdrawal demands as well as seasonal and expansionary needs for additional home-mortgage funds. Through the use of interbank deposits, the System maintains flows of housing funds into every locality.

Federal Home Loan Bank advances outstanding to savings and loan members as of October 1973 were \$14.6 billion. This amount is more than all the advances made from the System's inception in 1932 through 1959 and is 22% of all advances made through 1972.

The regional Banks, the stock of which is owned by their member institutions, do not deal directly with individuals. The great majority of the members are savings and loan associations, also known sectionally as building and loan associations, co-operative banks, and homestead associations. Included also in the membership of the Federal Home Loan Bank System are 48 mutual savings banks and 2 life insurance companies.

The importance of the Federal Home Loan Bank System is indicated by the fact that at June 30, 1973, the combined resources of its member institutions totaled \$270 billion (the December 31, 1973, figure is estimated at approximately \$281 billion). In fiscal year 1973 its savings and loan members made housing and other mortgage loans amounting to \$55.7 billion.

Located in most cities, suburban areas, and towns throughout the United States, the System's member institutions serve over 67 million people including savers, investors, and borrowers.

The Board also issues charters for Federal savings and loan associations, insures savings accounts in Federal savings and loan associations and in approved State chartered savings and loan or building and loan associations.

The costs of the Federal Home Loan Bank Board operation—including the examinations of insured savings and loan associations—are met by assessing the twelve Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation for services rendered and by direct examination charges to savings and loan associations for the services of the Office of Examinations and Supervision. Thus, although the Board restricts its expenditures to budget

limitations, the Board receives no appropriated funds from the U.S. Treasury.

Offices and Divisions which are funded under FHLBB Administrative funds are the offices of the Chairman and Board Members, the office of the Executive Assistant to the Chairman, the office of Economic Research, the office of Communications, the office of General Counsel, the office of Audits, the office of the Secretary, the offices of the Federal Home Loan Banks, Industry Development Housing and Urban Affairs, the Administration and Methods Division, the Comptrollers Division, the Information Systems Division, and the Personnel Management Division.

The Office of Examinations and Supervision is funded from Non-administrative funds of the agency and has the major role in fulfilling the Federal Home Loan Bank Board's statutory responsibility for monitoring and regulating the \$267 billion insured savings and loan industry. This Office, and in particular the field staff in the twelve Federal Home Loan Bank Districts, examines and, when necessary, supervises all savings and loan associations to assure the American public of a dynamic system of safe insured savings, accessible credit, and economic home ownership.

The Office of Examinations and Supervision is the reservoir of public professional expertise in the savings and loan industry. As such, it serves as the primary tool of the Federal Savings and Loan Insurance Corporation (FSLIC) for protecting FSLIC assets against depletion caused by the financial failure of any of the savings and loan associations which FSLIC insures. The Office monitors savings and loan associations through continual analysis of operating policies and financial reports submitted by the associations and by public auditors, through regularly scheduled examinations, and through occasional special examinations. The purpose of these monitoring processes is to determine compliance with Federal Home Loan Bank Board regulations and to ascertain the quality of management and the financial soundness of the member associations. If the Office of Examinations and Supervision detects actual or potentially unsafe or unsound practices in associations insured by the Federal Savings and Loan Insurance Corporation, Supervisory Agents from the Federal Home Loan Banks work with the associations to prevent the development or the continuance of poor financial or management performance.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

1974 appropriation.....	(\$740,000)
Estimate, 1975.....	(776,000)
House allowance.....	(772,000)
Committee recommendation.....	(772,000)

A limitation on administrative expenses of \$772,000 for the Federal Savings and Loan Insurance Corporation is recommended by the Committee. This amount is \$4000 under the budget estimate and the same as the allowance by the House. The decrease is to be applied entirely to a 10 per cent reduction in GSA space rental costs.

The FSLIC was created in 1934 and insures, up to \$20,000 each, withdrawable savings, deposits and investment certificates in approved savings and loan associations and similar institutions. Insurance of

savings has been an important factor in stimulating the flow of savings into thrift and home-financing institutions. These savings are used largely for the financing of homes. The number of insured institutions at June 30, 1973, was 4,168; their combined assets were \$256.4 billion. Reserves for insurance losses were \$3.3 billion in fiscal 1973 and are estimated at \$3.6 and \$3.9 billion respectively for fiscal years 1974 and 1975.

Under supervision and authority of the Federal Home Loan Bank Board, the FSLIC reviews all proposed actions directly affecting the interests of Federal Savings and Loan Insurance Corporation and advises the Board concerning such matters. It also implements the payment of insurance and pursues recovery; takes steps authorized by law to prevent default or restore institutions to normal operations; manages financial assistance agreements; manages assets acquired by the Corporation in the prevention of default; and acts as receiver for insured institutions in default.

TITLE IV

GENERAL PROVISIONS

LIMITATIONS AND LEGISLATIVE PROVISIONS

The Committee has added the following limitations and legislative provisions not included in the House bill:

On page 2, line 9:

Provided, That none of these administrative funds may be used for the administration of the Section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the Section 235 and Section 236 programs, or any replacement programs, is made available for commitment, and committed, concurrent with the commitment of any contract authority under the Section 23 program, or any replacement program, in amounts proportionate to the amounts committed under said Section 23 program, or any replacement program.

On page 3, line 8:

Of which not less than \$500,000,000 shall be used only for the payment of operating subsidies to local housing authorities.

On page 14, line 1:

Not to exceed \$5,000 for official receptions and representation expenses.

On page 14, line 8:

To remain available until expended.

On page 15, line 22:

Not to exceed \$1,200,000 for travel expenses.

On page 19, line 19:

Not to exceed \$2,500 for official receptions and representation expenses.

On page 27, line 6:

Provided further, That not to exceed \$1,000 shall be available for official receptions and representation expenses.

On page 27, 14:

Provided further, That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative

assessments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required by the Board as nonadministrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the reference therein to agencies under the Board's supervision, and the Board is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder.

On page 31, before line 3:

Sec. 406. None of the funds provided in this act to any Department or agency will be expended for the transportation of any officer or employee of such Department or agency between his domicile and his place of employment in violation of Sec. 5(c)(2) of the Act of July 16, 1914, as amended (31 USC 638a).

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).....	\$408,000	\$408,000	+\$2,000
Federal Housing Administration fund (authority to spend public debt receipts, indefinite).....	908,314,000	1,079,364,000	+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	837,267,000	+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 1974 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

	New budget (obligational) authority, fiscal year 1974	Budget estimates of new budget (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	Committee recommendations	Committee recommendations compared with	
					Appropriations, 1974	Estimates, 1975
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	1 \$14,340,000	\$14,340,000	\$12,126,000	+\$6,879,000	-\$2,215,000
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION						
Payment of participation sales insufficiencies.....	19,821,000	22,883,000	22,883,000	22,883,000	+3,062,000	-----
Total, Housing Production and Mortgage Credit.....	25,067,000	37,223,000	37,223,000	35,009,000	+9,941,000	-2,215,000
HOUSING MANAGEMENT						
Housing payments.....	2,020,000,000	2,425,000,000	2,425,000,000	2,300,000,000	+280,000,000	-125,000,000
Salaries and expenses, housing management programs.....	24,821,000	23,400,000	23,400,000	21,826,000	-2,606,000	-1,575,000
Total, Housing Management.....	2,044,821,000	2,448,400,000	2,448,400,000	1,321,826,000	+277,304,000	-126,576,000

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued

	New budget (obligational) authority, fiscal year 1974	Budget estimates of new budget (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	Committee recommendations	Committee recommendations compared with		
					Appropriations, 1974	Estimates, 1975	House bill
TITLE I—Continued							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Con.							
COMMUNITY PLANNING AND DEVELOPMENT							
Urban renewal programs.....	\$800,000,000	(^c)	\$200,000,000	\$194,000,000	-\$406,000,000	+\$194,000,000	-\$6,000,000
Model cities programs.....	150,000,000	(^c)	125,000,000	121,250,000	-28,750,000	+121,250,000	-3,750,000
Rehabilitation loan fund.....			70,000,000		-25,000,000		-70,000,000
Open space land programs.....	25,000,000						
Community development.....		\$325,000,000			+31,700,000	-325,000,000	+6,700,000
Comprehensive planning grants.....	75,000,000	110,000,000	100,000,000	106,700,000	-10,359,000	-3,300,000	
Salaries and expenses, Community planning and management programs.....	10,359,000				-23,004,000		
Salaries and expenses, Community development programs.....	23,004,000						
Salaries and expenses, Community planning and development programs.....		\$42,200,000	39,000,000	37,830,000	+37,830,000	-4,370,000	-1,170,000
Total, Community Planning and Development.....	883,393,000	477,200,000	534,000,000	459,780,000	-423,583,000	-17,420,000	-74,230,000
FEDERAL INSURANCE ADMINISTRATION							
Flood insurance.....	20,000,000	\$50,000,000	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	67,900,000	+2,900,000	-2,100,000	+7,900,000
Salaries and expenses, policy development and research.....		6,820,000	5,000,000	6,130,400	+6,130,400	-189,600	+1,130,400
Total, Policy Development and Research.....	65,000,000	76,820,000	65,000,000	74,030,400	+9,030,400	-2,289,600	+9,030,400

FAIR HOUSING AND EQUAL OPPORTUNITY							
Fair housing and equal opportunity.....	9,777,000	11,900,000	10,900,000	11,543,000	+1,766,000	-357,000	+643,000
DEPARTMENTAL MANAGEMENT							
General departmental management.....	6,161,000	5,580,000	5,580,000	5,412,600	-748,400	-167,400	-167,400
Salaries and expenses, office of general counsel.....	3,253,000	3,530,000	3,530,000	3,424,100	+171,100	-105,900	-105,900
Salaries and expenses, office of inspector general.....	6,708,000	6,880,000	6,880,000	6,625,100	-82,900	-204,900	-204,900
Administration and staff services.....	11,650,000	19,810,000	19,513,000	18,927,610	+7,277,610	-882,390	-585,39
Regional management and services.....	20,224,000	\$30,160,000	29,446,000	28,562,620	+8,388,620	-1,597,380	-883,380
Total, Departmental Management.....	47,996,000	65,910,000	64,899,000	62,952,030	+14,956,030	-2,957,970	-1,946,970
Total, Department of Housing and Urban Development.....	3,095,724,000	3,166,953,000	3,210,422,000	3,015,138,430	+90,585,570	-151,814,570	-195,283,570
FUNDS APPROPRIATED TO THE PRESIDENT							
FEDERAL DISASTER ASSISTANCE ADMINISTRATION							
Disaster relief.....	\$432,600,000	\$200,000,000	200,000,000	200,000,000	282,600,000		
Total, Title I.....	3,528,324,000	3,366,953,000	3,410,422,000	3,215,138,430	-313,185,570	-151,814,570	-195,283,570
TITLE II							
SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES							
AMERICAN BATTLE MONUMENTS COMMISSION							
Salaries and expenses.....	\$4,100,000	5,465,000	4,512,000	4,376,640	+276,640	-1,088,360	-135,360
DEPARTMENT OF DEFENSE—CIVIL							
Cemeterial Expenses, Army							
Salaries and expenses.....	\$24,078,000	267,000	265,000	257,050	-23,820,950	-9,950	-7,950
FEDERAL COMMUNICATIONS COMMISSION							
Salaries and expenses.....	40,155,000	46,847,000	46,900,000	46,900,000	+6,745,000	+53,000	

See footnotes at end of table.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND THE BUDGET
ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued**

	New budget (obligational) authority, fiscal year 1974	Budget estimates of new budget (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	Committee recommendations	Committee recommendations compared with	
					Appropriations, 1974	Estimates, 1975
TITLE II—Continued						
SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES—Continued						
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Research and development.....	\$2,180,307,000	\$2,341,580,000	\$2,327,380,000	\$2,326,580,000	+\$137,273,000	-\$15,000,000
Construction of facilities.....	101,100,000	151,490,000	135,670,000	140,155,300	+39,085,300	-11,334,700
Research and program management.....	744,600,000	749,624,000	740,000,000	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	3,206,735,300	+171,728,300	-35,955,700
NATIONAL SCIENCE FOUNDATION						
Salaries and expenses.....	554,660,000	681,400,000	666,800,000	654,750,000	+110,090,000	-26,650,000
Scientific activities (special foreign currency program)	3,000,000	5,000,000	5,000,000	4,850,000	+1,850,000	-150,000
Total, National Science Foundation.....	547,660,000	686,400,000	671,800,000	659,600,000	+111,940,000	-26,800,000
RENEGOTIATION BOARD						
Salaries and expenses.....	4,805,000	5,195,000	5,163,000	5,163,000	+388,000	-32,000
SECURITIES AND EXCHANGE COMMISSION						
Salaries and expenses.....	36,227,000	42,131,000	43,077,000	43,077,000	+6,850,000	+946,000

SELECTIVE SERVICE SYSTEM						
Salaries and expenses.....	53,760,000	47,163,000	46,463,000	37,345,000	-16,415,000	-9,818,000
VETERANS ADMINISTRATION						
Compensation and pensions.....	6,743,800,000	7,283,000,000	6,716,200,000	7,283,000,000	+539,200,000	+566,800,000
Readjustment benefits.....	3,353,000,000	2,676,000,000	2,676,000,000	2,676,000,000	-677,000,000	
Veterans insurance and indemnities.....	(6,000,000)	17,876,000		8,750,000	+8,750,000	+8,750,000
(By transfer).....		(6,000,000)			(-6,000,000)	
Medical care.....	2,859,173,000	3,175,000,000	3,190,044,000	3,187,644,000	+328,471,000	+12,644,000
Medical and prosthetic research.....	75,500,000	89,000,000	86,770,000	89,000,000	+13,500,000	+2,280,000
Assistance for health manpower training institutions.....	25,000,000		30,000,000		-25,000,000	-80,000,000
Medical administration and miscellaneous operating expenses.....	34,063,000	37,508,000	37,508,000	37,508,000	+3,445,000	
General operating expenses.....	333,622,000	17,434,412,000	388,130,000	428,642,000	+95,219,000	+40,712,000
Construction, major projects.....	68,343,000	230,850,000	230,850,000	228,924,500	+155,581,500	-6,925,500
Construction, minor projects.....	40,018,000	45,150,000	45,150,000	43,795,500	+3,777,500	-1,354,500
Grants for construction of State extended care facilities.....	2,000,000	10,000,000	10,000,000	9,700,000	+9,700,000	-300,000
Grants to the Republic of the Philippines.....	4,400,000	2,100,000	2,100,000	2,087,000	+87,000	-83,000
Payment of participation sales insufficiencies.....	(500,000,000)	1,828,000	1,828,000	1,828,000	-2,872,000	
Loan guaranty revolving fund (limitation on obligations).....		(500,000,000)	(500,000,000)	(500,000,000)		
Vocational rehabilitation revolving fund.....		100,000	100,000	97,000	+97,000	-3,000
Total, Veterans Administration.....	13,838,920,000	13,993,698,000	13,414,680,000	13,992,126,000	+463,206,000	+577,446,000
Total, Title II, Space, Science, Veterans, and Certain Other Independent Agencies:						
New budget (obligational) authority.....	17,284,712,000	18,069,860,000	17,486,910,000	17,995,679,990	+710,967,990	-74,280,010
By transfer.....	(6,000,000)			(-6,000,000)		

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued

	New budget (obligational) authority, fiscal year 1974	Budget estimates of new budget (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	Committee recommendations	Committee recommendations compared with		
					Appropriations, 1974	Estimates, 1975	House bill
TITLE III							
CORPORATIONS							
<i>Department of Housing and Urban Development:</i>							
<i>Federal Housing Administration:</i>							
Administrative expenses.....	(\$15,445,000)	(\$13,880,000)	(\$15,803,000)	(\$18,803,000)	(-\$1,642,000)	(-\$77,000)	
Nonadministrative expenses.....	(176,795,000)	¹⁹ (191,750,000)	(190,500,000)	(190,500,000)	(+13,704,000)	(-1,250,000)	
<i>Government National Mortgage Association:</i>							
Administrative expenses.....	(7,775,000)	(8,080,000)	(8,080,000)	(8,080,000)	(+308,000)		
<i>Federal Home Loan Bank Board:</i>							
Administrative expenses.....	(9,700,000)	(10,470,000)	(10,400,000)	(10,400,000)	(+700,000)	(-70,000)	
Nonadministrative expenses.....	(18,530,000)	(20,800,000)	(20,736,000)	(20,736,000)	(+2,803,000)	(-64,000)	
Federal Savings and Loan Insurance Corporation, Administrative expenses.....	(740,000)	(772,000)	(772,000)	(772,000)	(+32,000)	(-4,000)	
Total, Title III, administrative and nonadministrative expenses.....	(228,983,000)	(245,736,000)	(244,291,000)	(244,291,000)	(+15,308,000)	(-1,445,000)	
Grant total, titles I, II and III:							
New Budget (obligational) authority.....	20,813,086,000	21,436,813,000	20,846,332,000	21,210,718,420	+397,682,420	-228,094,860	+\$984,386,420
By transfer.....	(6,000,000)				(-6,000,000)		
Limitation on corporate funds to be expended.....	(228,983,000)	(245,736,000)	(244,291,000)	(244,291,000)	(+15,308,000)	(-1,445,000)	

¹ Includes \$3,140,000 in H. Doc. 93-311.
² Includes \$850,000 in H. Doc. No. 93-311.
³ Budget included \$2,300,000 for a proposed Better Communities Act program, which was amended in H. Doc. No. 93-311 to \$2,500,000 for Community Development, including \$200,000,000 for urban renewal, \$125,000,000 for Model Cities, and \$100,000,000 for special transitional grants to the new program. Only \$25,000,000 is reflected as considered at this time; and \$2,175,000,000 is deferred for later consideration after authorizing legislation is finalized.
⁴ Budget included \$2,300,000,000 for a proposed Better Communities Act program, which was amended in H. Doc. No. 93-311 to \$2,500,000,000 for Community Development including \$200,000,000 for urban renewal, \$125,000,000 for Model Cities, and \$100,000,000 for special transitional grants to the new program.
⁵ Includes \$9,560,000 in H. Doc. No. 93-311.
⁶ Includes \$15,000,000 in H. Doc. No. 93-311.
⁷ Includes \$170,000 in H. Doc. No. 93-311.
⁸ Includes \$860,000 in H. Doc. No. 93-311.
⁹ Carried in the Treasury, Postal Service, and General Government Appropriation Act, 1974.
¹⁰ Includes \$100,000,000 in H. Doc. 93-311.
¹¹ Carried in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1974.
¹² Carried in the Public Works for Water and Power Development and Atomic Energy Commission Appropriation Act, 1974.

¹³ Excludes \$4,693,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.
¹⁴ Excludes \$4,485,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.
¹⁵ Excludes \$31,600,000, a comparable amount shown in the report accompanying the Special Energy Research and Development Appropriation Bill for 1975.
¹⁶ Excludes \$101,800,000 which was considered in the Special Energy Research and Development Appropriation Bill for 1975.
¹⁷ Amended budget estimates in S. Doc. No. 93-96 as follows:

Item	Original estimate	Amendment	Revised request
Compensation and pensions.....	\$6,716,200,000	\$566,800,000	\$7,283,000,000
Veterans insurance and indemnities.....		8,750,000	8,750,000
General operating expenses.....	291,000,000	43,412,000	434,412,000

¹⁸ The original budget estimate for this item of \$6,000,000 to be derived by transfer is deleted by the amended budget estimate in S. Doc. No. 93-96.
¹⁹ Includes \$10,490,000 increase in limitation in H. Doc. No. 93-311.

MAKING APPROPRIATIONS FOR HUD, SPACE, SCIENCE,
VETERANS

AUGUST 21, 1974.—Ordered to be printed

Mr. BOLAND, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 15572]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) "making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 8, 10, 11, 20, 30, 34, 35, 38, 41, 60, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 9, 14, 22, 26, 27, 42, 43, 46, 48, 49, 50, 55, and 57, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$13,233,000; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$197,000,000; and the Senate agree to the same.



Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$123,375,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$65,000,000; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$6,130,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$5,413,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$3,425,000; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$6,626,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$18,928,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$28,563,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$258,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$140,155,000; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$77,020,000; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum named by said amendment insert \$1,940,000; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$661,500,000; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert *more nor less*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *more nor less*; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$65,150,000; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert *more nor less*; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$5,500,000; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$45,000,000; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$420,000,000; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$43,796,000; and the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$43,796,000; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$2,050,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 28, 29, 32, 44, 47, 51, 58, and 59.

EDWARD P. BOLAND,
JOE L. EVINS,
GEORGE E. SHIPLEY,
J. EDWARD ROUSH,
ROBERT O. TIERNAN,
BILL CHAPPELL (Except as to
No. 4),

ROBERT N. GIAIMO,
GEORGE MAHON,
BURT L. TALCOTT,
JOSEPH M. MCDADE,
BILL SCHERLE,
EARL B. RUTH,
E. A. CEDERBERG,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN O. PASTORE,
JOHN C. STENNIS,
BIRCH BAYH,
LAWTON CHILES,
JOHN L. MCCLELLAN,
FRANK E. MOSS,
CHARLES MCC. MATHIAS, JR.,
CLIFFORD P. CASE,
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS,
MILTON R. YOUNG,
Managers on the Part of Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

TITLE I.—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates \$13,233,000 for salaries and expenses, housing production and mortgage credit programs, instead of \$14,340,000 as proposed by the House and \$12,125,000 as proposed by the Senate.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to provide that no administrative funds may be used for the administration of the section 23 leasing program, unless the unused balance of contract authority under the section 236 program, or any replacement program, is also made available for commitment concurrent with any contract authority under the section 23 program, instead of the language proposed by the Senate.

The committee of conference is agreed that the action of the conferees is not meant to impede the section 23 program. The intent is to permit the department to utilize available resources, at the earliest date, to fill the need for low income housing to the extent other programs will not meet those needs.

The Secretary is expected to approve commitments of such available funds for new projects for the purpose contemplated by the Congress in enacting the Housing and Community Development Act of 1974, as indicated in the joint explanatory statement of the committee of conference accompanying S. 3066.

The conferees are also agreed that the provisions relating to operating cost subsidies in the new section 236 program authorized by the Housing and Community Development Act of 1974 shall not apply to the unused balances of outstanding contract authority that may be committed for new projects pursuant to this act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Appropriates \$2,300,000,000 for housing payments as proposed by the Senate, instead of \$2,425,000,000 as proposed by the House.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur

in the Senate amendment with an amendment to insert language earmarking not less than \$450,000,000 for the payment of operating subsidies to local housing authorities. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The committee of conference agrees with the language contained in Senate report stating that the Housing Act of 1937 as amended by the Congress in 1970 allows payment of limited operating funds by housing authorities to support public housing tenant organizations. The committee of conference expects that operating subsidies appropriated in this act will be used to promote improved communication between tenants and management in public housing. Insofar as operating subsidies are used in this manner, the conferees expect the Secretary of HUD to exercise adequate budgetary and accountability safeguards to be imposed by local housing authorities or tenant organizations to insure that these funds will be used in a constructive manner.

Amendment No. 5: Appropriates \$23,400,000 for salaries and expenses, housing management programs as proposed by the House, instead of \$21,825,000 as proposed by the Senate.

Amendment No. 6: Appropriates \$197,000,000 for urban renewal programs, instead of \$200,000,000 as proposed by the House and \$194,000,000 as proposed by the Senate.

Amendment No. 7: Appropriates \$123,375,000 for model cities programs, instead of \$125,000,000 as proposed by the House and \$121,250,000 as proposed by the Senate.

Amendment No. 8: Restores language proposed by the House to earmark \$1,000,000 for rehabilitation and redevelopment of the DeKalb County, Tennessee, model cities area devastated by recent tornado damage.

Amendment No. 9: Deletes language proposed by the House to appropriate \$70,000,000 for the rehabilitation loan fund, as proposed by the Senate.

Amendment No. 10: Appropriates \$100,000,000 for comprehensive planning grants as proposed by the House, instead of \$106,700,000 as proposed by the Senate.

Amendment No. 11: Appropriates \$39,000,000 for salaries and expenses, community planning and development programs as proposed by the House, instead of \$37,830,000 as proposed by the Senate.

Amendment No. 12: Appropriates \$65,000,000 for research and technology, instead of \$60,000,000 as proposed by the House and \$67,900,000 as proposed by the Senate.

Amendment No. 13: Appropriates \$6,130,000 for salaries and expenses, policy development and research instead of \$5,000,000 as proposed by the House and \$6,130,400 as proposed by the Senate.

Amendment No. 14: Appropriates \$11,543,000 for fair housing and equal opportunity as proposed by the Senate, instead of \$10,900,000 as proposed by the House.

Amendment No. 15: Appropriates \$5,413,000 for general departmental management, instead of \$5,580,000 as proposed by the House and \$5,412,600 as proposed by the Senate.

Amendment No. 16: Appropriates \$3,425,000 for salaries and expenses, Office of General Counsel, instead of \$5,530,000 as proposed by the House and \$3,424,100 as proposed by the Senate.

Amendment No. 17: Appropriates \$6,626,000 for salaries and expenses, Office of Inspector General, instead of \$6,830,000 as proposed by the House and \$6,625,100 as proposed by the Senate.

Amendment No. 18: Appropriates \$18,928,000 for administration and staff services, instead of \$19,513,000 as proposed by the House and \$18,927,610 as proposed by the Senate.

Amendment No. 19: Appropriates \$28,563,000 for regional management and services, instead of \$29,446,000 as proposed by the House and \$28,562,620 as proposed by the Senate.

TITLE II.—SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 20: Appropriates \$4,512,000 for salaries and expenses as proposed by the House instead of \$4,376,640 as proposed by the Senate.

CEMETERIAL EXPENSES, ARMY

Amendment No. 21: Appropriates \$258,000 for salaries and expenses, instead of \$265,000 as proposed by the House and \$257,050 as proposed by the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 22: Appropriates \$2,326,580,000 for research and development as proposed by the Senate, instead of \$2,327,380,000 as proposed by the House. The committee of conference is agreed that not to exceed \$3,000,000 may be used for further planning for a Large Space Telescope, provided that consideration is given to substantial participation of other nations in a less expensive project to be launched at a later date. The committee of conference is also agreed that SEASAT may proceed within the funds made available under this appropriation.

Amendment No. 23: Appropriates \$140,155,000 for construction of facilities, instead of \$135,670,000 as proposed by the House and \$140,155,300 as proposed by the Senate.

Amendment No. 24: Designates \$77,020,000 for space shuttle facilities, instead of \$75,080,000 as proposed by the House and \$79,020,000 as proposed by the Senate.

Amendment No. 25: Inserts language proposed by the Senate, and earmarks \$1,940,000 for initiating construction of an Orbiter Horizontal Flight Test Facility, instead of \$3,940,000 as proposed by the Senate. The committee of conference is agreed that NASA is not to proceed with the hangar project until the Air Force and NASA agree on the total shuttle facilities plan required at Edwards.

Amendments Nos. 26 and 27: Retain language as proposed by the Senate earmarking \$4,880,000 for an addition to the Systems Development Laboratory.

The committee of conference urges the National Aeronautics and Space Administration to realign its activities among various installations so that there may be greater utilization of existing space before any new construction is undertaken.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment transferring up to one-quarter of one percent of the funds between the research and development appropriation and the research and program management appropriation. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL SCIENCE FOUNDATION

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment authorizing not to exceed \$5,000 for official reception and representation expenses.

Amendment No. 30: Earmarks not to exceed \$35,900,000 for program development and management as proposed by the House, instead of \$36,500,000 as proposed by the Senate.

Amendment No. 31: Appropriates \$661,500,000 for salaries and expenses, instead of \$666,800,000 as proposed by the House and \$654,750,000 as proposed by the Senate.

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment making funds available until June 30, 1976, instead of making funds available until expended as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 33, 34, and 35: Earmark not more nor less than \$13,200,000 only for graduate student support, instead of not less than \$13,200,000 as proposed by the House and not more than \$12,700,000 as proposed by the Senate.

Amendments Nos. 36, 37, and 38: Earmark not more nor less than \$65,150,000 only for science education improvement, instead of not less than \$68,900,000 as proposed by the House and not more than \$61,400,000 as proposed by the Senate.

Amendments Nos. 39, 40, and 41: Earmark not more nor less than \$5,500,000 only for institutional improvement for science, instead of not less than \$8,000,000 as proposed by the House and not more than \$3,000,000 as proposed by the Senate.

Amendment No. 42: Earmarks not more than \$50,000,000 for Research Applied to National Needs as proposed by the Senate, instead of \$40,000,000 as proposed by the House.

Amendment No. 43: Appropriates \$4,850,000 in foreign currencies for scientific activities as proposed by the Senate, instead of \$5,000,000 as proposed by the House.

SECURITIES AND EXCHANGE COMMISSION

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate limiting travel expenses to not to exceed \$1,200,000.

SELECTIVE SERVICE SYSTEM

Amendment No. 45: Appropriates \$45,000,000 for salaries and expenses, instead of \$46,463,000 as proposed by the House and \$37,345,000 as proposed by the Senate.

VETERANS ADMINISTRATION

Amendment No. 46: Appropriates \$7,283,000,000 for compensation and pensions as proposed by the Senate, instead of \$6,716,200,000 as proposed by the House.

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to appropriate \$8,750,000 for veterans insurance and indemnities.

Amendment No. 48: Appropriates \$3,187,644,000 for medical care as proposed by the Senate, instead of \$3,190,044,000 as proposed by the House.

Amendment No. 49: Appropriates \$89,000,000 for medical and prosthetic research as proposed by the Senate, instead of \$86,770,000 as proposed by the House.

Amendment No. 50: Deletes language proposed by the House to appropriate \$30,000,000 for assistance for health manpower training institutions as proposed by the Senate.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing not to exceed \$2,500 for official reception and representation expenses.

Amendment No. 52: Appropriates \$420,000,000 for general operating expenses, instead of \$388,130,000 as proposed by the House and \$428,842,000 as proposed by the Senate.

Amendment No. 53: Appropriates \$223,925,000 for construction, major projects, instead of \$230,850,000 as proposed by the House and \$223,924,500 as proposed by the Senate.

Amendment No. 54: Appropriates \$43,796,000 for construction, minor projects, instead of \$45,150,000 as proposed by the House and \$43,795,500 as proposed by the Senate.

Amendment No. 55: Appropriates \$9,700,000 for grants for construction of State extended care facilities as proposed by the Senate, instead of \$10,000,000 as proposed by the House.

Amendment No. 56: Appropriates \$2,050,000 for grants to the Republic of the Philippines, instead of \$2,100,000 as proposed by the House and \$2,037,000 as proposed by the Senate.

Amendment No. 57: Appropriates \$97,000 for the vocational rehabilitation revolving fund as proposed by the Senate, instead of \$100,000 as proposed by the House.

TITLE III.—CORPORATIONS

FEDERAL HOME LOAN BANK BOARD

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing not to exceed \$1,000 for official reception and representation expenses.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to provide necessary authority for the Board to assess charges and receive advances from other agencies and expand the dollar limitation for its proposed new headquarters building.

TITLE IV.—GENERAL PROVISIONS

Amendment No. 60: Deletes language proposed by the Senate relating to the use of passenger motor vehicles.

Amendment No. 61: Restores section number proposed by the House.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the committee of conference, with comparisons to the fiscal year 1974 amounts, to the 1975 budget estimate, and to the House and Senate bills for 1975 follows:

	<i>Amounts</i>
New budget (obligational) authority, fiscal year 1974-----	\$20,813,036,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975-----	21,436,813,000
House bill, fiscal year 1975-----	20,846,332,000
Senate bill, fiscal year 1975-----	21,210,718,420
Conference agreement-----	21,215,812,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1974-----	+402,776,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975-----	-221,001,000
House bill, fiscal year 1975-----	+369,480,000
Senate bill, fiscal year 1975-----	+5,093,580

EDWARD P. BOLAND,
 JOE L. EVINS,
 GEORGE E. SHIPLEY,
 J. EDWARD ROUSH,
 ROBERT O. TIERNAN,
 BILL CHAPPELL (except as to No. 4),
 ROBERT N. GIAIMO,
 GEORGE MAHON,
 BURT L. TALCOTT,
 JOSEPH M. MCDADE,
 BILL SCHERLE,
 EARL B. RUTH,
 E. A. CEDERBERG,
Managers on the Part of the House.

WILLIAM PROXMIRE,
 JOHN O. PASTORE,
 JOHN C. STENNIS,
 BIRCH BAYH,
 LAWTON CHILES,
 JOHN L. MCCLELLAN,
 FRANK E. MOSS,
 CHARLES MCC. MATHIAS, Jr.,
 CLIFFORD P. CASE,
 HIRIAM L. FONG,
 EDWARD W. BROOKE,
 TED STEVENS,
 MILTON R. YOUNG,
Managers on the Part of the Senate.

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

Making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, namely:

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PRODUCTION AND MORTGAGE CREDIT

SALARIES AND EXPENSES, HOUSING PRODUCTION AND MORTGAGE CREDIT PROGRAMS

For necessary administrative expenses of housing production and mortgage credit, not otherwise provided for, \$13,233,000: *Provided, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 236 program, or any replacement program, is made available for commitment concurrent with the making available for commitment of any contract authority under the section 23 program, or any replacement program.*

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations in assets of the Department of Housing and Urban Development (including the Government National Mortgage Association) authorized by the Independent Offices and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended, \$22,883,000.

HOUSING MANAGEMENT

HOUSING PAYMENTS

For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410); for payments authorized by title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749 et seq.); for rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s); and for homeownership and interest reduction payments as

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authorized by sections 235 and 236, of the National Housing Act, as amended (12 U.S.C. 1715z, 1715z-1), \$2,300,000,000, of which not less than \$450,000,000 shall be used only for the payment of operating subsidies to local housing authorities.

SALARIES AND EXPENSES, HOUSING MANAGEMENT PROGRAMS

For necessary administrative expenses of programs of housing management, not otherwise provided for, \$23,400,000: *Provided*, That administrative expenses in connection with the Revolving fund (liquidating programs) shall be exclusive of expenses necessary in the case of defaulted obligations to protect the interests of the Government.

COMMUNITY PLANNING AND DEVELOPMENT

URBAN RENEWAL PROGRAMS

For grants for urban renewal, fiscal year 1975, as an additional amount for urban renewal programs, as authorized by title I of the Housing Act of 1949, as amended (42 U.S.C. 1450 et seq.), and section 314 of the Housing Act of 1954, as amended (42 U.S.C. 1452a), \$197,000,000, to remain available until expended: *Provided*, That no part of any appropriation in this Act shall be used for administrative expenses in connection with commitments for grants aggregating more than the total of amounts available in the current year from the amounts authorized for making such commitments through June 30, 1967, plus the additional amounts appropriated therefor.

MODEL CITIES PROGRAMS

For financial assistance in connection with planning and carrying out comprehensive city demonstration programs pursuant to title I of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3301), \$123,375,000, to remain available until June 30, 1976, 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.

COMPREHENSIVE PLANNING GRANTS

For comprehensive planning grants as authorized by section 701 of the Housing Act of 1954, as amended (40 U.S.C. 461), \$100,000,000, to remain available until expended.

SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

For necessary administrative expenses of programs of community planning and development, not otherwise provided for, \$39,000,000.

FEDERAL INSURANCE ADMINISTRATION

FLOOD INSURANCE

For necessary administrative expenses, not otherwise provided for, in carrying out the National Flood Insurance Act of 1968, as amended (42 U.S.C. Chap. 50), \$50,000,000.

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POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$65,000,000, to remain available until June 30, 1976.

SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

For necessary administrative expenses of programs of policy development and research, not otherwise provided for, \$6,130,000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING AND EQUAL OPPORTUNITY

For expenses necessary to carry out the functions of the Secretary pursuant to title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601), and other equal opportunity and fair housing programs authorized by law, not otherwise provided for, \$11,543,000.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary administrative expenses of the Secretary, not otherwise provided for, in overall program planning and direction in the Department, including not to exceed \$2,500 for official reception and representation expenses, \$5,413,000.

SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

For necessary expenses of the Office of General Counsel, not otherwise provided for, \$3,425,000.

SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, not otherwise provided for, \$6,626,000.

ADMINISTRATION AND STAFF SERVICES

For administrative expenses necessary in providing general administration and staff services within the Department, not otherwise provided for, \$18,928,000.

REGIONAL MANAGEMENT AND SERVICES

For necessary administrative expenses, not otherwise provided for, of management and program coordination in the regional offices of the Department, \$28,563,000.

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FEDERAL DISASTER ASSISTANCE ADMINISTRATION FUNDS APPROPRIATED
TO THE PRESIDENT

DISASTER RELIEF

For expenses necessary to carry out the functions of the Department of Housing and Urban Development under the Disaster Relief Act of 1970, as amended, the Disaster Relief Act of 1974, and Reorganization Plan No. 1 of 1973, authorizing assistance to States and local governments in major disasters, \$200,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

TITLE II

SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER
INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments, outside of the United States and its territories and possessions; not to exceed \$67,000 for expenses of travel; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; \$4,512,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary pay, and allowances of personnel assigned to it.

DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of maintenance, operation, and improvement of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery, including the purchase of three passenger motor vehicles of which two shall be for replacement only \$258,000, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

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FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed \$250,000 for land and structures; not to exceed \$35,000 for improvement and care of grounds and repairs to buildings; not to exceed \$1,500 for official reception and representation expenses; purchase (not to exceed eight) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; \$46,900,000: *Provided*, That not to exceed \$500,000 of the foregoing amount shall remain available until June 30, 1976, for research and policy studies.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by section 7 of the National Aeronautics and Space Administration Authorization Act, 1975; and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, \$2,326,580,000, to remain available until expended.

CONSTRUCTION OF FACILITIES

For advance planning, design, rehabilitation, modification and construction of facilities for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, \$140,155,000 including (1) \$3,660,000 for addition to flight and guidance simulation laboratory, Ames Research Center; (2) \$890,000 for rehabilitation and modification of science and applications laboratories, Goddard Space Flight Center; (3) \$1,220,000 for modifications for fire protection and safety, Goddard Space Flight Center; (4) \$150,000 for acquisition of land, Jet Propulsion Laboratory; (5) \$3,790,000 for addition for integrated systems testing facility, Jet Propulsion Laboratory; (6) \$935,000 for modification of water supply system, Lyndon B. Johnson Space Center; (7) \$515,000 for modification of 6,000 p.s.i. air storage system, Langley Research Center; (8) \$2,990,000 for rehabilitation of 16-foot transonic wind tunnel, Langley Research Center; (9) \$2,580,000 for modification of propulsion systems laboratory, Lewis Research Center; (10) \$660,000 for modification of rocket engine test facility, Lewis Research Center; (11) \$4,060,000 for construction of X-ray telescope facility, Marshall Space Flight Center; (12) \$1,370,000 for modification of beach protection system, Wallops Station; (13) \$6,040,000 for construction of infrared telescope facility, Mauna Kea, Hawaii; (14) \$1,430,000 for modifications for fire protection and safety at various tracking and data stations; (15) \$77,020,000 for Space Shuttle facilities at various locations, as follows: (A) modification of the vibration and acoustic test facility, Lyndon B. Johnson Space Center, (B) modifications for crew training facilities, Lyndon B. Johnson Space Center, (C) construction of materials test facility, White Sands Test Facility, (D) modifications for dynamic test facilities, Marshall Space Flight Center,

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and NASA Industrial Plant, Downey, California, (E) modifications for solid rocket booster structural test facilities, Marshall Space Flight Center, (F) construction of Orbiter landing facilities, John F. Kennedy Space Center, (G) construction of Orbiter processing facility, John F. Kennedy Space Center, (H) modifications to launch complex 39, John F. Kennedy Space Center, (I) \$1,940,000 for construction of an Orbiter Horizontal Flight Test Facility, Flight Research Center; (16) \$14,900,000 for minor rehabilitation and modification of facilities at various locations; (17) \$4,500,000 for minor construction of new facilities and additions to existing facilities at various locations; (18) \$10,900,000 for facility planning and design not otherwise provided for; and (19) \$4,880,000 for an addition to the Systems Development Laboratory (SDL) at the Jet Propulsion Laboratory (JPL); to remain available for obligation until June 30, 1977: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this head by this appropriation act, and except with respect to items (16) through (18) above, when any activity, for which appropriations under this head made by this act are available, has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in Government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; hire, maintenance and operation of administrative aircraft; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of \$10,000 per project for construction of new facilities and additions to existing facilities, and not in excess of \$25,000 per project for rehabilitation and modification of facilities; \$740,000,000: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed \$35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

GENERAL PROVISION

Not to exceed one-quarter of 1 per centum of the appropriations made available to the National Aeronautics and Space Administration by this Act for "Research and development" and "Research and program management" may be transferred to either of the other mentioned appropriation, but not to exceed the amount authorized therefor by the National Aeronautics and Space Administration Authorization Act, 1975 (Public Law 93-316).

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881), including award of graduate fellowships;

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services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed \$5,000 for official reception and representation expenses; not to exceed \$35,900,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$661,500,000, to remain available until June 30, 1976: *Provided*, That of the foregoing total amount, not more nor less than \$13,200,000 shall be used only for Graduate Student Support; not more nor less than \$65,150,000 shall be used only for Science Education Improvement; not more nor less than \$5,500,000 shall be used only for Institutional Improvement for Science; and not more than \$50,000,000 shall be available for Research Applied to National Needs: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers may be credited to this appropriation: *Provided further*, That if an institution of higher education receiving funds hereunder determines after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has, after the date of enactment of this Act, willfully refused to obey a lawful regulation or order of such institution and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution, then the institution shall deny any further payment to, or for the benefit of, such individual.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, \$4,850,000, to remain available until June 30, 1976: *Provided*, That this appropriation shall be available in addition to other appropriations to the **National Science Foundation, for payments in the foregoing currencies.**

RENEGOTIATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Renegotiation Board, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, \$5,163,000.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed \$1,200,000 for travel expenses and, not to exceed \$2,000 for official reception and representation expenses, \$43,077,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and expenses of the

National Selective Service Appeal Board; and not to exceed \$1,000 for official reception and representation expenses; \$45,000,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of amounts of compromises or settlements under 28 U.S.C. 2677 of tort claims potentially subject to the offset provisions of 38 U.S.C. 351, \$7,283,000,000 to remain available until expended.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, and 33-39), \$2,676,000,000, to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and soldiers' and sailors' civil relief, \$8,750,000, to remain available until expended.

MEDICAL CARE

For expenses necessary for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowance therefor as authorized by law (5 U.S.C. 5901-5902); and aid to State homes as authorized by law (38 U.S.C. 641); \$3,187,644,000, plus reimbursements: *Provided*, That allotments and transfers may be made from this appropriation to the Public Health Service of the Department of Health, Education, and Welfare, and the Army, Navy, and Air Force of the Department of Defense, for disbursements by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration.

MEDICAL AND PROSTHETIC RESEARCH

For expenses necessary for carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until expended, \$89,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For expenses necessary for administration of the medical, hospital, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, and for carrying out the provisions of section 5055, title 38, United States Code, relating to pilot programs and grants for exchange of medical information, \$37,508,000, plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed \$2,500 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of one passenger motor vehicle (medium sedan for replacement only) and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services; \$420,000,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$1,000,000 or more, \$223,925,000, to remain available until expended: *Provided*, That none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, where the estimated cost of a project is less than \$1,000,000, and for necessary expenses of the Office of Construction, \$43,796,000, to remain available until expended.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to construct State nursing home facilities and to remodel, modify or alter existing hospital and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 644 and 5031-5037), \$9,700,000, to remain available until June 30, 1977.

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GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants, as authorized by law (38 U.S.C. 631-634), \$2,050,000, of which \$50,000 for hospital equipment, plant, and facilities rehabilitation grants shall remain available until expended.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participation in Direct loan revolving fund assets or Loan guaranty revolving fund assets, authorized by the Independent Offices, and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302 (c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717 (c)), \$1,828,000.

LOAN GUARANTY REVOLVING FUND

During the current fiscal year, the Loan guaranty revolving fund shall be available for expenses, but not to exceed \$500,000,000, for property acquisitions and other loan guaranty and insurance operations under Chapter 37, title 38, United States Code, except administrative expenses, as authorized by section 1824 of such title: *Provided*, That the unobligated balances including retained earnings of the Direct loan revolving fund shall be available, during the current fiscal year, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

VOCATIONAL REHABILITATION REVOLVING FUND

To increase the "Vocational Rehabilitation Revolving Fund" established by the Act of March 24, 1943, and continued by 38 U.S.C. 1507, \$97,000.

ADMINISTRATIVE PROVISIONS

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects", and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

TITLE III
CORPORATIONS

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency except as hereinafter provided.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,
FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed \$13,803,000 of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U.S.C. 1701): *Provided*, That funds shall be available for contract actuarial services (not to exceed \$1,500): *Provided further*, That nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$190,500,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

Not to exceed \$8,080,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States, and all administrative expenses reimbursable from other Government agencies and from the Federal National Mortgage Association: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices.

FEDERAL HOME LOAN BANK BOARD

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

Not to exceed a total of \$10,400,000 shall be available for administrative expenses of the Federal Home Loan Bank Board, which may procure services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902),

and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Mortgage Corporation, and other agencies of the Government (including payment for office space): *Provided*, That all necessary expenses in connection with the conservatorship or liquidation of institutions insured by the Federal Savings and Loan Insurance Corporation, liquidation or handling of assets of or derived from such insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of such insured institutions, or activities relating to section 5A(f) or 6(i) of the Federal Home Loan Bank Act, section 5(d) of the Home Owners' Loan Act of 1933, or section 406(c), 407, or 408 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: *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): *Provided further*, That expenses of any functions of supervision (except of Federal home loan banks) vested in or exercisable by the Board shall be considered as nonadministrative expenses: *Provided further*, That not to exceed \$1,000 shall be available for official reception and representation expenses: *Provided further*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U.S.C. 1421-1449): *Provided further*, That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative assessments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required by the Board as nonadministrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the references therein to agencies under the Board's supervision, and the Board is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder: *Provided further*, That the nonadministrative expenses (except those included in the first proviso hereof) for the supervision and examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed \$20,736,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION

Not to exceed \$772,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406(c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the Government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730b).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act as expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; or to payments to inter-agency motor pools where separately set forth in the budget schedules.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms or allowances thereof, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds made available for the Department of Housing and Urban Development under title III of this Act shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association or Government National Mortgage Association, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: *Provided*, That the extent

of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

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.

SEC. 406. No part of any appropriations contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the "Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1975".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

Making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, namely:

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PRODUCTION AND MORTGAGE CREDIT

SALARIES AND EXPENSES, HOUSING PRODUCTION AND MORTGAGE CREDIT PROGRAMS

For necessary administrative expenses of housing production and mortgage credit, not otherwise provided for, \$13,233,000: *Provided*, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 236 program, or any replacement program, is made available for commitment concurrent with the making available for commitment of any contract authority under the section 23 program, or any replacement program.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations in assets of the Department of Housing and Urban Development (including the Government National Mortgage Association) authorized by the Independent Offices and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended, \$22,883,000.

HOUSING MANAGEMENT

HOUSING PAYMENTS

For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410); for payments authorized by title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749 et seq.); for rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s); and for homeownership and interest reduction payments as

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FEDERAL DISASTER ASSISTANCE ADMINISTRATION
FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For expenses necessary to carry out the functions of the Department of Housing and Urban Development under the Disaster Relief Act of 1970, as amended, the Disaster Relief Act of 1974, and Reorganization Plan No. 1 of 1973, authorizing assistance to States and local governments in major disasters, \$200,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

TITLE II

SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER
INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments, outside of the United States and its territories and possessions; not to exceed \$67,000 for expenses of travel; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; \$4,512,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary pay, and allowances of personnel assigned to it.

DEPARTMENT OF DEFENSE—CIVIL
CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of maintenance, operation, and improvement of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery, including the purchase of three passenger motor vehicles of which two shall be for replacement only, \$258,000, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

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FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed \$250,000 for land and structures; not to exceed \$35,000 for improvement and care of grounds and repairs to buildings; not to exceed \$1,500 for official reception and representation expenses; purchase (not to exceed eight) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; \$46,900,000: *Provided*, That not to exceed \$500,000 of the foregoing amount shall remain available until June 30, 1976, for research and policy studies.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by section 7 of the National Aeronautics and Space Administration Authorization Act, 1975; and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, \$2,326,580,000, to remain available until expended.

CONSTRUCTION OF FACILITIES

For advance planning, design, rehabilitation, modification and construction of facilities for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, \$140,155,000, including (1) \$3,660,000 for addition to flight and guidance simulation laboratory, Ames Research Center; (2) \$890,000 for rehabilitation and modification of science and applications laboratories, Goddard Space Flight Center; (3) \$1,220,000 for modifications for fire protection and safety, Goddard Space Flight Center; (4) \$150,000 for acquisition of land, Jet Propulsion Laboratory; (5) \$3,790,000 for addition for integrated systems testing facility, Jet Propulsion Laboratory; (6) \$935,000 for modification of water supply system, Lyndon B. Johnson Space Center; (7) \$515,000 for modification of 6,000 p.s.i. air storage system, Langley Research Center; (8) \$2,990,000 for rehabilitation of 16-foot transonic wind tunnel, Langley Research Center; (9) \$2,580,000 for modification of propulsion systems laboratory, Lewis Research Center; (10) \$660,000 for modification of rocket engine test facility, Lewis Research Center; (11) \$4,060,000 for construction of X-ray telescope facility, Marshall Space Flight Center; (12) \$1,370,000 for modification of beach protection system, Wallops Station; (13) \$6,040,000 for construction of infrared telescope facility, Mauna Kea, Hawaii; (14) \$1,430,000 for modifications for fire protection and safety at various tracking and data stations; (15) \$77,020,000 for Space Shuttle facilities at various locations, as follows: (A) modification of the vibration and acoustic test facility, Lyndon B. Johnson Space Center, (B) modifications for crew training facilities, Lyndon B. Johnson Space Center, (C) construction of materials test facility, White Sands Test Facility, (D) modifications for dynamic test facilities, Marshall Space Flight Center,

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LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION

Not to exceed \$772,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406 (c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the Government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730b).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act as expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; or to payments to inter-agency motor pools where separately set forth in the budget schedules.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances thereof, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds made available for the Department of Housing and Urban Development under title III of this Act shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association or Government National Mortgage Association, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: *Provided*, That the extent

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Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

Making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, namely:

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PRODUCTION AND MORTGAGE CREDIT

SALARIES AND EXPENSES, HOUSING PRODUCTION AND MORTGAGE CREDIT PROGRAMS

For necessary administrative expenses of housing production and mortgage credit, not otherwise provided for, \$13,233,000: *Provided, That none of these administrative funds may be used for the administration of the section 23 leasing program, or any replacement program, unless the available, unused balance of contract authority under the section 236 program, or any replacement program, is made available for commitment concurrent with the making available for commitment of any contract authority under the section 23 program, or any replacement program.*

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations in assets of the Department of Housing and Urban Development (including the Government National Mortgage Association) authorized by the Independent Offices and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended, \$22,883,000.

HOUSING MANAGEMENT

HOUSING PAYMENTS

For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410); for payments authorized by title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749 et seq.); for rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s); and for homeownership and interest reduction payments as



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authorized by sections 235 and 236, of the National Housing Act, as amended (12 U.S.C. 1715z, 1715z-1), \$2,300,000,000, of which not less than \$450,000,000 shall be used only for the payment of operating subsidies to local housing authorities.

SALARIES AND EXPENSES, HOUSING MANAGEMENT PROGRAMS

For necessary administrative expenses of programs of housing management, not otherwise provided for, \$23,400,000: *Provided*, That administrative expenses in connection with the Revolving fund (liquidating programs) shall be exclusive of expenses necessary in the case of defaulted obligations to protect the interests of the Government.

COMMUNITY PLANNING AND DEVELOPMENT

URBAN RENEWAL PROGRAMS

For grants for urban renewal, fiscal year 1975, as an additional amount for urban renewal programs, as authorized by title I of the Housing Act of 1949, as amended (42 U.S.C. 1450 et seq.), and section 314 of the Housing Act of 1954, as amended (42 U.S.C. 1452a), \$197,000,000, to remain available until expended: *Provided*, That no part of any appropriation in this Act shall be used for administrative expenses in connection with commitments for grants aggregating more than the total of amounts available in the current year from the amounts authorized for making such commitments through June 30, 1967, plus the additional amounts appropriated therefor.

MODEL CITIES PROGRAMS

For financial assistance in connection with planning and carrying out comprehensive city demonstration programs pursuant to title I of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3301), \$123,375,000, to remain available until June 30, 1976, 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.

COMPREHENSIVE PLANNING GRANTS

For comprehensive planning grants as authorized by section 701 of the Housing Act of 1954, as amended (40 U.S.C. 461), \$100,000,000, to remain available until expended.

SALARIES AND EXPENSES, COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

For necessary administrative expenses of programs of community planning and development, not otherwise provided for, \$39,000,000.

FEDERAL INSURANCE ADMINISTRATION

FLOOD INSURANCE

For necessary administrative expenses, not otherwise provided for, in carrying out the National Flood Insurance Act of 1968, as amended (42 U.S.C. Chap. 50), \$50,000,000.

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POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$65,000,000, to remain available until June 30, 1976.

SALARIES AND EXPENSES, POLICY DEVELOPMENT AND RESEARCH

For necessary administrative expenses of programs of policy development and research, not otherwise provided for, \$6,130,000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING AND EQUAL OPPORTUNITY

For expenses necessary to carry out the functions of the Secretary pursuant to title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601), and other equal opportunity and fair housing programs authorized by law, not otherwise provided for, \$11,543,000.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary administrative expenses of the Secretary, not otherwise provided for, in overall program planning and direction in the Department, including not to exceed \$2,500 for official reception and representation expenses, \$5,413,000.

SALARIES AND EXPENSES, OFFICE OF GENERAL COUNSEL

For necessary expenses of the Office of General Counsel, not otherwise provided for, \$3,425,000.

SALARIES AND EXPENSES, OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, not otherwise provided for, \$6,626,000.

ADMINISTRATION AND STAFF SERVICES

For administrative expenses necessary in providing general administration and staff services within the Department, not otherwise provided for, \$18,928,000.

REGIONAL MANAGEMENT AND SERVICES

For necessary administrative expenses, not otherwise provided for, of management and program coordination in the regional offices of the Department, \$28,563,000.

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FEDERAL DISASTER ASSISTANCE ADMINISTRATION

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For expenses necessary to carry out the functions of the Department of Housing and Urban Development under the Disaster Relief Act of 1970, as amended, the Disaster Relief Act of 1974, and Reorganization Plan No. 1 of 1973, authorizing assistance to States and local governments in major disasters, \$200,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

TITLE II

SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER
INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments, outside of the United States and its territories and possessions; not to exceed \$67,000 for expenses of travel; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; \$4,512,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary pay, and allowances of personnel assigned to it.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of maintenance, operation, and improvement of the cemetery at the Soldiers' and Airmen's Home and Arlington National Cemetery, including the purchase of three passenger motor vehicles of which two shall be for replacement only, \$258,000, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

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FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed \$250,000 for land and structures; not to exceed \$35,000 for improvement and care of grounds and repairs to buildings; not to exceed \$1,500 for official reception and representation expenses; purchase (not to exceed eight) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; \$46,900,000: *Provided*, That not to exceed \$500,000 of the foregoing amount shall remain available until June 30, 1976, for research and policy studies.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by section 7 of the National Aeronautics and Space Administration Authorization Act, 1975; and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, \$2,326,580,000, to remain available until expended.

CONSTRUCTION OF FACILITIES

For advance planning, design, rehabilitation, modification and construction of facilities for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, \$140,155,000, including (1) \$3,660,000 for addition to flight and guidance simulation laboratory, Ames Research Center; (2) \$890,000 for rehabilitation and modification of science and applications laboratories, Goddard Space Flight Center; (3) \$1,220,000 for modifications for fire protection and safety, Goddard Space Flight Center; (4) \$150,000 for acquisition of land, Jet Propulsion Laboratory; (5) \$3,790,000 for addition for integrated systems testing facility, Jet Propulsion Laboratory; (6) \$935,000 for modification of water supply system, Lyndon B. Johnson Space Center; (7) \$515,000 for modification of 6,000 p.s.i. air storage system, Langley Research Center; (8) \$2,990,000 for rehabilitation of 16-foot transonic wind tunnel, Langley Research Center; (9) \$2,580,000 for modification of propulsion systems laboratory, Lewis Research Center; (10) \$660,000 for modification of rocket engine test facility, Lewis Research Center; (11) \$4,060,000 for construction of X-ray telescope facility, Marshall Space Flight Center; (12) \$1,370,000 for modification of beach protection system, Wallops Station; (13) \$6,040,000 for construction of infrared telescope facility, Mauna Kea, Hawaii; (14) \$1,430,000 for modifications for fire protection and safety at various tracking and data stations; (15) \$77,020,000 for Space Shuttle facilities at various locations, as follows: (A) modification of the vibration and acoustic test facility, Lyndon B. Johnson Space Center, (B) modifications for crew training facilities, Lyndon B. Johnson Space Center, (C) construction of materials test facility, White Sands Test Facility, (D) modifications for dynamic test facilities, Marshall Space Flight Center,

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and NASA Industrial Plant, Downey, California, (E) modifications for solid rocket booster structural test facilities, Marshall Space Flight Center, (F) construction of Orbiter landing facilities, John F. Kennedy Space Center, (G) construction of Orbiter processing facility, John F. Kennedy Space Center, (H) modifications to launch complex 39, John F. Kennedy Space Center, (I) \$1,940,000 for construction of an Orbiter Horizontal Flight Test Facility, Flight Research Center; (16) \$14,900,000 for minor rehabilitation and modification of facilities at various locations; (17) \$4,500,000 for minor construction of new facilities and additions to existing facilities at various locations; (18) \$10,900,000 for facility planning and design not otherwise provided for; and (19) \$4,880,000 for an addition to the Systems Development Laboratory (SDL) at the Jet Propulsion Laboratory (JPL); to remain available for obligation until June 30, 1977: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this head by this appropriation act, and except with respect to items (16) through (18) above, when any activity, for which appropriations under this head made by this act are available, has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in Government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; hire, maintenance and operation of administrative aircraft; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of \$10,000 per project for construction of new facilities and additions to existing facilities, and not in excess of \$25,000 per project for rehabilitation and modification of facilities; \$740,000,000: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed \$35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

GENERAL PROVISION

Not to exceed one-quarter of 1 per centum of the appropriations made available to the National Aeronautics and Space Administration by this Act for "Research and development" and "Research and program management" may be transferred to either of the other mentioned appropriation, but not to exceed the amount authorized therefor by the National Aeronautics and Space Administration Authorization Act, 1975 (Public Law 93-316).

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881), including award of graduate fellowships;

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services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed \$5,000 for official reception and representation expenses; not to exceed \$35,900,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$661,500,000, to remain available until June 30, 1976: *Provided*, That of the foregoing total amount, not more nor less than \$13,200,000 shall be used only for Graduate Student Support; not more nor less than \$65,150,000 shall be used only for Science Education Improvement; not more nor less than \$5,500,000 shall be used only for Institutional Improvement for Science; and not more than \$50,000,000 shall be available for Research Applied to National Needs: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers may be credited to this appropriation: *Provided further*, That if an institution of higher education receiving funds hereunder determines after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has, after the date of enactment of this Act, willfully refused to obey a lawful regulation or order of such institution and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution, then the institution shall deny any further payment to, or for the benefit of, such individual.

SCIENTIFIC ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, \$4,850,000, to remain available until June 30, 1976: *Provided*, That this appropriation shall be available in addition to other appropriations to the National Science Foundation, for payments in the foregoing currencies.

RENEGOTIATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Renegotiation Board, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, \$5,163,000.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed \$1,200,000 for travel expenses and, not to exceed \$2,000 for official reception and representation expenses, \$43,077,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and expenses of the

National Selective Service Appeal Board; and not to exceed \$1,000 for official reception and representation expenses; \$45,000,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of amounts of compromises or settlements under 28 U.S.C. 2677 of tort claims potentially subject to the offset provisions of 38 U.S.C. 351, \$7,283,000,000 to remain available until expended.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, and 33-39), \$2,676,000,000, to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and soldiers' and sailors' civil relief, \$8,750,000, to remain available until expended.

MEDICAL CARE

For expenses necessary for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowance therefor as authorized by law (5 U.S.C. 5901-5902); and aid to State homes as authorized by law (38 U.S.C. 641); \$3,187,644,000, plus reimbursements: *Provided*, That allotments and transfers may be made from this appropriation to the Public Health Service of the Department of Health, Education, and Welfare, and the Army, Navy, and Air Force of the Department of Defense, for disbursements by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration.

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MEDICAL AND PROSTHETIC RESEARCH

For expenses necessary for carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until expended, \$89,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For expenses necessary for administration of the medical, hospital, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, and for carrying out the provisions of section 5055, title 38, United States Code, relating to pilot programs and grants for exchange of medical information, \$37,508,000, plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed \$2,500 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of one passenger motor vehicle (medium sedan for replacement only) and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services; \$420,000,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$1,000,000 or more, \$223,925,000, to remain available until expended: *Provided*, That none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 5001, 5002 and 5004 of title 38, United States Code, where the estimated cost of a project is less than \$1,000,000, and for necessary expenses of the Office of Construction, \$43,796,000, to remain available until expended.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to construct State nursing home facilities and to remodel, modify or alter existing hospital and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 644 and 5031-5037), \$9,700,000, to remain available until June 30, 1977.

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GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants, as authorized by law (38 U.S.C. 631-634), \$2,050,000, of which \$50,000 for hospital equipment, plant, and facilities rehabilitation grants shall remain available until expended.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participation in Direct loan revolving fund assets or Loan guaranty revolving fund assets, authorized by the Independent Offices, and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302 (c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717 (c)), \$1,828,000.

LOAN GUARANTY REVOLVING FUND

During the current fiscal year, the Loan guaranty revolving fund shall be available for expenses, but not to exceed \$500,000,000, for property acquisitions and other loan guaranty and insurance operations under Chapter 37, title 38, United States Code, except administrative expenses, as authorized by section 1824 of such title: *Provided*, That the unobligated balances including retained earnings of the Direct loan revolving fund shall be available, during the current fiscal year, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

VOCATIONAL REHABILITATION REVOLVING FUND

To increase the "Vocational Rehabilitation Revolving Fund" established by the Act of March 24, 1943, and continued by 38 U.S.C. 1507, \$97,000.

ADMINISTRATIVE PROVISIONS

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects", and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

TITLE III

CORPORATIONS

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency except as hereinafter provided.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES,
FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed \$13,803,000 of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U.S.C. 1701): *Provided*, That funds shall be available for contract actuarial services (not to exceed \$1,500): *Provided further*, That nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$190,500,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

Not to exceed \$8,080,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States, and all administrative expenses reimbursable from other Government agencies and from the Federal National Mortgage Association: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices.

FEDERAL HOME LOAN BANK BOARD

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

Not to exceed a total of \$10,400,000 shall be available for administrative expenses of the Federal Home Loan Bank Board, which may procure services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902),

and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Mortgage Corporation, and other agencies of the Government (including payment for office space): *Provided*, That all necessary expenses in connection with the conservatorship or liquidation of institutions insured by the Federal Savings and Loan Insurance Corporation, liquidation or handling of assets of or derived from such insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of such insured institutions, or activities relating to section 5A(f) or 6(i) of the Federal Home Loan Bank Act, section 5(d) of the Home Owners' Loan Act of 1933, or section 406(c), 407, or 408 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: *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): *Provided further*, That expenses of any functions of supervision (except of Federal home loan banks) vested in or exercisable by the Board shall be considered as nonadministrative expenses: *Provided further*, That not to exceed \$1,000 shall be available for official reception and representation expenses: *Provided further*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U.S.C. 1421-1449): *Provided further*, That the dollar limitation of section 18(c) of the Federal Home Loan Bank Act is further increased by the cumulative assessments and interest-bearing or other advances for purposes thereof, which shall include related commercial facilities, hereby authorized to be required by the Board as nonadministrative expenditures of agencies under administration or supervision of the Board or of a body composed of its members, all of which are hereby included in the references therein to agencies under the Board's supervision, and the Board is hereby authorized to adjust as it deems equitable the interest on advances now or hereafter outstanding thereunder or hereunder: *Provided further*, That the nonadministrative expenses (except those included in the first proviso hereof) for the supervision and examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed \$20,736,000.

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LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION

Not to exceed \$772,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406 (c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the Government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730b).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act as expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; or to payments to inter-agency motor pools where separately set forth in the budget schedules.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances thereof, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds made available for the Department of Housing and Urban Development under title III of this Act shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association or Government National Mortgage Association, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: *Provided*, That the extent

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of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

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.

SEC. 406. No part of any appropriations contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the "Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1975".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*