

**The original documents are located in Box 24, folder “1975/04/08 HR3260 and HR4075 Budget Authority Rescissions” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.**

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151 4/8

THE WHITE HOUSE

ACTION

WASHINGTON

Last Day: April 8

April 4, 1975

MEMORANDUM FOR THE PRESIDENT  
 FROM: JIM CANNON *Jim Cannon*  
 SUBJECT: Enrolled Bills H.R. 3260 and H.R. 4075  
Budget Authority Rescissions

Attached for your consideration are H.R. 3260 and H.R. 4075 sponsored by Representative Mahon.

Legislative action has been completed on all proposed rescissions currently before Congress. These enrolled bills rescind only \$260 million of a proposed \$2,197 million in budget authority for FY 75.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB recommends you sign both enrolled bills and concurrently issue a signing statement, which has been cleared by Paul Theis, expressing your disappointment in Congressional action on these rescissions. Max Friedersdorf, Bill Seidman and Phil Buchen (Lazarus) concur.

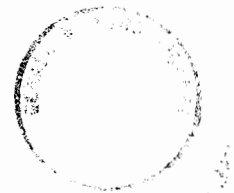
RECOMMENDATIONS

That you sign H.R. 3260 and H.R. 4075 (Tabs B and C)

That you approve the signing statement (Tab D)

AC Approve

\_\_\_\_\_ Disapprove



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

APPROVED  
 APR - 8  
 Statement Issued  
 4/8/75

April 3, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bills, H.R. 3260 and H.R. 4075 - Budget authority rescissions  
 Sponsor - Representative Mahon (D), Texas

To archive  
 4/8/75

Last Day for Action

April 8, 1975 - Tuesday

Rescissions Requested (amounts in millions of dollars)

	<u>Proposed</u>	<u>Enrolled Bill</u>	<u>Congressional Change</u>
<u>1975 Budget Authority:</u>			
As proposed by the President.....	1,782	260	1,522
Added as rescissions by Comptroller General.....	<u>415</u>	<u>--</u>	<u>415</u>
Total.....	2,197	260	1,937

Outlay Effect:

FY 1975: +407  
 FY 1976: +637

Highlights

- Legislative action has been completed on all proposed rescissions currently before Congress. The Congress considered 75 proposals and approved 19 in total and 15 in part.
- Included are four items proposed as deferrals but reclassified by the General Accounting Office as rescissions. These reclassified rescissions, totaling

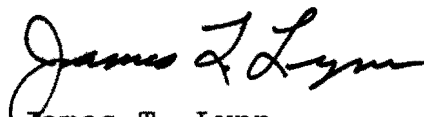


\$415 million, were all disapproved by Congress. One of the reclassifications is for the HUD section 235 program (Homeownership assistance, \$264 million). This impoundment was made prior to the effective date of the Impoundment Control Act, and according to the Attorney General's opinion, is not subject to the provisions of the Act (reference letter to the President from the Attorney General, October 10, 1974, attached). These HUD amounts will, therefore, not be made available for obligation with the other disapproved rescissions. GAO, disagreeing with our interpretation, has notified the Congress that GAO will bring action in court.

- Of the \$260 million of rescissions approved, \$184 million is for the Defense Department, mostly for rescission of funds for F-111 procurement (\$123M).
- The remaining rescissions of \$1,522 million rejected by Congress are mainly for Health, Education, and Welfare funds (\$1,197 million), and the Department of Agriculture (\$204 million).

#### Recommendation

That you sign the bill and concurrently issue a signing statement expressing your disappointment in Congressional action on these rescissions.

  
James T. Lynn  
Director

Attachment



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

For bill  
Report file  
see file on  
H.R. 3260, signed  
4/8/75

April 3, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bills, H.R. 3260 and H.R. 4075 - Budget  
authority rescissions  
Sponsor - Representative Mahon (D), Texas

To archive  
4/8/75

APPROVED  
APR 8 1975  
Statement issued  
4/8/75

Last Day for Action

April 8, 1975 - Tuesday

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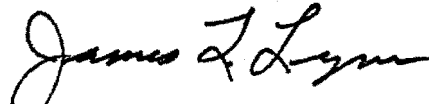
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#### Recommendation

That you sign the bill and concurrently issue a signing statement expressing your disappointment in Congressional action on these rescissions.

  
James T. Lynn  
Director

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

PP

Date: April 4

Time:

RETURN TO RESEARCH ROOM 128

FOR ACTION: Bill Seidman  
Tod Hullin  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Warren Hendriks  
Jim Cavanaugh  
Jack Marsh  
Robert Hartmann

OK/INT

gc 4/4/75

FROM THE STAFF SECRETARY

DUE: Date: April 4

Time: 300pm

SUBJECT:

Enrolled Bills, H.R. 3260 and H.R. 4075

W/Presidential signing statement

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

APR 4 AM 9 40

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 C. Hendriks  
for the President



STATEMENT BY THE PRESIDENT

In each message I have sent to the Congress regarding the subject of rescissions and deferrals, I have ~~accepted~~ <sup>stressed</sup> their importance in our joint efforts to restrain the size of the Federal budget. They are no less important today.

Despite our common interest in fiscal responsibility, the Congress in ~~their~~ <sup>its</sup> action on these two ~~bills~~ <sup>or</sup> has failed to rescind \$1,937 million out of a proposed total of \$2,197 million in budget authority for FY 1975. It is estimated that expenditures will increase by an estimated \$407 million in FY 1975 and \$637 million in FY 1976 because of the requirement to obligate these funds.

*Susan Whitford  
4884  
Budget Prep.*

*Mod  
69513*

The rescissions I have presented to the Congress represent marginally beneficial or totally unneeded programs which can be provided only by raising taxes or by adding to the deficit which has already reached enormous proportions by any standard.

There is a natural reluctance to face up to the hard choices necessary to keep spending within reasonable limits. However, we must make these choices or all Americans will suffer the price of ~~checking off~~ <sup>become our spending rate back to</sup> economic recovery.

*The* ~~we all seek~~ *we all seek*





THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 4

Time:

FOR ACTION: Bill Seidman *sh*  
Tod Hullin *sh*  
Max Friedersdorf *sh*  
Ken Lazarus *sh*  
Paul Theis *sh*

cc (for information): Warren Hendriks  
Jim Cavanaugh  
Jack Marsh  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: April 4

Time: 300pm

SUBJECT:

Enrolled Bills, H.R. 3260 and H.R. 4075

W/Presidential signing statement

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

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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

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 4

Time:

FOR ACTION: Bill Seidman  
Tod Hullin  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Warren Hendriks  
Jim Cavanaugh  
Jack Marsh  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: April 4

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Enrolled Bills, H.R. 3260 and H.R. 4075

W/Presidential signing statement

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*I concur in Lynn's recommendation.  
I defer to Paul Theis on the  
statement however, I think it  
could be made stronger.*

*AT*

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.

Walter F. Mondraks  
for the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 4

Time:

FOR ACTION: Bill Seidman  
Tod Hullin  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Warren Hendriks  
Jim Cavanaugh  
Jack Marsh  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: April 4

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W/Presidential signing statement

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For Necessary Action

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Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus

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

Warren W. Hendriks  
for the President

THE WHITE HOUSE

WASHINGTON

April 4, 1975

MEMORANDUM FOR: WARREN HENDRIKS  
FROM: MAX L. FRIEDERSDORF *RRW*  
SUBJECT: Action Memorandum - Log No.  
Enrolled Bills, H.R. 3260 and  
H.R. 4075 W/Presidential signing statement

The Office of Legislative Affairs concurs with the Agencies  
that the subject bills should be signed.

Attachments

## STATEMENT BY THE PRESIDENT

In each message I have sent to the Congress regarding the subject of rescissions and deferrals, I have accented their importance in our joint efforts to restrain the size of the Federal budget. They are no less important today.

Despite our common interest in fiscal responsibility, the Congress in their action on these two bills has failed to rescind \$1,937 million out of a proposed total of \$2,197 million in budget authority for FY 1975. It is estimated that expenditures will increase by an estimated \$407 million in FY 1975 and \$637 million in FY 1976 because of the requirement to obligate these funds.

The rescissions I have presented to the Congress represent marginally beneficial or totally unneeded programs which can be provided only by raising taxes or by adding to the deficit which has already reached enormous proportions by any standard.

There is a natural reluctance to face up to the hard choices necessary to keep spending within reasonable limits. However, we must make these choices or all Americans will suffer the price of choking off economic recovery.

To: *Harmon Henderson*  
4-3-75  
1:15 p.m.



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

April 3, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bills, H.R. 3260 and H.R. 4075 - Budget  
authority rescissions  
Sponsor - Representative Mahon (D), Texas

Last Day for Action

April 8, 1975 - Tuesday

Rescissions Requested (amounts in millions of dollars)

<u>Rescissionation</u>	<u>Proposed</u>	<u>Enrolled Bill</u>	<u>Congressional Change</u>
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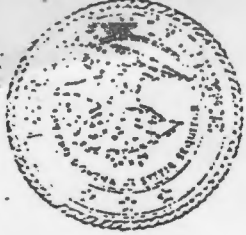
Outlay Effect:

FY 1975: +407  
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- Included are four items proposed as deferrals but reclassified by the General Accounting Office as rescissions. These reclassified rescissions, totaling





Office of the Attorney General  
Washington, D. C.

cc - *moder*  
*Walters*  
*Shaw*

OCT 10 1974

File - *Impoundment*  
*Control Act*

The President

The White House.

*RK*  
Dear Mr. President:

This is in response to your request for a written expression of the views I have previously conveyed concerning the applicability of the Impoundment Control Act of 1974 to budget authority enacted, and impoundments effected, prior to July 12, 1974, the date the Act was signed by the President. The immediate question is whether the Act's requirements of submission by the President of special messages to Congress are applicable to pre-Act impoundments and to post-Act impoundments of pre-Act budget authority. In my view, those requirements are applicable to the latter but not to the former.

The first step in analysis is to determine the effective date of the Act's provisions. Of course, most legislation is effective upon its signing, and that is the ordinary presumption, absent indication of a contrary legislative intent. The Impoundment Control Act is one part, Title X, of the Congressional Budget and Impoundment Control Act of 1974, Public Law 93-344. The remaining titles; I-IX, comprise the Congressional Budget Act. Although the Impoundment Control Act does not contain an effective-date provision, the Congressional Budget Act does (sec. 905). This provides that the new Congressional Budget procedures are to take

effect on a staggered basis; the first fiscal year to which they are all to be applicable is the year beginning October 1, 1976. It might be argued, because of the clear relationship between the new Congressional budget procedures and the new impoundment controls, that the latter are not to take effect until October 1, 1976. However, neither the legislative history nor the logic of the matter justifies this result. When the House of Representatives was considering its version of the bill, an amendment to postpone the effectiveness of the impoundment-control provisions so as to "synchronize" them with the Congressional-budget provisions was expressly rejected. See 119 Cong. Rec. H 10707-8 (daily ed., Dec. 5, 1973). It cannot be assumed that the conference report, without any mention of the matter, intended to reverse this determination. Moreover, despite the functional connection between the new impoundment controls and Congress' new budget procedures, it is entirely feasible to implement the impoundment-control provisions independently. Accordingly, it must be assumed, in accordance with the normal rule, that the Impoundment Control Act was effective upon its signing.

The next issue, then, is how the terms of the Act apply to previously enacted budget authority. I find nothing whatever to indicate that this was intended to occupy a special status. The basic provisions of the Act and its definitions are broad in nature, and they make no distinction between pre-Act and post-Act budget



authority. See sec. 1012 (rescission of budget authority) and sec. 1013 (deferral of budget authority). See also the definitions in sec. 3(a)(1)-(2) and sec. 1011(1). It is conceivable that pre-Act budget authority is distinctive for purposes relating to some constitutional aspects of the legislation (a point about which you have not inquired, and on which I express no opinion). But insofar as the terms of the legislation are concerned, there is no basis for treating it differently. It is my opinion that all impoundments made after July 12, 1974, regardless of whether they relate to budget authority enacted before or after that date, are subject to the terms of the new legislation, including the provision for transmittal of special messages to the Congress.

There remains for consideration the issue of the Impoundment Control Act's applicability to impoundments made before its effective date. In my view, these are not covered. The provisions of the legislation are obviously prospective, intended to apply only to events occurring after its effective date. But this does not conclude the matter, since impoundment may be regarded either as a decision made at a fixed point in time or (less commonly, perhaps, but none the less accurately) as a continuing refusal to dispense funds. If the Act regards it in the former fashion, pre-Act impoundments cannot be covered; if in the latter, they can be, since the withholding of funds is still continuing.

Some of the critical language of the legislation (e.g., the word "determines" in sec. 1012(a)) is simply not consistent with the "continuing act" view, but some of it (notably, the phrase "is to be reserved"

in sec. 1012(a)) is. On balance -- assuming, as seems necessary, that all pre-Act impoundments are meant to be treated alike -- it seems easier to square the "continuing act" language with an interpretation that renders the legislation inapplicable to pre-Act impoundments, than the "single act" language with an interpretation that renders it applicable. That is to say, it is possible to read language which considers impoundment a "continuing act" as applying only to continuing acts that commence after enactment, whereas it is difficult to conceive of any reasonable theory which would apply a phrase like "whenever the President determines" (sec. 1012(a)) to determinations made before the Act was passed.

It must be acknowledged, however, that the language of the operative sections is ambiguous, and in my opinion the decisive factor is the guidance that can be derived from the first section of the Act, sec. 1001. This bears the title "Disclaimer," and like most such provisions it is intended not to have any independent operative effect but to clarify what the other provisions of the act are meant to achieve. Section 1001(3) provides that "[n]othing contained in this Act, or in any amendments made by this Act, shall be construed as--(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment." As far as I am aware, all litigation which exists or is likely to arise with respect to pre-Act impoundments seeks merely to terminate the continued withholding of funds; and the Government's defense is simply that the continued withholding is lawful. Thus, a lawful past impoundment of the type described in sec. 1012(a) now in litigation can, at the very

least, not be considered subject to the Congressional approval requirement of the Act, or else -- with no further action on the part of either the President or the Congress, and by virtue of the Act alone -- the outcome of the litigation would be reversed and the Government's defense eliminated. It is impossible to give any meaningful content to the portion of section 1001(3) preserving existing defenses unless a past impoundment already in litigation at the date of the Act was not intended to be subject to the Congressional approval provisions.

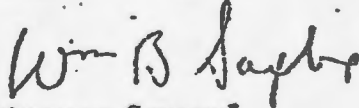
Having reached this conclusion with respect to sec. 1001(3), I then direct attention to sec. 1001(2), which provides that "[n]othing contained in this Act, or in any amendments made by this Act, shall be construed as--(2) ratifying or approving any impoundment heretofore or hereafter executed or approved by the President or any other federal officer or employee, except insofar as pursuant to statutory authorization then in effect" (emphasis added). Even without the benefit of subsection (3), it seems to me that this provision is most reasonably interpreted as expressing the assumption that valid prior impoundments will not be subject to the Congressional approval requirements of the Act; but with the existence of subsection (3) this interpretation seems almost inevitable. Otherwise there would be created a situation in which, by virtue of subsection (3), impoundments already challenged in court would be insulated from the Congressional approval process, whereas impoundments which have provoked no legal protest would not -- an absurd result.

Standing by themselves, subsections 1001(2) and (3) only require the conclusion that past impoundments are exempt from the Congressional

approval process, and not that they escape the reporting requirements of sections 1012 and 1013. As noted above, however, section 1001 is not meant to have any independent effect, but only to explain and clarify the other provisions of this legislation. I cannot see how any interpretation of those other provisions could exempt prior impoundments from the Congressional approval requirement without also removing them from the reporting provisions of the Act. In short, it seems to me that section 1001 requires the conclusion that all the provisions of the Act -- the reporting requirements as well as the Congressional approval provisions -- are meant to reach only impoundments which are made (or if the "continuing act" view is applicable, withholdings which commence) after its effective date.

I must acknowledge that this last conclusion has the untidy effect of leaving an almost imperceptible gap in the impoundment reporting provisions formerly contained in section 203 of the Budget and Accounting Procedures Act of 1950 and replaced by the reporting provisions of the present legislation (see sec. 1003). The past impoundments would no longer have to be reported under the repealed statute and would not fall within the new legislation. Because it seems to me this gap was inadvertent I think it would be advisable, in the interest of keeping Congress fully informed, to report continuing past impoundments in the future even though such reporting is not required.

Respectfully,

  
Attorney General

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 4

Time:

FOR ACTION: Bill Seidman  
Tod Hullin  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Warren Hendriks  
Jim Cavanaugh  
Jack Marsh  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: April 4

Time: 300pm

SUBJECT:

Enrolled Bills, H.R. 3260 and H.R. 4075  
W/Presidential signing statement

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Approve

Approve OMB Recommendation

JWS

*an*  
*9*  
*omb*

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 Hendriks  
for the President

STATEMENT BY THE PRESIDENT

In each message I have sent to the Congress regarding the subject of rescissions and deferrals, I have stressed their importance in our joint efforts to restrain the size of the Federal budget. They are no less important today.

Despite our common interest in fiscal responsibility, the Congress in its action on these two bills has failed to rescind \$1,937 million out of a proposed total of \$2,197 million in budget authority for FY 1975. It is estimated that expenditures will increase by an estimated \$407 million in FY 1975 and \$637 million in FY 1976 because of the requirement to obligate these funds.

The rescissions I have presented to the Congress represent marginally beneficial or totally unneeded programs which can be provided only by raising taxes or by adding to the deficit which has already reached enormous proportions by any standard.

There is a natural reluctance to face up to the hard choices necessary to keep spending within reasonable limits. However, we must make these choices or all Americans will suffer because such spending sets back the economic recovery we all seek.



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## RESCINDING CERTAIN BUDGET AUTHORITY

MARCH 24, 1975.—Ordered to be printed

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

### CONFERENCE REPORT

[To accompany H.R. 4075]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4075) "to rescind certain budget authority recommended in the Message of the President of January 30, 1975 (H. Doc. 94-39) and in the communications of the Comptroller General of February 7, 1975 (H. Doc. 94-46) and of February 14, 1975 (H. Doc. 94-50), transmitted pursuant to the Impoundment Control Act of 1974," 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 1 and 2.

GEORGE MAHON,  
JAMIE L. WHITTEN,  
ROBERT L. SIKES,  
JOE L. EVINS,  
EDWARD P. BOLAND,  
TOM STEED,  
JOHN M. SLACK,  
ELFORD A. CEDERBERG,  
JACK EDWARDS,  
CLARENCE MILLER,  
*Managers on the Part of the House.*  
JOHN L. MCCLELLAN,  
WARREN G. MAGNUSON,  
JOHN O. PASTORE,  
GALE W. MCGEE,  
WILLIAM PROXMIRE,  
JOSEPH M. MONTOYA,  
DANIEL K. INOUE,  
MILTON R. YOUNG,  
ROMAN L. HRUSKA,  
HIRAM L. FONG,  
CHARLES MCC. MATHIAS, JR.,  
*Managers on the Part of the 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. 4075) to rescind certain budget authority recommended in the message of the President of January 30, 1975 and in the communications of the Comptroller General of February 7, 1975 and of February 14, 1975, transmitted pursuant to the Impoundment Control Act of 1974, 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 conference report:

### CHAPTER III

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

##### CONSUMER PRODUCT SAFETY COMMISSION

##### *Salaries and expenses*

Amendment No. 1: Rescinds \$500,000 as proposed by the House instead of deleting the rescission as proposed by the Senate.

### CHAPTER IV

#### DEPARTMENT OF COMMERCE

##### U.S. TRAVEL SERVICE, INTER-AMERICAN CULTURAL AND TRADE CENTER

Amendment No. 2: Rescinds \$4,999,704 as proposed by the House. This rescission is made without prejudice. These funds were appropriated in 1967 for a Federal exhibit at a facility to be constructed in Dade County, Florida. When financing for such a facility has been obtained and it is certain that the facility will be constructed, the Appropriations Committees of the House and Senate will sympathetically consider funding for Federal participation.

## CONFERENCE TOTAL—WITH COMPARISONS

The total amount recommended for rescission by the Committee of Conference, with comparisons to the recommendations of the President and the House and Senate bills follows:

	<i>Amounts</i>
Recommendations of the President-----	\$1, 260, 393, 954
House passed bill-----	16, 454, 704
Senate passed bill-----	10, 955, 000
Conference agreement-----	16, 454, 704
Conference agreement compared with:	
Recommended Presidential rescissions-----	-1, 243, 939, 250
House bill-----	0
Senate bill-----	+5, 499, 704

GEORGE MAHON,  
 JAMIE L. WHITTEN,  
 ROBERT L. SIKES,  
 JOE L. EVINS,  
 EDWARD P. BOLAND,  
 TOM STEED,  
 JOHN M. SLACK,  
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 JACK EDWARDS,  
 CLARENCE MILLER,  
*Managers on the Part of the House.*

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 CHARLES McC. MATHIAS, Jr.,  
*Managers on the Part of the Senate.*

**NOTICE.**—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the full committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

94TH CONGRESS } HOUSE OF REPRESENTATIVES } REPORT  
1st Session } } No. —

## BUDGET RESCISSION BILL

FEBRUARY 20, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

### REPORT

together with

### SEPARATE VIEWS

[To accompany H.R. —]

The Committee on Appropriations, to which was referred the bill H.R. —, to rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93-398) and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94-39) and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), report favorably thereon to the House and with the recommendation that the bill be passed.

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## SUMMARY OF THE BILL

This is the second rescission bill, and the first during the 94th Congress, to be reported by the Committee on Appropriations to the House under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

A total of 40 pending rescissions and 137 pending deferrals that had been submitted to the 93rd Congress by the President were automatically resubmitted to the 94th Congress. This bill and report reflects the recommendations of the Committee on Appropriations on these 40 rescissions. The Committee is recommending approval of either all or some part of 27 rescissions and is recommending that 13 rescissions not be approved.

These proposed rescissions are contained in H. Doc. 93-398 (Nov. 26, 1974). Additionally, some of these rescissions have been amended by H. Doc. 94-39 (Jan. 30, 1975). This report also covers an item which was originally submitted as a deferral by the President and later reclassified to a rescission by the Comptroller General in H. Doc. 93-391 (Nov. 6, 1974).

A general discussion of the bill follows. A summary of the rescissions and deferral process contained in Title X of the Congressional Budget and Impoundment Control Act of 1974 is also provided.

Specific Committee recommendations are explained in the various chapters of this report by Appropriation Subcommittees. Further details concerning particular items can be found in the House Documents cited above and in the printed hearings.

## RESCISSION TOTALS

The estimated total of budget authority recommended to be rescinded in the bill is \$99,650,000 and a decrease in limitation of \$20,022,900. This is \$829,770,272 less than the amount proposed for rescission by the President, and this amount will have to be made available for obligation on March 1, 1975, the day after the expiration of the 45 day period prescribed by law. Outlay reductions will total \$87,770,000 in 1975 and \$25,002,900 in 1976.

## SUMMARY OF RESCISSION AND DEFERRAL PROVISIONS OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Title X of this Act provides two ways for the President to terminate or defer spending that the Congress has provided—either through a budget rescission or a budget deferral. In each case, Congress has the opportunity to overturn the President and to require that the funds it originally provided be made available for obligation.

## RESCISSION OF BUDGET AUTHORITY

When the President decides not to use all or part of the money which the Congress has provided for a program, he must send a rescission message to the Congress. The House and Senate then have 45 days in which to approve the President's proposal through a rescission bill canceling the budget authority previously made available. *This bill must be passed by the House and Senate and signed by the President.* If this is not done within 45 days of the date of the Presidential message containing the proposed rescission, the money must then be made available for obligation.

## DEFERRAL OF BUDGET AUTHORITY

When the President proposes to delay spending for some project or program he must send a budget deferral message to the Congress.

The President may then defer spending according to his proposal unless and until *either the House or Senate passes* an impoundment resolution disapproving the proposed deferral. As opposed to the rescission process, this requires action by only one House.

## CUMULATIVE REPORTS

The Act requires the President to submit to Congress by the 10th day of each month a cumulative report of rescissions and deferrals. These reports are published as House documents.

## RESPONSIBILITIES OF THE COMPTROLLER GENERAL

The Comptroller General has the responsibility to report to Congress if he finds that deferrals or rescissions have not been transmitted to Congress, but are in fact being made. He must also report to Congress if he determines that an action has been improperly classified as a deferral or a rescission. If amounts are made available for obligation under the act by Congressional action or inaction, the Comptroller General is authorized to bring court action to require that such amounts are made available for expenditure if the President fails to do so. These reports are also published as House documents.

## DISCHARGE OF COMMITTEE—25 DAYS TO ACT

The Act provides that if a committee to which a rescission bill or a disapproval resolution has been referred has not reported in 25 days, it is subject to discharge on a motion of an individual Member if sup-

ported by one-fifth of the Members of the House involved. If discharged, it shall be immediately in order to consider the measure in the House.

APPROPRIATIONS COMMITTEE PROCEDURE

When a Presidential message on rescissions and deferrals or a rescission bill or deferral resolution is referred to the Appropriations Committee, the Committee utilizes its existing Subcommittee structure to hold hearings and deal with the items as they deem appropriate. The Full Committee then considers and reports these measures to the House, in much the same manner and fashion as Supplemental Appropriations Bills are handled.

The Committee has developed a computer process to provide information on all the rescissions and deferrals in a timely and useful manner. This is necessary for the work of that Committee but will also provide useful information to all Members and others.

PENDING RESCISSIONS AND DEFERRALS

**Rescissions.** With the passage of this bill and the expiration of 45 days of continuous session since the beginning of the 94th Congress which occurs on February 28, the only rescissions pending before the Congress will be those submitted by the President in his message of January 30, 1975.

There are 35 of these rescissions totaling \$1,097,478,954 in new budget authority.

**Deferrals.** Since the beginning of the rescission and deferral process, the President has proposed 152 deferrals to the Congress. Nineteen of these have been canceled by the President and one has been reclassified by the Comptroller General to a rescission.

The remaining 132 deferrals have not been acted on in the sense of disapproval resolutions having been reported to the House. However, the Committee on Appropriations, in numerous instances, has held hearings and meetings on many of the deferrals. Some of these deferrals are addressed in this report. On the remainder, the Committee plans no action at this time. However, since a deferral remains in effect until either the House or Senate take action, the Committee could report a bill at any time in the future if such action is deemed appropriate.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the House of Representatives, the Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy and possibly could contribute toward a lessening of inflationary pressures. Rescission of the funds proposed in this bill will mean that expenditures of \$87,770,000 in fiscal year 1975 and \$25,002,900 in fiscal year 1976 will not be made.

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45 day time period (which, in the case of the rescissions dealt with in this report, is February 28, 1975).

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED—SUMMARY

Report page No.	House Dec. No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission	Amount to be made available for obligation Mar. 1, 1975
	93-398	Department of Agriculture: Water bank program	\$21, 212, 940		\$21, 212, 940
		Department of Defense—Military:			
	93-398	Operation and maintenance, Army	41, 000, 000	\$20, 500, 000	20, 500, 000
	93-398	Operation and maintenance, Navy	27, 500, 000	13, 750, 000	13, 750, 000
	93-398	Operation and maintenance, Marine Corps	5, 000, 000	2, 500, 000	2, 500, 000
	93-398	Operation and maintenance, Air Force	40, 000, 000	20, 000, 000	20, 000, 000
	93-398	Operation and maintenance, Defense agencies	1, 900, 000	950, 000	950, 000
	93-398	Operation and maintenance, Army Reserve	1, 800, 000	900, 000	900, 000
	93-398	Operation and maintenance, Navy Reserve	1, 100, 000	550, 000	550, 000
	93-398	Operation and maintenance, Air Force Reserve	400, 000	200, 000	200, 000
	93-398	Operation and maintenance, Army National Guard	1, 400, 000	700, 000	700, 000
	93-398	Operation and maintenance, Air National Guard	500, 000	250, 000	250, 000
	93-398	Aircraft procurement, Army	5, 700, 000		5, 700, 000
	93-398	Aircraft procurement, Air Force	152, 500, 000		152, 500, 000
		Total, Department of Defense	278, 800, 000	60, 300, 000	218, 500, 000
	93-391	Department of Housing and Urban Development: Homeownership assistance (annual contract authority)	264, 117, 000		264, 117, 000

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED—SUMMARY—Continued

Report page No.	House Doc. No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission	Amount to be made available for obligation Mar. 1, 1975
		Department of Agriculture—Forest Service:			
	93-398	Forest land management.....	\$10,000,000		\$10,000,000
	93-398	State and private forestry cooperation.....	4,921,000		4,921,000
		Total, Subcommittee on Interior.....	14,921,000		14,921,000
	93-398	Department of Health, Education, and Welfare: Health-resources.....	284,719,332		284,719,332
		Department of State:			
	93-398	Contributions to international organizations.....	2,000,000	\$2,000,000	
	93-398	International trade negotiations.....	100,000	100,000	
		Subtotal, Department of State.....	2,100,000	2,100,000	
		Department of Justice:			
	93-398	Federal Bureau of Investigation.....	5,300,000	5,300,000	
	93-398	Immigration and Naturalization Service.....	1,300,000		1,300,000
	93-398	Federal Prison System:			
		Salaries and expenses, Bureau of Prisons.....	5,250,000	5,250,000	
		Buildings and facilities.....	1,750,000	1,750,000	
	93-398	Drug Enforcement Administration.....	2,400,000	2,400,000	
		Subtotal, Department of Justice.....	16,000,000	14,700,000	1,300,000

		Department of Commerce:			
	93-398	Social and Economic Statistics Administration.....	373,000	373,000	
	93-398	Economic Development Administration.....	2,000,000		2,000,000
	93-398	Trade Adjustment Assistance.....	12,000,000	12,000,000	
	93-398	U.S. Travel Service.....	250,000	250,000	
	93-398	National Oceanic and Atmospheric Administration.....	3,227,000	3,227,000	
	93-398	Patent Office.....	700,000	700,000	
		Subtotal, Department of Commerce.....	18,550,000	16,550,000	2,000,000
		Total, Subcommittee on State, Justice, Commerce, and the Judiciary.....	36,650,000	33,350,000	3,300,000
		Department of the Treasury:			
	93-398	Office of the Secretary.....	310,000	310,000	
	93-398	Federal Law Enforcement Training Center.....	60,000	60,000	
	93-398	Bureau of Accounts.....	630,000	630,000	
	93-398	U.S. Customs Service.....	3,000,000		3,000,000
		Internal Revenue Service:			
	93-398	Salaries and expenses.....	530,000		530,000
	93-398	Accounts, collection and taxpayer service.....	9,230,000		9,230,000
	93-398	Compliance.....	10,240,000		10,240,000
		Subtotal, Treasury Department.....	24,000,000	1,000,000	23,000,000

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED—SUMMARY—Continued

Report page No.	House Doc. No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission	Amount to be made available for obligation Mar. 1, 1975
		Executive Office of the President:			
		Special action office for drug abuse prevention:			
	93-398	Pharmacological research	\$2,760,000	\$2,760,000	
	93-398	Special fund	2,240,000	2,240,000	
		Subtotal, Executive Office of the President	5,000,000	5,000,000	
		Independent Agencies:			
	93-398	General Services Administration: Federal Building Fund (limitation)	520,022,900	520,022,900	
		Total, Subcommittee on Treasury, Postal Service, and General Government:			
		Budget authority	29,000,000	6,000,000	\$23,000,000
		Limitation	(20,022,900)	(20,022,900)	
		Total budget authority	929,420,272	99,650,000	829,770,272
		Limitation	(20,022,900)	(20,022,900)	
		Grand total	949,443,172	119,672,900	829,770,272

<sup>1</sup> Modified by H. Doc. 94-39.

<sup>2</sup> Amount shown is annual contract authority. The maximum budget authority over a 40 year period is estimated in the 1976 budget at \$7,815,510,000.

SUBCOMMITTEE ON AGRICULTURE AND RELATED AGENCIES

JAMIE L. WHITTEN, Mississippi, *Chairman*

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 FRANK E. EVANS, Colorado  
 BILL D. BURLISON, Missouri  
 MAX BAUCUS, Montana  
 OTTO E. PASSMAN, Louisiana  
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The committee does not recommend approval of the proposed rescission in the amount of \$21,212,940 for the water bank program as set forth in rescission No. R75-8, November 26, 1974 (\$11,212,940) and rescission No. R75-8A, January 30, 1974 (\$10,000,000).

The total amount proposed for rescission consists of \$10,000,000 included in the 1975 Appropriation Act; \$10,000,000 included in the 1974 Appropriation Act; and \$1,212,940 of unobligated balances carried over from FY 1973.

The Department contends that this program duplicates activities of the U.S. Department of the Interior. However, the enabling legislation provides "The Secretary shall consult with the Secretary of the Interior and take appropriate measures to insure that the program carried out pursuant to this chapter is in harmony with wetlands programs administered by the Secretary of the Interior."

The water bank program serves a useful purpose in the preservation of the nation's wetlands. Congress has concluded that funding for this program should be continued at the previous level and it is, therefore, the committee's opinion that the proposed rescission should be rejected.

(9)

believed that the increase in funds could be validly used to reduce part of the backlog, even though the exact amount of the backlog could not be identified.

The President justified the rescission on the basis that a one-time reduction would have a minimal adverse impact upon the maintenance of facilities; but if it were continued over a period of time, it could be serious. The Committee believes that the full rescission would have a serious adverse impact on the maintenance of facilities and the backlog of essential work.

#### AIRCRAFT PROCUREMENT, ARMY

Congress appropriated \$18,500,000 in fiscal year 1975 for 48 UH-1H helicopters. As of March 1, 1975, a total of \$10,600,000 of that amount will have been obligated on contract and \$5,700,000 is proposed for rescission. This would mean that \$2,200,000 would be held in reserve for termination costs. If the rescission were made, the Army would not obtain any helicopters for the \$12,800,000 including termination costs.

The Committee does not consider that the proposed rescission is cost-effective and recommends that the rescission request be denied.

#### AIRCRAFT PROCUREMENT, AIR FORCE

Congress appropriated in fiscal year 1975, \$205,500,000 for twelve F-111F aircraft and \$100,100,000 for twenty-four A-7D aircraft. As of March 1, 1975, a total of \$72,200,000 will have been obligated on the F-111F contract and \$65,000,000 will have been obligated on the A-7D contract. A total of \$152,500,000 is proposed for rescission—\$122,900,000 from the F-111F contract and \$29,600,000 from the A-7D contract. The difference between the total amount appropriated and the total proposed for rescission represents termination costs of \$15,900,000. If the rescission were made, the Air Force would not obtain any of either aircraft for the \$153,100,000 including termination costs.

Congress appropriated funds for the A-7D aircraft for the Air National Guard because it considered modernization of the Guard an essential ingredient of our overall national defense requirements. An expenditure of \$70,500,000 for essentially A-7D spare parts cannot be justified and denial of the proposed rescission is recommended.

Funds were appropriated by Congress for the F-111F fighter/bomber aircraft to meet a valid military requirement and to maintain a warm production base for a follow-on FB-111 strategic bomber in the event of unforeseen problems with the proposed new B-1 strategic bomber. We have seen the B-1 development program experience technical and cost problems during the past two years and the Committee considers a warm production line of one F-111F aircraft per month just as valid now as when the funds were appropriated by Congress. The expenditure of \$82,600,000 for essentially F-111F spare parts cannot be justified. The Committee recommends, therefore, that the rescission request be denied.

## SUBCOMMITTEE ON DEPARTMENT OF DEFENSE

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JACK EDWARDS, Alabama  
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## DEPARTMENT OF DEFENSE

### MAINTENANCE OF REAL PROPERTY FACILITIES

In his message to the Congress on November 26, 1974 (House Document No. 93-398) the President proposed the rescission of \$120,600,000 of funds appropriated for the maintenance of real property facilities of the Department of Defense. The Committee is recommending that \$60,300,000 be rescinded. The following table shows the Operation and Maintenance appropriations affected, the rescission proposed, and the amount of rescission recommended by the Committee:

Appropriation	Amount proposed for rescission	Amount recommended for rescission
Operation and Maintenance, Army.....	\$41,000,000	\$20,500,000
Operation and Maintenance, Navy.....	27,500,000	13,750,000
Operation and Maintenance, Marine Corps.....	5,000,000	2,500,000
Operation and Maintenance, Air Force.....	40,000,000	20,000,000
Operation and Maintenance, Defense agencies.....	1,900,000	950,000
Operation and Maintenance, Army Reserve.....	1,800,000	900,000
Operation and Maintenance, Navy Reserve.....	1,100,000	550,000
Operation and Maintenance, Air Force Reserve.....	400,000	200,000
Operation and Maintenance, Army National Guard.....	1,400,000	700,000
Operation and Maintenance, Air National Guard.....	500,000	250,000
Total.....	120,600,000	60,300,000

For fiscal year 1975 the Department of Defense requested an increase in the funding of real property maintenance of \$273,716,000, from \$898,589,000 to \$1,172,305,000. The request for these additional funds was generally justified on the necessity to begin a concentrated effort to reduce the backlog of essential maintenance and repair. As pointed out in the Committee report on the Department of Defense Appropriation Act for Fiscal Year 1975 (H.R. 93-1255), it was determined that a review of the management of the real-property maintenance program had never been made and that no uniform criteria had been established for determining the amount of the backlog. For these reasons, the Committee reduced the request for maintenance funds by \$75,000,000, still permitting an increase of about \$199,000,000. The Committee



### REPHASING PAYMENT OF REENLISTMENT BONUSES

The President also proposed in his November 26, 1974, message under the heading of "Executive Actions Under Current Law" to rephrase the payment of reenlistment bonuses by converting from lump-sum payments upon reenlistment to annual payments over the entire reenlistment period. The Department of Defense has taken administrative action to implement the President's plan which will reduce outlays in fiscal year 1975 by about \$58 million.

The Committee questioned the President's proposal as an executive action under current law and sought a Comptroller General ruling on the matter. The Comptroller General is charged with reviewing and changing the status of all proposed rescissions and deferrals under Sections 1014 and 1015 of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344). In Report No. B-115398 the Comptroller General ruled that this action did not constitute a deferral or rescission of budget authority. Accordingly, as of January 1, 1975, lump-sum reenlistment bonuses have not been paid and all bonuses have been placed on a phased basis over the period of the enlistment.

The Comptroller General's report also pointed out that the Department of Defense was requesting funds and otherwise providing for reenlistment bonus payments on an outlay basis rather than on an obligations basis. Thus, there is some doubt if the Department of Defense has the authority to defer the obligation of these payments as opposed to deferring the actual payment (outlay). The Committee will pursue this matter with the General Accounting Office and the Department of Defense during review of the fiscal year 1976 budget in an effort to determine which accounting method should be used for reenlistment bonuses.

### NAVAL PETROLEUM RESERVE

In his rescission message of November 26, 1974, the President proposed the passage of legislation which would allow the production of crude oil at Naval Petroleum Reserve No. 1 (Elk Hills, California). It is anticipated that \$125 million in proceeds would be generated from the sale of this oil in fiscal year 1975 and an additional \$148 million in fiscal year 1976. Proceeds from these sales are to be used to finance the cost of exploring for and developing additional petroleum reserves.

The President's proposal requires that authorizing legislation be enacted. Therefore, the Committee has not taken any action on this request.

### RESERVE COMPONENTS STRENGTH

The President in his Rescission/Deferral message of November 26, 1974, also proposed that the Congress enact special legislation (amending the Department of Defense Procurement Authorization Act, Public Law 93-365) to reduce the authorized strength of the Reserve Components by approximately 22,000 manyears. The proposal is in direct contradiction to the authorization and appropriation actions taken by the Congress during debate on the fiscal year 1975 Reserve Forces strengths. The Congress in addressing the fiscal year 1975 Defense Budget authorized and appropriated funds for an in-

crease in Reserve Component average paid drill training strength of about 44,000 more than the President had originally requested. The President's plan as submitted on November 26, 1974, was expected to achieve a saving of \$63,000,000 in fiscal year 1975 and \$13,000,000 in fiscal year 1976. These funds were then to be used to partially offset the cost of pay raises which became effective on October 1, 1974.

As of this date, authorization legislation has not been enacted to lower the strength of the Reserves and National Guard. Even if such legislation were to be passed today, the strength reduction required at this late date in the fiscal year to generate \$63,000,000 in savings would far exceed a reduction of 22,000 in end strength. The large and rapid strength reductions which would have to occur during the last quarter of FY 1975 would be disastrous to the reserve components. Then beginning July 1, 1975 (the start of fiscal year 1976) a crash program to increase the strength to the fiscal year 1976 requested levels would have to be undertaken. In view of this situation the Committee would not recommend the rescission of funds for reservists pay even if the authorizing committees were to enact lower strength levels for fiscal year 1975.

SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

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 BOB TRAXLER, Michigan  
 MAX BAUCUS, Montana  
 LOUIS STOKES, Ohio  
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 California

BURT L. TALCOTT, California  
 JOSEPH M. McDADE, Pennsylvania  
 C. W. BILL YOUNG, Florida

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOMEOWNERSHIP ASSISTANCE

The Committee recommends that no action be taken on the proposed rescission of unused annual contract authority for the section 235 housing assistance program. The President originally proposed this action as a deferral. Subsequently, the Comptroller General reclassified the deferral as a *de facto* rescission.

Section 8 of the Housing and Community Development Act of 1974 replaces the section 235 and other lower-income housing assistance programs. However, the legislative authority for new commitments under the section 235 program does not expire until August 22, 1975, one year after the enactment of the new law.

Although this Committee cautioned as early as 1971 that the existing subsidized housing programs were plagued with problems of mismanagement, it is of the opinion that interest subsidies as authorized by the 235 program, when properly administered, may be a useful instrument to provide necessary housing in the currently depressed housing market. No rescission is therefore recommended at this time.

COMPREHENSIVE PLANNING GRANTS

The Committee recommends disapproval of resolutions introduced to deny the deferral of \$50,000,000 of Comprehensive Planning Grants as proposed in House Document No. 93-398.

The Committee recognizes that this is not a popular recommendation, certainly not before recent developments and current needs are fully evaluated and understood. Virtually every governor and mayor have been in contact with Members of Congress at the instigation of planners and planning agencies to express support for the full \$100,000,000 in grants initially appropriated for 1975.

If Congress is to exercise a meaningful role in determining budget priorities pursuant to the provisions of the Congressional Budget and Impoundment Act of 1974, however, there are times when hard decisions based on realities and changed conditions need to be faced.

The initial appropriation of \$100,000,000 for 1975 was in response to a budget estimate of \$110,000,000, and compares to a level of \$75,000,000 in 1974. The 1975 Federal deficit was then estimated at \$9 billion. Fiscal conditions have changed dramatically. The 1975 deficit is now revised upward to \$37 billion. The projected deficit for 1976 is \$52 billion.

Other more meaningful resources, such as general revenue sharing and new community development block grants are being made available. These may be utilized to provide necessary planning as cities and localities may determine. For example, the 701 categorical grant funds can be offset by utilizing part of the \$2.5 billion 1975 community development appropriation. In addition, the second year of funding under this program will provide a minimum of another \$2.55 billion of community development assistance. These new resources suggest a lesser priority need for specific planning support.

No funds are being proposed for rescission. The \$100,000,000 will be allocated on a priority basis in fiscal years 1975 and 1976 to eligible recipients. Through a redistribution of funds within the program, states, metropolitan and nonmetropolitan areawide planning agencies will actually be provided more "701" funds in 1975 than in 1974.

In the opinion of the Committee, now is a proper time to recognize recent developments and new priorities.

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR  
AND RELATED AGENCIES

**SIDNEY R. YATES, Illinois, Chairman**

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FRANK E. EVANS, Colorado  
JOHN P. MURTHA, Pennsylvania  
ROBERT DUNCAN, Oregon

JOSEPH M. McDADE, Pennsylvania  
RALPH S. REGULA, Ohio

DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

The Committee considered two proposed rescissions in the account "Forest protection and utilization".

R75-9 proposes to rescind \$4,921,000 for "State and private forestry cooperation". The proposal relates specifically to the Clarke-McNary program for cooperation with the States in forest fire control. This is the exact amount added by Congress to accelerate this high priority program and help the funding level keep up with inflationary costs. If this rescission were approved, the \$20,167,000 remaining for this program would result in a reduction in the program effort in the current fiscal year. The Committee believes that every effort should be made to protect the Nation's valuable commercial timber resources from the ravages of fire and has therefore recommended that the rescission not be approved.

R75-10 proposes to rescind \$10,000,000 for "Forest land management". These are funds added by Congress in fiscal year 1975 to begin an accelerated program in reforestation and stand improvement so that the 3,300,000 acre backlog in unreforested Forest Service lands can be eliminated in ten years. The Committee believes that it is imperative that we begin now to reduce this large backlog so that timber resources are available to provide for future demand. If this rescission is approved, the \$40,079,000 remaining in the appropriation will provide no reduction in the reforestation backlog, and might well result in an increase in the backlog. Furthermore, the additional funds provided by Congress will allow the Forest Service to proceed now with the necessary expansion of nursery capacity so that the reforestation program can be continued and expanded in future years for the generations to come. For these reasons, the Committee has not recommended approval of the proposed rescission.

SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR AND  
HEALTH, EDUCATION, AND WELFARE, AND RELATED  
AGENCIES

**DANIEL J. FLOOD, Pennsylvania, Chairman**

WILLIAM H. NATCHER, Kentucky  
NEAL SMITH, Iowa  
BOB CASEY, Texas  
EDWARD J. PATTEN, New Jersey  
DAVID R. OBEY, Wisconsin  
EDWARD R. ROYBAL, California  
LOUIS STOKES, Ohio

ROBERT H. MICHEL, Illinois  
GARNER E. SHRIVER, Kansas  
SILVIO O. CONTE, Massachusetts

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

The Committee has not approved the proposed rescission of \$284,719,332 in unobligated fiscal year 1973 and 1974 appropriations for medical facilities construction (Hill-Burton program).

Testimony before the Committee on the proposed rescission did not support the statement in the November 26, 1974 Presidential message that "the elimination of these Hill-Burton expenditures would avoid needless stimulation of further hospital construction, at a time of a generally recognized national oversupply of hospital beds." The Committee found that the preponderance of the funds proposed for rescission would be used to support (1) modernization of existing health care facilities, (2) construction of out-patient health care facilities and (3) modernization and construction of long-term care facilities. The Committee learned that over 65% of the funds proposed for rescission has been allocated by the States for modernization of existing facilities and for the construction of out-patient facilities.

The Committee concluded that the release and expenditure of these funds will not significantly expand the number of new hospital beds but will be used to help meet the pressing need for the replacement of obsolete facilities, and for the construction of much needed ambulatory and long-term care facilities. The investment of Federal funds in these kinds of facilities is expected to result in reduced operating costs and improved services.

The Committee is aware that some new beds may be added to the system, however, it appears that the actual number will be small and that they will be constructed in areas having a need for new hospital beds.

SUBCOMMITTEE ON DEPARTMENTS OF STATE, JUSTICE,  
AND COMMERCE, THE JUDICIARY AND RELATED  
AGENCIES

**JOHN M. SLACK, West Virginia, *Chairman***

NEAL SMITH, Iowa  
JOHN J. FLYNT, JR., Georgia  
BILL ALEXANDER, Arkansas  
YVONNE BRAITHWAITE BURKE,  
California  
JOSEPH D. EARLY, Massachusetts

ELFORD A. CEDERBERG, Michigan  
MARK ANDREWS, North Dakota  
CLARENCE E. MILLER, Ohio

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The Committee recommends the rescission of \$2,000,000 available for Contributions to International Organizations, as requested in Rescission Proposal No. R75-35. Funds appropriated under this heading are used for paying the assessments of certain international organizations pursuant to conventions, treaties or specific acts of Congress. The 1975 appropriation of \$205,903,000 included funds for estimated assessments of some organizations. The actual assessments were a net of \$2,000,000 less than the amount appropriated.

INTERNATIONAL TRADE NEGOTIATIONS

The bill includes language rescinding \$100,000 of funds available for International Trade Negotiations, as requested in Rescission Proposal No. R75-36. The 1975 appropriation act for the Department of State included \$2,000,000 for this item. However, due to an unplanned delay in the negotiations, \$100,000 will not be needed in fiscal year 1975.

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

The Committee recommends that \$5,300,000 of funds available to the Federal Bureau of Investigation be rescinded, as requested in Rescission Proposal No. R75-30. The 1975 appropriation of \$433,100,000 plus reimbursements of \$4,485,000 provided total resources of \$437,585,000 in fiscal year 1975. With enactment of the accompanying rescission bill, the total will be reduced to \$432,285,000.

The reduction will be accomplished through a reduction in personnel costs by attrition, postponement of the procurement of special equipment, and a delay in replacement of automobiles.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

The Committee has not approved the proposed rescission of \$1,300,000 for the Immigration and Naturalization Service. The rescission, requested in Rescission Proposal No. 75-31, would have reduced funds available for the detention and deportation efforts of the Service. Testimony before the Committee indicated that the rescission would reduce the apprehension and expulsion of illegal aliens by about 100,000.

The 1975 appropriation of \$175,850,000 plus reimbursements of \$7,850,000 make a total of \$183,700,000 available to INS in fiscal year 1975. These funds are necessary for the administration and enforcement of laws relating to immigration and naturalization.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES, BUREAU OF PRISONS

The rescission of \$5,250,000 of funds appropriated for the Bureau of Prisons is recommended, as requested in Rescission Proposal No. 75-32. This rescission will reduce total resources available for salaries and expenses of the Bureau in fiscal year 1975 to \$166,670,000.

The total reduction of \$5,250,000 includes \$4,650,000 resulting from the delay in the activation of new facilities, a decrease of \$300,000 in the community drug treatment programs, and a decrease of \$300,000 resulting from an overestimate in the projected prison population.

BUILDINGS AND FACILITIES

The Committee recommends approval of Rescission Proposal No. 75-33, a proposal to rescind \$1,750,000 of funds available to the Bureau of Prisons for site acquisition. The rescission will reduce \$1,050,000 from the \$2,550,000 available for site acquisition and planning for the Northeast Adult Facility and \$700,000 from the \$2,700,000 available for the Northeast Youth Complex.

The Committee was informed that increased efforts would be made to acquire sites at no cost to the Federal Government.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

The bill includes language rescinding \$2,400,000 of funds available to the Drug Enforcement Administration, as requested in Rescission Proposal No. 75-34. The sum of \$135,000,000 appropriated for this agency for 1975 plus other resources of \$6,562,000 make a total of \$141,562,000 available, which will be reduced by \$2,400,000 by virtue of this rescission. The reduction will result in the deferral of certain research and development activities.

## DEPARTMENT OF COMMERCE

## SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION

## SALARIES AND EXPENSES

The Committee recommends a rescission of \$373,000 in funds appropriated for the program of reconciliation of bilateral foreign trade statistics, as requested in Rescission Proposal No. 75-11. A total of \$469,000 was appropriated in fiscal year 1975 to resolve discrepancies in foreign trade statistics between the United States and its major trading partners. The Department testified that the work in 1975 will be confined to completion of data reconciliation with Canada and participation in preliminary negotiations with representatives of the European Economic Community, and that planned exploratory talks with Japan will be deferred until fiscal year 1976. The budget request for fiscal year 1976 includes funds for initiating these discussions with Japan.

## ECONOMIC DEVELOPMENT ADMINISTRATION

## ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

The Committee has not approved the proposed rescission of \$2,000,000 for the technical assistance program, as requested in Rescission Proposal No. 75-12.

The EDA appropriation provides funds for a full range of programs including public works, business development, planning, technical assistance and research. The total amount appropriated for these programs in fiscal year 1975 is \$246,950,000, including \$62,750,000 in the Supplemental Appropriation Act, 1975. The amount allocated to technical assistance, which finances projects related to particular economic adjustment problems of distressed areas, in fiscal year 1975 is \$9,300,000.

EDA representatives testified that this rescission was proposed in order to restrain fiscal year 1975 budget outlays. They further stated that while they did not think the proposed rescission would result in a serious delay in EDA's economic adjustment activities, the rescission would reduce the funding available for new technical assistance grants in fiscal year 1975. Denial of the proposed rescission will permit EDA to maintain funding for the technical assistance effort at the level originally provided in appropriation acts for fiscal year 1975.

## TRADE ADJUSTMENT ASSISTANCE

## FINANCIAL ASSISTANCE

The Committee recommends rescission of \$12,000,000 in the program of financial and technical assistance of the Domestic and International Business Administration, as requested in Rescission Proposal No. 75-13. A total of \$19,821,000 was available in fiscal year 1975 from appropriations made in prior years for the trade adjustment assistance

program, which was authorized under the Trade Expansion Act of 1962 to provide direct loans and technical assistance to businesses injured or threatened by increased imports. This program has now been replaced by a more liberalized program authorized under the Trade Act of 1974, for which funds are being requested in fiscal year 1976. The balance of \$7,821,000 remaining in this account is expected to be sufficient to honor pending proposals from firms which have received approval of eligibility, cases where preproposal technical assistance has been committed, or instances where a firm is well along in its proposal development.

## UNITED STATES TRAVEL SERVICE

## SALARIES AND EXPENSES

The Committee recommends a rescission of \$250,000 in funds for promotion of tourism to the United States, as requested in Rescission Proposal No. 75-14. A total of \$11,250,000 was appropriated in fiscal year 1975 for the U.S. Travel Service programs to encourage foreign visitors to travel to the United States. The program is concentrated in six major tourist markets. This rescission will reduce advertising activities in the United Kingdom and West Germany, defer production of certain promotional displays and brochures, and defer several research and evaluation efforts.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

## OPERATIONS, RESEARCH AND FACILITIES

The Committee recommends a rescission of \$3,227,000 in funds for several fisheries programs and marine activities, as requested in Rescission Proposal No. 75-15. A total of \$440,930,000 was made available in this appropriation in fiscal year 1975.

The total amount recommended for rescission is comprised of the following items:

\$500,000 for grants to Interstate Fisheries Commissions for collecting certain data leading to the development of a national fisheries policy. NOAA is currently in the advanced stages of developing a National Fisheries Plan which is expected to be completed by mid-1975.

\$1,300,000 for construction and operation of four salmon and steelhead rearing ponds on the Columbia River. While these ponds could eventually lead to an increase in the supply of fish, 21 fish hatcheries and other facilities which produce more than 16 million pounds of fish annually are already in operation on the Columbia River, and high priority is currently being given to actions which will provide for conservation and better management of these fish stocks.

\$500,000 for a marine ecosystems analysis project in Puget Sound. A similar project is being conducted in the New York Bight area which is expected to result in the development of techniques which will enable other marine ecosystems analysis projects to be conducted more effectively and efficiently. NOAA officials

testified that \$125,000 is being used to begin a planning effort for a future Puget Sound project which would utilize the technology and procedures from the New York Bight work.

\$927,000 out of \$8,547,000 currently available for research, procurement and operation of marine data buoys. Although the recommended rescission will reduce some new deployments of data buoys, NOAA representatives indicated that a data buoy program can still be carried out in fiscal year 1975 to meet highest priority needs.

#### PATENT OFFICE

##### SALARIES AND EXPENSES

The Committee recommends the rescission of \$700,000 in funds appropriated to the Patent Office, as requested in Rescission Proposal No. 75-16. In fiscal year 1975 \$76,300,000 was appropriated to carry out the patent and trademark examination activities of the Patent Office. The funds recommended for rescission would have been used primarily to pay for overtime in connection with the examination of 2,500 patents which the Office now plans to defer until fiscal year 1976. Even at the reduced level, however, the Office will still be able to examine approximately 112,500 patent applications, which is 7,500 more than it expects to receive during fiscal year 1975. In addition, this action will not delay achievement of the longstanding goal of reducing the average patent application processing time to 18 months by fiscal year 1977.

## SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

### TOM STEED, Oklahoma, *Chairman*

JOSEPH P. ADDABBO, New York  
EDWARD R. ROYBAL, California  
ROBERT L. F. SIKES, Florida  
EDWARD P. BOLAND,  
Massachusetts  
JOHN J. FLYNT, Jr., Georgia  
EDWARD J. PATTEN, New Jersey  
CLARENCE D. LONG, Maryland

CLARENCE E. MILLER, Ohio  
ROBERT C. McEWEN, New York  
WILLIAM L. ARMSTRONG,  
Colorado

## DEPARTMENT OF THE TREASURY

### OFFICE OF THE SECRETARY

#### SALARIES AND EXPENSES

The Committee recommends a rescission of \$310,000, the full amount contained in the rescission request.

This appropriation provides the staff assistance to the Secretary for the discharge of his responsibilities. Included are the immediate assistants to the Secretary, their staffs, the Office of Revenue Sharing, general administrative support services and the maintenance, repair and improvement of the Treasury Building and Annex.

The effect of this rescission will be to delay the lease of automated data processing and switching equipment and the curtailment of official travel.

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

#### SALARIES AND EXPENSES

The Committee recommends a rescission of \$60,000, the full amount contained in the rescission request.

The consolidated Federal Law Enforcement Training Center provides the necessary facilities and equipment for conducting recruit, advanced, specialized, and refresher training for law enforcement personnel of the participating agencies, plus instructors who teach the basic and some advanced courses in the various curricula.

The effect of this rescission will be to eliminate the contracting for selected educational services and to defer the purchase of certain equipment and inventory supplies maintained by the Center for classroom instruction.

BUREAU OF ACCOUNTS  
SALARIES AND EXPENSES

The Committee recommends a rescission of \$630,000, the full amount contained in the rescission request.

This Bureau provides disbursing services for nearly all civilian executive Government agencies, processes check claims, provides Government-wide central accounting services and performs other central fiscal operations.

The effect of this rescission will be to eliminate certain types of employee training and related travel and will also result in a reduction in the inventory of check envelopes to less than a two month supply.

Since the Department of the Treasury and the Office of Management and Budget believe that the inventory reduction is safe, the Committee will accept that judgment.

U.S. CUSTOMS SERVICE  
SALARIES AND EXPENSES

The Committee recommends that the proposed rescission of \$3,000,000 of funds appropriated for the U.S. Customs Service be denied in its entirety.

The United States Customs Service, as an enforcement arm of the Department of the Treasury, has been vested with authority to collect and protect the revenue on imports and enforce Customs and related laws. In addition, the Customs Service administers and enforces or assists other Federal agencies in the administration and enforcement of numerous other laws.

The proposed rescission would result in a general and irretrievable cutback in Customs programs. In addition, the proposed rescission was carried forward into the budget for fiscal year 1976 and reduced the base on which future years' budgets are predicated which, if approved, would have a continuing impact on the effectiveness of the Service.

For fiscal year 1975, the Committee, after very careful examination of Customs programs, including a number of field trips, allowed the Customs Service an increase in personnel of 501 permanent positions. In anticipation of the proposed rescission, the Service has been allowed to fill only 95 of those positions. The Committee strongly advocates the full allowance of 501 positions as contained in the fiscal year 1975 budget and funded in Public Law 93-381, and directs that immediate steps be taken to recruit the remaining 406 personnel as soon as possible before the end of this fiscal year.

It is requested that the Committee be kept advised of the progress in this matter.

The Committee believes that the vital programs being performed by this agency should not be reduced, cutback, or delayed. The Customs Service is the front line of defense in the prevention of smuggling of illegal narcotic drugs and other contraband across our borders. Any significant reduction in the security of our borders and ports of entry will facilitate the introduction of narcotics and other contraband into this country, which can only result in destroyed lives and increased crime—a cost which the American people should not be asked to bear.

It would also result in increased inconvenience to the traveling public as well as a reduction in the revenues that accrue to the government from Customs duties which could more than equal the amount of the proposed rescission.

The Committee believes that a reduction in this appropriation would be "penny wise and pound foolish" and strongly opposes the proposed rescission.

INTERNAL REVENUE SERVICE

The Committee recommends that the entire proposed rescission of \$20,000,000 relating to the Internal Revenue Service be denied.

The appropriation accounts within the Internal Revenue Service affected by the proposed rescission are set forth below with a brief description of their major functions and the effect of the proposed rescission on each account.

SALARIES AND EXPENSES

The salaries and expenses appropriation provides for the overall direction of the Internal Revenue Service, for program planning and determining resource needs, for managing its administrative support, and for the maintenance of employee integrity and internal controls.

The proposed rescission of \$530,000 in this account would result in the deferral of training, the delay of staff expansion, purchase of equipment space, programs and operational travel.

ACCOUNTS, COLLECTION AND TAXPAYER SERVICE

The Accounts, Collection and Taxpayer Service appropriation provides for the mailing of tax return forms and instructions, receiving and processing tax returns, scheduling refunds, issuing notices, accounting for revenues, collecting unpaid taxes, securing unfiled returns, assisting taxpayers in filing timely and accurate returns, providing post-filing account information, and preparing statistical information on income.

The proposed rescission of \$9,230,000 in this account would result in deferring training, acquisition of equipment, site preparation and related space alterations, supplies and materials, and travel, reducing evening and Saturday taxpayer service during the filing period, delaying the tax administration system redesign effort, and eliminating county data transcription for revenue-sharing statistical purposes.

COMPLIANCE

The Compliance appropriation provides for determining and establishing tax liabilities, for assuring compliance with the tax laws, for investigation and enforcement activities, and for carrying out special law enforcement programs assigned to the Revenue Service. It also provides for rulings and advice necessary for a correct and uniform interpretation and application of the Code, for issuing rulings to taxpayers, and for publishing precedent rulings. Further, it provides for representation and original litigation, and for providing consultative legal services in matters ranging from labor relations to interpreting the complex provisions of the Internal Revenue Code.



The proposed rescission of \$10,240,000 would result in the imposition of hiring restrictions, deferring regular travel, training, space programs and the purchase of equipment.

#### SUMMARY OF INTERNAL REVENUE SERVICE

The Committee believes that the proposed rescissions would have a direct adverse effect on the Internal Revenue Service and on its ability to administer the tax laws of this country, particularly with regard to the collection of taxes. Any "savings" resulting from reductions in appropriations would probably be offset many times over by real losses in revenues which would not be collected.

In addition to this real loss of revenue there is an even more important factor which must be considered—the impact on the voluntary compliance concept of tax collection. The heart of our tax collection system is based on, and dependent on, the voluntary compliance with our tax laws by the vast majority of the American people. The capability of the Internal Revenue Service to fairly administer and firmly enforce our tax laws is essential to the preservation of voluntary compliance. These proposed rescissions would only serve to reduce the Internal Revenue Service's capability in this vital area. Therefore, the Committee strongly opposes the proposed rescissions.

#### EXECUTIVE OFFICE OF THE PRESIDENT

##### SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

###### PHARMACOLOGICAL RESEARCH

The Committee recommends a rescission of \$2,760,000, the full amount contained in the rescission request.

The funds provided in this annual account support pharmacological studies connected with the development and testing of long-acting methadone, narcotic antagonists, and other related special studies.

The funds proposed for rescission are for the development of a more effective narcotic antagonist to block the effects of opiate addiction in humans. This effort will be funded out of the "Special Fund" account of this agency. By rescinding the funds in this account and funding this pharmacological research from the "Special Fund", where other project funds are located, optimum flexibility can be retained for funding the narcotic antagonist research program. In addition, similar research activities are already being undertaken within the Department of Health, Education, and Welfare. Some lower priority drug abuse related research activities may be delayed if additional funds are necessary to complete this study.

###### SPECIAL FUND

The Committee recommends a rescission of \$2,240,000, the full amount contained in the rescission request.

This annual account provides funds through interagency transfers that support innovative management improvement, outreach, treatment, rehabilitation, and education approaches in drug abuse prevention activities.

The legislative authority for the Special Action Office for Drug Abuse Prevention expires on June 30, 1975. Many of the activities supported through funds provided in this account have already been transferred to other agencies and are being funded in those agencies.

The funds proposed for rescission are for lower priority efforts. No important objectives would, however, be adversely affected by the rescission. Most of the projects involved can be effectively carried out at a reduced level of funding. Only those projects considered most marginal to the total Federal drug abuse prevention effort would be completely eliminated.

#### INDEPENDENT AGENCIES

##### GENERAL SERVICES ADMINISTRATION

###### FEDERAL BUILDINGS FUND

###### LIMITATIONS ON AVAILABILITY OF REVENUE

The Committee recommends a rescission reducing the amount of revenue available for obligation by \$20,022,900, the full amount contained in the rescission request.

Federal Buildings Fund is used to finance space and services provided Federal agencies by the General Services Administration. The income for the fund is derived from Standard Level User Charges, the availability of which is subject to limitations enacted by the Congress. For 1975, the Congress limited reserve availability to \$1,088,870,700 of which \$98,000,000 is available for alterations and major repairs of public buildings.

The results of the proposed rescission will be reduction in the 1975 obligational authority for repairs and alterations to \$77,977,100 and will require the deferral of low priority work which has not yet been started.

###### RARE SILVER DOLLAR PROGRAM

The Committee recommends that the proposed deferral of \$2,184,000 (D75-137), (H. Doc. 94-17) for sale of rare silver dollars be allowed. The General Services Administration believes that the market for these coins will improve during fiscal year 1976.



94TH CONGRESS }  
1st Session }

HOUSE OF REPRESENTATIVES }

REPORT  
No. 94-26

## THIRD BUDGET RESCISSION BILL, 1975

MARCH 4, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

### REPORT

together with

### MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 4075]

The Committee on Appropriations, to whom was referred the bill H.R. 4075, to rescind certain budget authority recommended in the Message of the President of January 30, 1975 (H. Doc. 94-39), and in the communications of the Comptroller General of February 7, 1975 (H. Doc. 94-46), and of February 14, 1975 (H. Doc. 94-50), transmitted pursuant to the Impoundment Control Act of 1974, report favorably thereon to the House without amendment and with the recommendation that the bill be passed.

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SUMMARY OF THE BILL

This is the second rescission bill to be reported by the Committee on Appropriations during the 94th Congress under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

These proposed rescissions are contained in H. Doc. 94-39 which was transmitted January 30, 1975, and are further modified by two communications of the Comptroller General, H. Doc. 94-46 (February 7, 1975) and H. Doc. 94-50 (February 14, 1975).

The Presidential message of January 30, 1975, contains 35 rescissions which have not been acted on by the House. Additionally one deferral was reclassified to a rescission by the Comptroller General. These are the only rescissions pending before the House. This bill and report reflect the recommendations of the Committee on Appropriations on these items. The Committee is recommending approval of all or some part of 5 rescissions, and is recommending that 31 not be approved.

A general discussion of the bill follows. Specific Committee recommendations are explained in the various chapters of this report by Appropriations Subcommittees. Further details concerning particular items can be found in the House Documents cited above and in the printed hearings.

RESCISSION TOTALS

The estimated total of budget authority recommended to be rescinded in the bill is \$16,454,704. This is \$1,232,220,250 less than the amount proposed by the President, and this amount will have to be made available for obligation the day after the expiration of the 45 day period prescribed by law. Outlay reductions will total \$2,740,000 in 1975 and \$3,440,000 in 1976.

Of the \$1,232,220,250 that the Committee is not recommending for rescission, some \$924,311,250 is in 26 rescissions that the President proposed in the Labor-Health, Education and Welfare areas. In addition the Committee is also recommending that a proposed rescission of \$125,000,000 in the Economic Development Administration for the Job Opportunity Program not be approved.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the House of Representatives, the Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy. Rescission of the funds proposed in this bill will mean that expenditures of \$2,740,000 in fiscal year 1975 and \$3,440,000 in fiscal year 1976 will not be made.

SUMMARY TABLE

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45-day time period.

COMPARISON OF RESCISSIONS PROPOSED IN H. DOC. 94-39 AND COMMITTEE RECOMMENDATIONS

Report page No.	Rescission No.	Department or activity	Amounts proposed for rescission	Amounts recommended for rescission	Amount to be made available for obligation
6	R75-47	Department of Agriculture: Nutrition and family education programs	\$3,200,000		\$3,200,000
7	R75-50	Rural development grants	3,750,000		3,750,000
7	R75-51	Rural community fire protection grants	3,500,000		3,500,000
7	R75-48	Agricultural conservation program	156,250,000		156,250,000
8	R75-49	Forestry Incentives programs	25,000,000	\$10,000,000	15,000,000
		Total, Department of Agriculture	191,700,000	10,000,000	181,700,000
		Department of Defense--Military:			
9	R75-53	Special foreign currency program--1973	915,000	915,000	
9	R75-54	Special foreign currency program--1974	40,000	40,000	
		Total, Department of Defense	955,000	955,000	
10	R75-81	Consumer Product Safety Commission	1,709,000	500,000	1,209,000
11	R75-80	Department of Labor: Community service employment for older Americans	12,000,000		12,000,000

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED IN H. DOC. 94-39 AND COMMITTEE RECOMMENDATIONS—Continued

Report page No.	Rescission No.	Department or activity	Amounts proposed for rescission	Amounts recommended for rescission	Amount to be made available for obligation
		<b>Department of Health, Education, and Welfare:</b>			
11.....	R-75-55 <sup>1</sup>	Health services.....	\$39,677,000	-----	\$39,677,000
11.....	R-75-56	Preventive health services.....	9,805,000	-----	9,805,000
11.....	R-75-57	National Cancer Institute.....	123,006,000	-----	123,006,000
11.....	R-75-58	National Heart and Lung Institute.....	37,730,000	-----	37,730,000
11.....	R-75-59	National Institute of Dental Research.....	7,489,000	-----	7,489,000
11.....	R-75-60	National Institute of Arthritis, Metabolism, and Digestive Diseases.....	28,473,000	-----	28,473,000
11.....	R-75-61	National Institute of Neurological Diseases and Stroke.....	30,283,000	-----	30,283,000
11.....	R-75-62	National Institute of Allergy and Infectious Diseases.....	13,975,000	-----	13,975,000
11.....	R-75-63	National Institute of General Medical Sciences.....	30,794,000	-----	30,794,000
11.....	R-75-64	National Institute of Child Health and Human Development.....	23,978,000	-----	23,978,000
11.....	R-75-65	National Eye Institute.....	6,512,000	-----	6,512,000
11.....	R-75-66	National Institute of Environmental Health Sciences.....	6,922,000	-----	6,922,000
11.....	R-75-67 <sup>1</sup>	Research resources.....	46,865,000	-----	46,865,000
11.....	R-75-68	John E. Fogarty International Center for Advanced Study in the Health Sciences.....	1,020,000	-----	1,020,000
11.....	R-75-69	National Library of Medicine.....	385,000	-----	385,000
11.....	R-75-70 <sup>1</sup>	Alcohol, drug abuse, and mental health.....	106,220,000	-----	106,220,000
11.....	R75-71 <sup>1</sup>	Health resources.....	26,254,000	-----	26,254,000
11.....	R75-72	Elementary and secondary education.....	35,856,250	-----	35,856,250
11.....	R75-73	Education for the handicapped.....	102,500,000	-----	102,500,000
11.....	R75-74	Occupational, vocational, and adult education.....	39,712,000	-----	39,712,000
11.....	R75-75	Higher education.....	58,300,000	-----	58,300,000
11.....	R75-76 <sup>1</sup>	Library resources.....	52,225,000	-----	52,225,000
11.....	R75-77	Public assistance.....	12,900,000	-----	12,900,000
11.....	R75-78	Rehabilitation services.....	29,848,000	-----	29,848,000
11.....	R75-79	Human development.....	41,582,000	-----	41,582,000
		Total, Department of Health, Education, and Welfare.....	912,311,250	-----	912,311,250
		Total, Subcommittee on Labor and Health, Education, and Welfare.....	924,311,250	-----	924,311,250
		<b>Department of Commerce:</b>			
13.....	D75-141 <sup>2</sup>	Job opportunities program.....	125,000,000	-----	125,000,000
14.....	R75-52	Inter-American Cultural and Trade Center.....	4,999,704	\$4,999,704	-----
		Total, Department of Commerce.....	129,999,704	4,999,704	125,000,000
		Grand total.....	1,248,674,954	16,454,704	1,232,220,250

<sup>1</sup> Reflects corrected amounts included in the communication from the Comptroller General of Feb. 14, 1975 (H. Doc. 94-60).

<sup>2</sup> Reclassified from a deferral to a rescission by the Comptroller General in the communication of Feb. 14, 1975 (H. Doc. 94-60).

**SUBCOMMITTEE ON AGRICULTURE AND RELATED AGENCIES**

**JAMIE L. WHITTEN, Mississippi, Chairman**

GEORGE E. SHIPLEY, Illinois  
FRANK E. EVANS, Colorado  
BILL D. BURLISON, Missouri  
MAX BAUCUS, Montana  
OTTO E. PASSMAN, Louisiana  
WILLIAM H. NATCHER, Kentucky  
BOB CASEY, Texas

MARK ANDREWS, North Dakota  
J. KENNETH ROBINSON, Virginia  
JOHN T. MYERS, Indiana

**DEPARTMENT OF AGRICULTURE**

**BASIS FOR COMMITTEE RECOMMENDATIONS**

In considering the items before the Committee recommended for rescission and deferral, the Committee took cognizance of the fact that it is taking action at a time when both the Legislative and Executive Branches of the Government are stressing the need for increasing jobs which in the opinion of the Committee should be productive jobs. For this as well as other reasons the Committee has made the following recommendations. While the Committee is not aware of exactly how many productive jobs would be eliminated were these rescissions or deferrals to be approved, it is evident that the number would be substantial.

**EXTENSION SERVICE**

**NUTRITION AND FAMILY EDUCATION PROGRAM**

The committee does not recommend approval of the proposed rescission in the amount of \$3,200,000 for the Nutrition and Family Education Program of the Extension Service as set forth in rescission No. R75-47.

The Congress provided \$50,600,000 for this program and the rescission message proposed to rescind \$3,200,000, the amount of the Congressional increase over the budget estimate. The program provides nutrition education to low-income people. The program is carried out by approximately 8,700 program aides, many of whom themselves come from low-income backgrounds, in about 1,500 locations both rural and urban in the 50 States, Puerto Rico, District of Columbia, and the Virgin Islands. In addition, about 85,000 volunteers work with more than 1.1 million youths in 4-H type activities related to improved nutrition.

Departmental witnesses testified before the committee that if the proposed rescission were approved, 30,000 fewer families would benefit from this service.

It is the committee's opinion that depriving 30,000 families throughout the country of this valuable assistance at this time is in no way justified and, therefore, recommends that the proposed rescission not be approved.

**FARMERS HOME ADMINISTRATION  
RURAL DEVELOPMENT GRANTS**

The committee does not recommend approval of the proposed rescission in the amount of \$3,750,000 for Rural Development Grants as set forth in rescission No. R75-50.

The Congress provided \$13,750,000 for this program, \$3,750,000 above the budget estimate. These grants are authorized by section 310(B) of the Consolidated Farm and Rural Development Act. Grants are made to public bodies to facilitate development of private business enterprises in rural areas of the country.

The Congress has repeatedly emphasized the importance of rural development. Therefore, the committee recommends that the proposed rescission be rejected.

**RURAL COMMUNITY FIRE PROTECTION GRANTS**

The committee does not recommend approval of the proposed rescission in the amount of \$3,500,000 for Rural Fire Community Protection Grants as set forth in rescission No. R75-51.

The Congress provided \$3,500,000 for this program and the rescission message proposes to rescind the entire amount and thereby not implement the program as directed by Congress. These grants are authorized by Title IV of the Rural Development Act of 1972 and are for the purchase of fire fighting equipment and for organizing and training personnel in rural communities to assist in fire control.

Without these grants many rural communities will be unable to purchase fire fighting equipment and to train people in fire fighting techniques. Therefore, the committee recommends the proposed rescission be rejected.

**AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**

**AGRICULTURAL CONSERVATION PROGRAM**

The committee does not recommend approval of the proposed rescission in the amount of \$156,250,000 for the Agricultural Conservation Program as set forth in rescission No. R75-48.

The Congress authorized \$190,000,000 for this conservation program. However, the rescission message proposed to rescind \$156,250,000 of the amount authorized, thereby terminating the 1975 program with the remaining \$33,750,000 being used to fund long-term contracts entered into under the 1974 program.

On a dollar per dollar basis, the country probably realizes a greater return on its investment in conservation than through any other program since the farmer or the rancher must put up about half the

cost plus his labor. The following table reflects some of the impressive accomplishments of this low-cost conservation program:

Practice	Unit	Total accomplish- ments 1936-72
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.	Structures.....	2,249,000
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution.	Acres.....	33,216,000
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution.	do.....	114,229,000
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control and to conserve water.	do.....	63,260,000
Trees and shrubs planted for forestry purposes, erosion control, or environmental enhancement:	do.....	5,485,000
Forest tree stands improved for forestry purposes or environmental enhancement.	do.....	4,564,000
Wildlife conservation	Acres served.....	13,592,000
Animal waste and soil waste pollution-abatement structures (lagoons, storage, diversion, and other).	Number.....	10,803,000
Sediment pollution-abatement structures or runoff control measures.	Acres served.....	2,961,000
Other pollution-abatement practices.	do.....	367,000

1 1962-72, inclusive, with certain data estimated.  
2 1970, 1971, and 1972 only.

Of special significance for consideration is the fact that denying the proposed rescission will not result in additional expenditures unless the farmers and ranchers apply and earn the Federal contribution, matching it with their own funds plus their labor. This program recognizes that the present holder or owner holds the land in trust for future generations, thus all our people have an interest in retaining its fertility.

#### FORESTRY INCENTIVES PROGRAM

The committee recommends rescission of \$10,000,000 for the Forestry Incentives Program, instead of \$25,000,000 as proposed in rescission No. R75-49.

The purpose of the Forestry Incentives Program is to encourage the development, management and protection of non-industrial private forest lands. The Federal government provides technical assistance and will pay 75 percent of the cost with the private landowner paying the other 25 percent. Each agreement is limited to 500 acres.

Since only one-third of the fiscal year remains, the committee feels that \$15,000,000 will be adequate to carry-out the 1975 program.

#### ACTION ON DEFERRALS

The committee recommends that the following deferrals be approved since they involve merely technical reporting requirements and since the committee has been assured that the funds will be released when needed.

Emergency Conservation Measures.....	\$11,687,589
Marketing Services (Funds for appeals made under egg and grain inspection acts).....	1,459,209
Perishable Agricultural Commodities Act Fund (receipts in excess of requirements).....	511,330

The committee does not recommend approval of the proposed deferral of \$1,265,572 for Soil Conservation Service technical assistance in support of the Water Bank Program. This proposed deferral was based on the rescission of funds for the Water Bank Program which was rejected by the House on February 25, 1975.

### SUBCOMMITTEE ON DEPARTMENT OF DEFENSE

GEORGE H. MAHON, Texas, *Chairman*

ROBERT L. F. SIKES, Florida	JACK EDWARDS, Alabama
DANIEL J. FLOOD, Pennsylvania	J. KENNETH ROBINSON, Virginia
JOSEPH P. ADDABBO, New York	JACK F. KEMP, New York
JOHN J. McFALL, California	
JOHN J. FLYNT, Jr., Georgia	
ROBERT N. GIAIMO, Connecticut	
BILL CHAPPELL, Jr., Florida	
BILL D. BURLISON, Missouri	

### DEPARTMENT OF DEFENSE

#### SPECIAL FOREIGN CURRENCY PROGRAM

The Committee has approved the rescission of \$955,000 in the Special Foreign Currency program. This includes \$915,000 (Rescission No. R75-53) in the fiscal year 1973 program and \$40,000 (Rescission No. R75-54) in the fiscal year 1974 program. The rescissions were proposed on the basis that either excess foreign currency for a specific country is not available or the cost of funded projects was over-estimated.

(9)

SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

**EDWARD P. BOLAND, Massachusetts, Chairman**

JOE L. EVINS, Tennessee  
GEORGE E. SHIPLEY, Illinois  
J. EDWARD ROUSH, Indiana  
BOB TRAXLER, Michigan  
MAX BAUCUS, Montana  
LOUIS STOKES, Ohio  
YVONNE BRATHWAITE BURKE, California

BURT L. TALCOTT, California  
JOSEPH M. McDADE, Pennsylvania  
C. W. BILL YOUNG, Florida

CONSUMER PRODUCT SAFETY COMMISSION  
SALARIES AND EXPENSES

The Committee recommends a rescission of \$500,000 for the Consumer Product Safety Commission. This is \$1,209,000 less than the \$1,709,000 proposed in House Document 94-39.

The Committee felt that the facts presented at the hearing did not justify recommending the full amount proposed for rescission. However, it does appear that a partial reduction of \$500,000 can be absorbed within the Commission's current operating plan. The Committee believes that the reduction can be applied to the personnel object class without interrupting 1975 employment goals.

(10)

SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES

**DANIEL J. FLOOD, Pennsylvania, Chairman**

WILLIAM H. NATCHER, Kentucky  
NEAL SMITH, Iowa  
BOB CASEY, Texas  
EDWARD J. PATTEN, New Jersey  
DAVID R. OBEY, Wisconsin  
EDWARD R. ROYBAL, California  
LOUIS STOKES, Ohio

ROBERT H. MICHEL, Illinois  
GARNER E. SHRIVER, Kansas  
SILVIO O. CONTE, Massachusetts

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE

The Committee has considered and rejected proposed rescissions of 1975 budget authority for the Department of Health, Education, and Welfare amounting to \$912,311,250, and a rescission of budget authority for the Department of Labor in the amount of \$12,000,000.

The rescissions considered by the Committee included all of those proposed for the Departments of Labor and Health, Education, and Welfare in the President's message of January 30, 1975 (H. Doc. 94-39), as well as the deferrals of budget authority proposed in that message which were reclassified as rescissions by the Comptroller General in his letter to the Speaker of February 14. (H. Doc. 94-50.)

All of the budget authority proposed for rescission was conferred in the Labor-HEW Appropriation Act, approved December 7, 1974, and the Supplemental Appropriation Act, 1975, approved December 27, 1974. The Comptroller General determined, in a letter to the Speaker on February 7, 1975 (H. Doc. 94-46), that the budget authority proposed to be rescinded must be made available for obligation on March 1, 1975, if the Congress does not complete action on a rescission bill before that date.

Subcommittee hearings on the proposed rescissions were held on February 20, 21, and 24. The proposed rescissions involve 26 appropriation accounts and a long list of health, education and human development programs. The health programs for which reduced funding is proposed include maternal and child health, emergency medical services, disease control, occupational health, research on cancer, heart disease and other diseases supported by the National Institutes of Health, programs for the prevention and treatment of mental illness, alcoholism and drug abuse; and aid to students of the health professions and nursing. The education programs affected include bilingual education, aid to State departments of education, educational broadcasting facilities, Follow Through, education for the handicapped, vocational education, adult education, ethnic heritage studies, language training and area studies, university community services, aid to land grant colleges, State post-secondary education commissions,

(11)

veterans cost-of-instruction payments, public service fellowships, mining fellowships, aid to public libraries, school libraries, college libraries, and grants for instructional equipment. Other programs affected by the rescissions include child welfare services, social work training, vocational rehabilitation grants, and community service and nutrition programs for the aging.

The Committee's review of the proposed rescissions led it to the conclusion that they simply represented a return to the amounts in the original President's budget for fiscal year 1975 in almost every case where Congressional action on the Labor-HEW appropriation bill had resulted in an appropriation in excess of the budget request. In many cases, the rescissions would produce an appropriation level lower than the original President's budget request, and below the fiscal year 1974 program level. Testimony presented to the Committee by HEW and Labor Department officials produced no new information on the requirements for these programs. There is no evidence that the amounts appropriated for the programs in question are not needed, or that they cannot be used effectively to carry out the programs as intended by the Congress. It was clear that the programs for which the Congress, after months of hearings and deliberations on the Labor-HEW appropriation bill, decided to provide additional funds, have been singled out for rescission.

In the absence of persuasive reasons for doing so, the Committee does not concur in any of the proposed rescissions.

SUBCOMMITTEE ON DEPARTMENTS OF STATE, JUSTICE,  
AND COMMERCE, THE JUDICIARY AND RELATED  
AGENCIES

**JOHN M. SLACK, West Virginia, Chairman**

NEAL SMITH, Iowa  
JOHN J. FLYNT, JR., Georgia  
BILL ALEXANDER, Arkansas  
YVONNE BRAITHWAITE BURKE,  
California  
JOSEPH D. EARLY, Massachusetts

ELFORD A. CEDERBERG, Michigan  
MARK ANDREWS, North Dakota  
CLARENCE E. MILLER, Ohio

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

JOB OPPORTUNITIES PROGRAM

The Committee has not approved the rescission of \$125,000,000 for the Job Opportunities Program.

These funds were originally appropriated in the Urgent Supplemental Appropriation Act 1975 (Public Law 93-624 of December 31, 1974) to implement title III of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567). Under this legislation Federal agencies are required to submit to the Secretaries of Commerce and Labor proposed projects and programs which have the potential to create jobs for unemployed persons in eligible areas. The act further provides that the Secretaries of Commerce and Labor are to review the proposals submitted and allocate funds, within 75 days from the date of enactment, to projects which qualify under the criteria set forth in the statute.

In his special message of January 30, 1975, the President proposed a deferral (D75-141) of the entire \$125,000,000 for the Job Opportunities Program in anticipation of Congressional approval to transfer this amount of budget authority from the Department of Commerce to the Department of Labor for its public service jobs program. On February 14, 1975, the Comptroller General, pursuant to the Budget and Impoundment Control Act of 1974, reclassified the proposal as a rescission rather than a deferral of budget authority since the proposed action would effectively terminate the job opportunities program.

Representatives of the Department of Commerce in hearings before the Committee testified that they are proceeding with the review process required by the authorizing legislation. Based upon responses received from 43 Federal departments and agencies to date, there are an estimated 18,000 potential projects which could be considered for funding by this program. Departmental officials have further indicated that the evaluation of such projects required by the statute is proceeding.



In view of the great number of projects that have been identified by the various Federal agencies and the fact that the Secretaries of Commerce and Labor have not had an opportunity to complete the evaluations as required by law, rescission of these funds at this time would be premature. In addition, such a rescission of all of the funds appropriated would thwart the intent of Congress which authorized and initiated funding for the Job Opportunities Program only two months ago. Denial of the proposed rescission will restore the funding level that Congress provided and permit the Secretaries of Commerce and Labor to go forward with the allocation of these funds upon completion of their evaluation of the individual project proposals.

#### UNITED STATES TRAVEL SERVICE

##### INTER-AMERICAN CULTURAL AND TRADE CENTER

The Committee recommends a rescission of \$4,999,704 for the Inter-American Cultural and Trade Center (Interama) as requested in Rescission Proposal No. 75-52.

These funds were originally appropriated in 1966 and 1967 for the design and operation of a Federal exhibit at the Inter-American Cultural and Trade Center (Interama) in Dade County, Florida. Initially, Interama was to be a permanent international center, oriented to Latin America with participation by private businesses, cultural organizations, and foreign countries, as well as the Federal Government. Under the terms of the authorization (Public Law 89-355 of February 19, 1966), the Federal Government was to operate an exhibit in a facility provided by the Interama Authority.

Dade County has had the responsibility for financing and construction of the Interama facility since 1966. Since then the County has been unable to obtain financing for the Interama Pavilion. Department of Commerce officials testified that as a result of the lack of financing, the Interama Authority suspended all planning and development work in August 1974, and has reduced its efforts to a skeleton staff of a few guards and office personnel.

On the basis of the events that have transpired, it is clear that the Interama project is in serious trouble. Even if the Interama Authority could raise sufficient funds to build the Pavilion and meet its latest objective of becoming a bicentennial event, it would appear that the facility would not be ready in time for the Bicentennial Year of 1976. Consequently, the Committee recommends rescission of these funds as proposed. However, it has come to the attention of the Committee that Dade County has recently appointed a special commission in a final effort to explore ways of obtaining the necessary sources of financing the construction of the Interama facility. If this effort should prove to be successful, the Committee would be in a position at that time to give additional consideration to this matter.

MINORITY VIEWS OF HON. ELFORD A. CEDERBERG,  
HON. ROBERT H. MICHEL, HON. BURT L. TALCOTT,  
HON. JACK EDWARDS, HON. ROBERT C. McEWEN, HON.  
J. KENNETH ROBINSON, HON. CLARENCE E. MILLER,  
HON. LAWRENCE COUGHLIN, HON. C. W. BILL YOUNG,  
HON. JACK F. KEMP, HON. WILLIAM L. ARMSTRONG,  
HON. RALPH S. REGULA, AND HON. CLAIR W. BURG-  
ENER

#### H.R. 4075, THIRD BUDGET RESCISSION BILL, 1975

So that Congress could assume a more responsible role in the budget process, and thus "recapture" powers lost to the Executive Branch, the House approved the Congressional Budget and Impoundment Control Act of 1974 by an almost unanimous vote.

That Act established procedures which would permit the Congress to set targets for total spending and revenues, and to assert its own priorities within these totals. No congressional targets have been established for fiscal 1975. In their absence, the President's estimates and proposals must be regarded as the baseline for congressional action. To the extent that action has been taken on rescissions proposed by the President, the record so far is one of complete futility.

The President has proposed 83 rescissions of fiscal 1975 budget authority, totalling \$2,870,000,000. In three bills reported so far, the Committee has considered all 83 rescissions, and has recommended approval of only \$390,000,000, or 14 percent, of the amount considered.

Budget deficits of at least \$86.5 billion are estimated for this and the next fiscal years. As indicated in the following table, congressional actions to date on three rescission bills will add \$1.5 billion to those deficits.

In view of the precarious state of our national and international financial accounts, and the continued threat of inflation, we *must* accept the responsibilities placed upon us by the Budget Control Act. The first step is a more positive response to the rescissions that the President has identified for low priority programs.

Our colleague, the Honorable Robert H. Michel of Illinois, the Ranking Republican on the Labor-HEW Appropriations Subcommittee, will offer an amendment on the floor to partially restore the rescissions proposed for the Department of Health, Education and Welfare. Other amendments may be offered to restore rescissions proposed for other programs.

We ask our colleagues in the House to carefully consider supporting these amendments. If we cannot apply even-handed restraint to total Federal spending, through selective and judicious reductions in individual programs, then budget control will prove to be one of the most monumental frauds ever perpetrated upon the American people.



SCORECARD ON PROPOSED RESCISSIONS OF FISCAL 1975 BUDGET AUTHORITY

[Dollars in millions]

	Number of rescissions	Presidential proposals			Congressional action			Impact of congressional action		
		1975 budget authority	1975 outlays	1976 outlays	1975 budget authority	1975 outlays	1976 outlays	1975 budget authority	1975 outlays	1976 outlays
H.R. 17505 (Public Law 93-529)(H. Rept. 93-1501) (Nov. 26, 1974).....	7	-\$672	-\$157	-\$251	-\$131	-\$5	-\$14	+\$541	+\$152	+\$237
H.R. 3260 <sup>1</sup> (H. Rept. 94-17) (Feb. 20, 1975).....	40	-949	-205	-225	-243	-101	-78	+706	+104	+147
H.R. 4075.....	36	-1,249	-313	-575	-16	-3	-3	+1,233	+310	+572
Total.....	83	-2,870	-675	-1,051	-390	-109	-95	+2,480	+566	+956

<sup>1</sup> Passed House amended, Feb. 25, 1975.

ELFORD A. CEDERBERG.  
 ROBERT H. MICHEL.  
 BURT L. TALCOTT.  
 JACK EDWARDS.  
 ROBERT C. McEWEN.  
 J. KENNETH ROBINSON.  
 CLARENCE E. MILLER.  
 LAWRENCE COUGHLIN.  
 C. W. BILL YOUNG.  
 JACK F. KEMP.  
 WILLIAM L. ARMSTRONG.  
 RALPH S. REGULA.  
 CLAIR W. BURGNER.

ADDITIONAL VIEWS OF HON. ROBERT H. MICHEL

The preceding Minority Views called attention to the record of congressional futility in acting on rescissions proposed by the President. In an attempt to improve this record, when this rescission bill comes to the floor, I will offer an amendment to restore in part certain rescissions proposed by the President for programs in the Department of Health, Education and Welfare.

To ensure that reductions would be even-handedly applied, and that no reduction would cut into the "base" of any program, I used the following formula in calculating my proposed rescissions:

accept one-half of each proposed rescission, provided that in no case will the rescission result in a funding level below the 1974 appropriation level, or the original 1975 budget request, whichever is higher. In the case of Education for the Handicapped, the reduction shall not exceed \$26,250,000.

The following table lists the rescissions I propose. If we cannot take this small step, then budget control is dead, and this bill will constitute a public funeral.

ROBERT H. MICHEL.

(18)

PROPOSED MICHEL AMENDMENT TO H.R. 4075, 3D RESCISSION BILL, 1975 EFFECT ON 1975 APPROPRIATIONS  
 (Fiscal years budget authority in dollars)

Rescission No.	1974 actual	1975 appropriation	1975 proposed rescission	1975 Michel rescission
<b>Department of Health, Education, and Welfare:</b>				
R-75-55	506,584,000	493,455,000	-39,677,000	-18,838,000
R-75-56	128,593,000	136,443,000	-9,805,000	-3,491,000
R-75-57	527,399,000	691,666,000	-123,006,000	-61,503,000
R-75-58	286,749,000	324,130,000	-37,730,000	-14,831,000
R-75-59	43,955,000	42,375,000	-7,489,000	-
R-75-60	153,756,000	173,121,000	-28,473,000	-14,236,000
R-75-61	121,393,000	142,998,000	-30,283,000	-15,141,000
R-75-62	111,146,000	119,452,000	-13,975,000	-6,987,000
R-75-63	166,805,000	187,400,000	-30,794,000	-15,387,000
R-75-64	125,508,000	141,966,000	-23,978,000	-11,989,000
R-75-65	41,228,000	44,133,000	-6,512,000	-3,256,000
R-75-66	28,338,000	34,949,000	-6,922,000	-3,461,000
R-75-67	128,059,000	127,200,000	-859,000	-
R-75-68	4,762,000	5,589,000	-827,000	-510,000
R-75-69	26,254,000	28,150,000	-1,896,000	-922,000
R-75-70	818,477,000	826,598,000	-8,121,000	-385,000
R-75-71	139,980,000	159,433,000	-26,254,000	-8,438,000
R-75-72	2,106,858,000	2,255,675,000	-148,817,000	-73,908,500
R-75-73	691,811,000	1,199,609,000	-507,798,000	-250,000
R-75-74	1,163,124,000	2,131,271,000	-968,147,000	-484,000
R-75-75	1,860,497,000	2,131,271,000	-270,774,000	-10,590,000
R-75-76	11,476,768,000	12,111,731,000	-634,963,000	-4,057,000
R-75-77	11,663,821,000	12,111,731,000	-447,910,000	-7,500,000
R-75-78	267,192,000	312,950,000	-45,758,000	-2,450,000
R-75-79	20,735,816,000	22,311,064,000	-1,575,248,000	-17,200,000
<b>Total, Department of Health, Education, and Welfare.....</b>				<b>-259,380,000</b>

## RESCINDING CERTAIN BUDGET AUTHORITY

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MARCH 24, 1975.—Ordered to be printed

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

### CONFERENCE REPORT

[To accompany H.R. 3260]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3260) to rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93-398), and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94-39), and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), transmitted pursuant to the Impoundment Control Act of 1974, 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 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23, 29 and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 19, 20, 24, 25, 26, 27, and 28, and agree to the same.

GEORGE MAHON,  
 JAMIE L. WHITTEN,  
 ROBERT L. SIKES,  
 JOE L. EVINS,  
 EDWARD P. BOLAND,  
 TOM STEED,  
 JOHN M. SLACK,  
 ELFORD A. CEDERBERG,  
 JACK EDWARDS,  
 CLARENCE MILLER,  
*Managers on the Part of the House.*

JOHN L. McCLELLAN,  
 WARREN G. MAGNUSON,  
 JOHN O. PASTORE,  
 GALE W. MCGEE,  
 WILLIAM PROXMIRE,  
 JOSEPH M. MONTTOYA,  
 DANIEL K. INOUYE,  
 MILTON R. YOUNG,  
 ROMAN L. HRUSKA,  
 HIRAM L. FONG,  
 CHARLES McC. MATHIAS, Jr.,  
*Managers on the Part of the 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. 3260) to rescind certain budget authority recommended in the message of the President of November 26, 1974, and as those rescissions are modified by the message of the President of January 30, 1975, and in the communication of the Comptroller General of November 6, 1974, transmitted pursuant to the Impoundment Control Act of 1974, 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:

Amendment No. 1: Restores language stricken by the Senate making reference to the Impoundment Control Act of 1974. The conferees agree that this action neither alters the ability of the Congress to make rescissions apart from the Impoundment Control Act nor the responsibility of the Administration to make funds available at the end of the 45 day period specified in such Act.

### CHAPTER I—DEPARTMENT OF AGRICULTURE

#### AGRICULTURE STABILIZATION AND CONSERVATION SERVICE

##### *Water bank program*

Amendment No. 2: Rescinds \$7,856,470 for the Water Bank Program as proposed by the Senate.

### CHAPTER II—DEPARTMENT OF DEFENSE—MILITARY

Amendment No. 3: Changes chapter number as proposed by the Senate.

#### OPERATION AND MAINTENANCE

Amendment No. 4: Operation and Maintenance, Army—Rescinds \$20,500,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$41,000,000 as proposed by the Senate.

Amendment No. 5: Operation and Maintenance, Navy—Rescinds \$13,750,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$27,500,000 as proposed by the Senate.

(3)

Amendment No. 6: Operation and Maintenance, Marine Corps—Rescinds \$2,500,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$5,000,000 as proposed by the Senate.

Amendment No. 7: Operation and Maintenance, Air Force—Rescinds \$20,000,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$40,000,000 as proposed by the Senate.

Amendment No. 8: Operation and Maintenance, Defense Agencies—Rescinds \$50,000 for the maintenance of real property facilities for the Defense Mapping Agency as proposed by the House instead of a rescission of \$100,000 as proposed by the Senate.

Amendment No. 9: Operation and Maintenance, Defense Agencies—Rescinds \$500,000 for the maintenance of real property facilities for the Defense Supply Agency as proposed by the House instead of a rescission of \$1,000,000 as proposed by the Senate.

Amendment No. 10: Operation and Maintenance, Defense Agencies—Rescinds \$400,000 for the maintenance of real property facilities for Intelligence and Communications activities as proposed by the House instead of \$800,000 as proposed by the Senate.

Amendment No. 11: Operation and Maintenance, Defense Agencies—Rescinds a total amount for Operation and Maintenance, Defense Agencies, of \$950,000 as proposed by the House instead of \$1,900,000 as proposed by the Senate.

Amendment No. 12: Operation and Maintenance, Army Reserve—Rescinds \$900,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$1,800,000 as proposed by the Senate.

Amendment No. 13: Operation and Maintenance, Navy Reserve—Rescinds \$550,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$1,100,000 as proposed by the Senate.

Amendment No. 14: Operation and Maintenance, Air Force Reserve—Rescinds \$200,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$400,000 as proposed by the Senate.

Amendment No. 15: Operation and Maintenance, Army National Guard—Rescinds \$700,000 for the maintenance of real property facilities as proposed by the House instead of a rescission of \$1,400,000 as proposed by the Senate.

Amendment No. 16: Operation and Maintenance, Air National Guard—Rescinds \$250,000 for the maintenance of real property facilities as proposed by the House instead of \$500,000 as proposed by the Senate.

## PROCUREMENT

Amendments Nos. 17 and 18: Aircraft Procurement, Air Force—Includes House language which would rescind \$122,900,000 for the procurement of 12 F-111F aircraft instead of similar language proposed by the Senate.

## CHAPTER III

Amendment No. 19: Changes chapter number.

## DEPARTMENT OF JUSTICE

## FEDERAL BUREAU OF INVESTIGATION

*Salaries and expenses*

Amendment No. 20: Deletes rescission of \$5,300,000 proposed by the House.

## DRUG ENFORCEMENT ADMINISTRATION

*Salaries and expenses*

Amendment No. 21: Rescinds \$2,400,000 as proposed by the House.

## DEPARTMENT OF COMMERCE

Amendment No. 22: Deletes proposal of the Senate to change heading from "Financial Assistance" to "Financial and Technical Assistance." The heading carried in the 1972 appropriation act is "Financial Assistance."

## UNITED STATES TRAVEL SERVICE

*Salaries and expenses*

Amendment No. 23: Rescinds \$250,000 as proposed by the House.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

*Operations, research, and facilities*

Amendment No. 24: Rescinds \$927,000 as proposed by the Senate instead of \$3,227,000 as proposed by the House.

Amendment No. 25: Deletes the following proviso proposed by the House:

*Provided, That no part of the remaining sums shall be subject to the second proviso of said appropriation.*

Deletion of the proviso will make \$500,000 available for certain interstate fisheries commissions.

## CHAPTER IV—DEPARTMENT OF THE TREASURY

Amendment No. 26: Changes chapter number as proposed by the Senate.

## INTERNAL REVENUE SERVICE

Amendment No. 27: Inserts center heading.

Amendment No. 28: Rescinds \$530,000 of the funds appropriated for salaries and expenses as proposed by the Senate.

Amendment No. 29: Deletes rescission of \$9,230,000 for Accounts, Collection and Taxpayer Service proposed by the Senate.

Amendment No. 30: Deletes rescission of \$10,240,000 for Compliance proposed by the Senate.

## CONFERENCE TOTAL, WITH COMPARISONS

The total amount recommended for rescission by the Committee of Conference, with comparisons to the recommendations of the President and the House and Senate bills follows:

	<i>Amount</i>
Recommendations of the President-----	\$949, 443, 172
House-passed bill-----	242, 572, 900
Senate-passed bill-----	320, 479, 370
Conference agreement-----	243, 359, 370
Conference agreement compared with--	
Recommended Presidential rescissions-----	-706, 083, 802
House bill-----	-786, 470
Senate bill-----	-77, 120, 000

GEORGE MAHON,  
JAMIE L. WHITEN,  
ROBERT L. SIKES,  
JOE L. EVINS,  
EDWARD P. BOLAND,  
TOM STEED,  
JOHN M. SLACK,  
ELFORD A. CEDERBERG,  
JACK EDWARDS,  
CLARENCE MILLER,

*Managers on the Part of the House.*

JOHN L. MCCLELLAN,  
WARREN G. MAGNUSON,  
JOHN O. PASTORE,  
GALE W. MCGEE,  
WILLIAM PROXMIRE,  
JOSEPH M. MONTOYA,  
DANIEL K. INOUE,  
MILTON R. YOUNG,  
ROMAN L. HRUSKA,  
HIRAM L. FONG,  
CHARLES McC. MATHIAS, Jr.,

*Managers on the Part of the Senate.*

# Calendar No. 26

SECOND  
REVISION  
BILL

94TH CONGRESS }  
1st Session }

SENATE }

REPORT  
No. 94-24

## BUDGET RESCISSION BILL

FEBRUARY 27 (legislative day, FEBRUARY 21), 1975.—Ordered to be printed

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

### REPORT

[To accompany H.R. 3260]

together with

### VIEWS

of the Committee on the Budget

The Committee on Appropriations, to which was referred the bill H.R. 3260, to rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93-398) and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94-39) and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), transmitted pursuant to the Impoundment Control Act of 1974, reports the same to the Senate with amendments and with the recommendation that the bill be passed, and submits the following explanation of its recommendations, together with views of the Committee on the Budget, to which the bill was also referred.

## INDEX TO BILL AND REPORT

	Page number	
	Bill	Report
Narrative summary of bill.....		2
Tabular summary of bill.....		5
Agriculture and Related Agencies.....	2	9
Defense.....	3	10
Interior.....		12
Labor, Health, Education, and Welfare.....		14
State, Justice, Commerce, and Judiciary.....	5	15
Treasury, Postal Service-General Government.....	7	23
Views of the Committee on the Budget.....		29

## SUMMARY OF THE BILL

This is the second rescission bill, and the first during the 94th Congress, to be reported to the Senate under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

A total of 40 pending rescissions and 137 pending deferrals that had been submitted to the 93rd Congress by the President were automatically resubmitted to the 94th Congress. This bill and report reflects the recommendations of the Committee on Appropriations on these 40 rescissions. The Committee is recommending approval of either all or some part of 28 rescissions and is recommending that 12 rescissions not be approved.

These proposed rescissions are contained in H. Doc. 93-398 (Nov. 26, 1974). Additionally, some of these rescissions have been amended by H. Doc. 94-39 (Jan. 30, 1975). This report also covers an item which was originally submitted as a deferral by the President and later reclassified to a rescission by the Comptroller General in H. Doc. 93-391 (Nov. 6, 1974).

A general discussion of the bill follows. A summary of the rescissions and deferral process contained in Title X of the Congressional Budget and Impoundment Control Act of 1974 is also provided.

Specific Committee recommendations are explained in the various chapters of this report which is organized by Appropriation Subcommittees. Further details concerning particular items can be found in the documents cited above.

## RESCISSION TOTALS

The estimated total of budget authority recommended to be rescinded in the bill is \$185,412,940 and a decrease in limitation of \$20,022,900. This is \$744,007,332 less than the amount proposed for rescission by the President. This is \$37,137,060 less than the amount approved for rescission by the House. The amounts not rescinded will have to be made available for obligation on March 1, 1975, the day after the expiration of the 45-day period prescribed by law.

## SUMMARY OF RESCISSION AND DEFERRAL PROVISIONS OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Title X of this Act provides two ways for the President to terminate or defer spending that the Congress has provided—either through a budget rescission or a budget deferral. In each case, Congress has the opportunity to overturn the President and to require that the funds it originally provided be made available for obligation.

## RESCISSION OF BUDGET AUTHORITY

When the President decides not to use all or part of the money which the Congress has provided for a program, he must send a rescission message to the Congress. The House and Senate then have 45 days in which to approve the President's proposal through a rescission bill canceling the budget authority previously made available. *This bill must be passed by the House and Senate and signed by the President.* If this is not done within 45 days of the date of the Presidential message containing the proposed rescission, the money must then be made available for obligation.

## DEFERRAL OF BUDGET AUTHORITY

When the President proposes to delay spending for some project or program he must send a budget deferral message to the Congress. That message should provide the information needed by the Committee and the Congress to evaluate and act upon the proposed impoundment.

The President may then defer spending according to his proposal unless *either the House or Senate passes* an impoundment resolution disapproving the proposed deferral. As opposed to the rescission process, this requires action by only one body of the Congress.

## CUMULATIVE REPORTS

The Act requires the President to submit to Congress by the 10th day of each month a cumulative report of rescissions and deferrals. These reports are published as House documents.

## RESPONSIBILITIES OF THE COMPTROLLER GENERAL

The Comptroller General has the responsibility to report to Congress whenever deferrals or rescissions have not been transmitted to Congress when, in fact, funds are being withheld from obligation. He must also report to Congress if he determines that an action has been improperly classified as a deferral or a rescission. If amounts are made available for obligation under the act by Congressional action or inaction, the Comptroller General is authorized to bring court action to require that such amounts are made available for expenditure if the President fails to do so. These reports will be published as House documents.



### APPROPRIATIONS COMMITTEE PROCEDURE

When a Presidential message on rescissions and deferrals or a rescission bill or deferral resolution is referred to the Appropriations Committee, the Committee initially utilizes its existing Subcommittee structure to hold hearings and deal with the items as they deem appropriate. The Full Committee then considers and reports these measures to the Senate, in much the same manner and fashion as Supplemental Appropriations bills are handled.

Views of the Committee on the Budget and of other Committees providing selected contract and borrowing authorizations are included in the report pursuant to S. Res. 45 which is now before the Committee on Rules and Administration.

### PENDING RESCISSIONS AND DEFERRALS

*Rescissions.* With the passage of this bill and the expiration of 45 days of continuous session since the beginning of the 94th Congress which occurs on February 28, the only rescissions pending before the Congress will be those submitted by the President in his message of January 30, 1975.

There are 35 of these rescissions totaling \$1,097,478,954 in new budget authority.

*Deferrals.* Since the beginning of the rescission and deferral process, the President has proposed 152 deferrals to the Congress. Nineteen of these have been canceled by the President and one has been reclassified by the Comptroller General to a rescission.

Since a deferral remains in effect until either the House or Senate takes action, the Committee could report a bill on any of the remaining deferrals at any time in the future if such action is deemed appropriate.

### COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY

Rept. Page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for the Committee on Appropriations
9	R75-8 <sup>1</sup>	Department of Agriculture: Water bank program	\$21, 212, 940		\$15, 712, 940
		Department of Defense—Military:			
10	R75-17	Operation and maintenance, Army	41, 000, 000	\$20, 500, 000	41, 000, 000
10	R75-18	Operation and maintenance, Navy	27, 500, 000	13, 750, 000	27, 500, 000
10	R75-19	Operation and maintenance, Marine Corps	5, 000, 000	2, 500, 000	5, 000, 000
10	R75-20	Operation and maintenance, Air Force	40, 000, 000	20, 000, 000	40, 000, 000
10	R75-21	Operation and maintenance, Defense agencies	1, 900, 000	950, 000	1, 900, 000
10	R75-22	Operation and maintenance, Army Reserve	1, 800, 000	900, 000	1, 800, 000
10	R75-23	Operation and maintenance, Navy Reserve	1, 100, 000	550, 000	1, 100, 000
10	R75-24	Operation and maintenance, Air Force Reserve	400, 000	200, 000	400, 000
10	R75-25	Operation and maintenance, Army National Guard	1, 400, 000	700, 000	1, 400, 000
10	R75-26	Operation and maintenance, Air National Guard	500, 000	250, 000	500, 000
10	R75-27A <sup>1</sup>	Aircraft procurement, Army	5, 700, 000		
11	R75-28A <sup>1</sup>	Aircraft procurement, Air Force	152, 500, 000	122, 900, 000	
		Total, Department of Defense	278, 800, 000	183, 200, 000	120, 600, 000
(4)	R75-48 <sup>2</sup>	Department of Housing and Urban Development: Home-ownership assistance (annual contract authority)	264, 117, 000		(4)

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY—Continued

Rept. page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for rescission by the Committee on Appropriations
		<b>Department of Agriculture—Forest Service:</b>			
12	R75-10	Forest land management.....	\$10,000,000		
12	R75-9	State and private forestry cooperation.....	4,921,000		
		Total, Subcommittee on Interior.....	14,921,000		
14	R75-29A <sup>1</sup>	<b>Department of Health, Education, and Welfare: Health-resources.....</b>	<b>284,719,332</b>		
		<b>Department of State:</b>			
15	R75-35	Contributions to international organizations.....	2,000,000	\$2,000,000	\$2,000,000
15	R75-36	International trade negotiations.....	100,000	100,000	100,000
		Subtotal, Department of State.....	2,100,000	2,100,000	2,100,000
		<b>Department of Justice:</b>			
16	R75-30	Federal Bureau of Investigation.....	5,300,000	5,300,000	
16	R75-31	Immigration and Naturalization Service.....	1,300,000		
		<b>Federal Prison System:</b>			
17	R75-32	Salaries and expenses, Bureau of Prisons.....	5,250,000	5,250,000	5,250,000
17	R75-33	Buildings and facilities.....	1,750,000	1,750,000	1,750,000
17	R75-34	Drug Enforcement Administration.....	2,400,000	2,400,000	
		Subtotal, Department of Justice.....	16,000,000	14,700,000	7,000,000

		<b>Department of Commerce:</b>			
19	R75-11	Social and Economic Statistics Administration.....	373,000	373,000	373,000
19	R75-12	Economic Development Administration.....	2,000,000		
20	R75-13	Trade Adjustment Assistance.....	12,000,000	12,000,000	12,000,000
20	R75-14	U.S. Travel Service.....	250,000	250,000	
21	R75-15A <sup>1</sup>	National Oceanic and Atmospheric Administration.....	3,227,000	3,227,000	927,000
21	R75-16	Patent Office.....	700,000	700,000	700,000
		Subtotal, Department of Commerce.....	18,550,000	16,550,000	14,000,000
		Total, Subcommittee on State, Justice, Commerce, and the Judiciary.....	36,650,000	33,350,000	23,100,000
		<b>Department of the Treasury:</b>			
23	R75-37	Office of the Secretary.....	310,000	310,000	310,000
23	R75-38	Federal Law Enforcement Training Center.....	60,000	60,000	60,000
24	R75-39	Bureau of Accounts.....	630,000	630,000	630,000
24	R75-40	U.S. Customs Service.....	3,000,000		
		<b>Internal Revenue Service:</b>			
25	R75-41	Salaries and expenses.....	530,000		530,000
25	R75-42	Accounts, collection and taxpayer service.....	9,230,000		9,230,000
26	R75-43	Compliance.....	10,240,000		10,240,000
		Subtotal, Treasury Department.....	24,000,000	1,000,000	21,000,000

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY—Continued

Rept. page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for rescission by the Committee on Appropriations
27	R75-45	Executive Office of the President: Special action office for drug abuse prevention:	\$2,760,000	\$2,760,000	\$2,760,000
27	R75-46	Pharmacological research Special fund	2,240,000	2,240,000	2,240,000
		Subtotal, Executive Office of the President	5,000,000	5,000,000	5,000,000
28	R75-44	Independent Agencies: General Services Administration: Federal Building Fund (limitation)	(20,022,900)	(20,022,900)	(20,022,900)
		Total, Subcommittee on Treasury, Postal Service, and General Government:			
		Budget authority	29,000,000	6,000,000	26,000,000
		Limitation	(20,022,900)	(20,022,900)	(20,022,900)
		Total budget authority	929,420,272	222,550,000	185,412,940
		Limitation	20,022,900	20,022,900	20,022,900
		Grand total	949,443,172	242,572,900	205,435,840

<sup>1</sup> Modified by H. Doc. 94-30.

<sup>2</sup> Amount shown is annual contract authority. The maximum budget authority over a 40 year period is estimated in the 1976 budget at \$7,815,510,000.

<sup>3</sup> Reclassified as a rescission by the Comptroller General (H. Doc. 98-391).

<sup>4</sup> The rationale for this action will be reported in a separate document.

CHAPTER I

DEPARTMENT OF AGRICULTURE

AGRICULTURAL CONSERVATION AND STABILIZATION SERVICE

WATER BANK PROGRAM

Rescission No. R-75-8 Date Proposed: R-75-8 November 26, 1974.  
R-75-8A R-75-8A January 30, 1975.

Available Budgetary Resources:—New BA: \$10,000,000; Other BA: \$11,212,940.

Amount of Proposed Rescission: \$21,212,940.

Presidential Rationale for Proposed Rescission: This is a low priority program which duplicates existing programs in the Department of Interior.

House Action: Disapproved.

Committee Recommendation:

The Committee approves of a partial rescission of \$15,712,940, leaving a balance of \$5,500,000 available for obligation for fiscal 1975. The Committee finds that while the Water Bank Program is complementary to and supportive of Interior Department activities, duplication is not in evidence.

The Water Bank Program continues to provide valuable incentives for the preservation, restoration, and improvement of our nation's wetlands necessary for migratory waterfowl and other wildlife resources.

More than half of the \$21 million proposed for rescission represents unobligated balances from prior year appropriations. In addition, during the 1975 fiscal year approximately \$4.5 million in prior year authority will be obligated. The House rejected the rescission in its entirety but it is the Committee's intent to be as responsive to our nation's serious economic needs as is possible while maintaining sound programs at realistic levels.

(9)

CHAPTER II  
DEPARTMENT OF DEFENSE  
OPERATION AND MAINTENANCE

*Rescission No. R75-17 to R75-26 Date Proposed: November 26, 1974*

The Committee recommends approval of the full amount of \$120,600,000 proposed for rescission by the President. All of the funds proposed for rescission were for maintenance of real property facilities. This is \$60,300,000 more than the amount rescinded in the House bill.

The table below shows the Operation and Maintenance appropriations where rescissions were proposed, the amounts recommended in the House bill, and those recommended by the Committee.

	Budget authority proposed for rescission	Rescission in House bill	Recommended for rescission by committee
<b>Operation and maintenance:</b>			
Army.....	\$41,000,000	\$20,500,000	\$41,000,000
Navy.....	27,500,000	13,750,000	27,500,000
Marine Corps.....	5,000,000	2,500,000	5,000,000
Air Force.....	40,000,000	20,000,000	40,000,000
Defense agencies.....	1,900,000	950,000	1,900,000
Army Reserve.....	1,800,000	900,000	1,800,000
Navy Reserve.....	1,100,000	550,000	1,100,000
Air Force Reserve.....	400,000	200,000	400,000
Army National Guard.....	1,400,000	700,000	1,400,000
Air National Guard.....	500,000	250,000	500,000
<b>Total.....</b>	<b>120,600,000</b>	<b>60,300,000</b>	<b>120,600,000</b>

The Committee notes that the increase in fiscal year 1975 funding for real property maintenance will be about 9 percent over fiscal year 1974 even if the entire amount is rescinded. The present estimate is that the overall Defense Department backlog will decrease in fiscal year 1976 with the funding requested in the fiscal year 1976 budget. In view of this, the Committee is recommending that the full \$120.6 million be rescinded. In its examination of the fiscal year 1976 budget request, the Committee will determine if there is clear evidence of a significant adverse impact on real property maintenance as a result of the rescission.

DEPARTMENT OF THE ARMY  
AIRCRAFT PROCUREMENT, ARMY

*Rescission No. R75-27A Date Proposed: (11/26/74) 1/30/75*  
*Available Budgetary Resources—New BA: \$242,800,000; Other BA: \$984,900,000.*

*Amount of Proposed Rescission: \$5,700,000.*

*Presidential Rationale for Proposed Rescission: Restrain budgetary outlays. This is a low priority program with respect to present and projected aircraft inventory.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The Congress appropriated \$18,500,000 in fiscal year 1975 for the procurement of 48 UH-1H utility helicopters. The proposed rescission of \$5,700,000 would result in no procurement of UH-1H aircraft in fiscal year 1975. The Committee recommendation makes the full amount appropriated available for obligation to procure 48 helicopters in fiscal year 1975. This is the minimum amount required for a warm production base.

DEPARTMENT OF THE AIR FORCE

AIRCRAFT PROCUREMENT, AIR FORCE

*Rescission No. R75-28A Date Proposed: (11/26/74) 1/30/75*

*Available Budgetary Resources—New BA: \$3,062,800,000; Other BA: \$718,600,000.*

*Amount of Proposed Rescission: \$152,500,000.*

*Presidential Rationale for Proposed Rescission: Restrain budgetary outlays.*

*House Action: Approved rescission of \$122,900,000 for F-111 fighter aircraft. Disapproved rescission of \$29,600,000 for the A-7D attack aircraft.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The Congress appropriated \$205,500,000 in fiscal year 1975 for the procurement of 12 F-111F fighter aircraft. The proposed rescission includes \$122,900,000 from the F-111F program and would procure no F-111F aircraft in fiscal year 1975. The Committee recommends that the full amount appropriated be made available for obligation to procure 12 F-111F aircraft in fiscal year 1975. This purchase is the minimum necessary to sustain a warm production base, which is particularly desirable pending final resolution of production plans for the B-1 bomber.

The Congress appropriated \$100,100,000 in fiscal year 1975 for the procurement of 24 A-7D attack aircraft. The proposed rescission includes \$29,600,000 from the A-7D program and would result in no procurement of A-7D aircraft in fiscal year 1975. The Committee recommendation makes the full amount appropriated available for obligation to procure 24 A-7D aircraft in fiscal year 1975. Continuing procurement of A-7D aircraft is needed to modernize the Air National Guard, a stated Senate policy since fiscal year 1974.

## CHAPTER — INTERIOR AND RELATED AGENCIES

## DEPARTMENT OF AGRICULTURE

## FOREST SERVICE

## FOREST LAND MANAGEMENT

## REFORESTATION AND STAND IMPROVEMENT

*Rescission No. R75-10*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$48,289,000; Other BA: \$\_\_\_\_\_.*

*Amount of Proposed Rescission: \$10,000,000.*

*Presidential Rationale for Proposed Rescission: Restrain 1975 budget outlays.*

*House Action: Disapproved.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The amount proposed for rescission is part of a specific budget addition given high priority by the Congress. The clear intent was to accelerate reforestation and timber stand improvement and eliminate a 3,300,000 acre backlog in the national forests. The Committee believes this proposed rescission would not be consistent with sound natural resource management policies and would work against the immediate goal of providing more employment opportunities in conservation programs.

## FOREST SERVICE

## STATE AND PRIVATE FORESTRY COOPERATION

## COOPERATION IN FOREST FIRE CONTROL

*Rescission No. R75-9*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$25,098,000; Other BA: \$\_\_\_\_\_.*

*Amount of Proposed Rescission: \$4,921,000.*

*Presidential Rationale for Proposed Rescission: Restrain 1975 budget outlays.*

*House Action: Disapproved.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The amount proposed for rescission was added by the Congress with the specific intent of expanding this cooperative program. A rescission would actually reduce the program effort at a time when there is both a need and a willingness at the state, local and private level to increase fire protection efforts in the nation's timber resources. State, local, and private sources normally provide 5 times the amount of federal funding. Thus, the amount proposed for rescission should stimulate some \$25 million in State and local fire control activity. This is an incentive program that generates useful jobs which would result in needed economic stimulus.

(CHAPTER —)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH RESOURCES ADMINISTRATION

HILL-BURTON

*Rescission No. R75-29*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$————; Other BA: \$284,719,000.*

*Amount of Proposed Rescission: \$284,719,000 (unobligated balance).*

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays. In addition, this is a low priority program since it provides funds for hospital bed construction at a time when a surplus of hospital beds exists in many parts of the country.

*House Action:* Disapproved.

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. This program is the only major source of Federal funds for hospital construction, particularly in urban and rural areas which are presently underserved. HEW's argument that the funds in question are unnecessary because of the present number of hospital beds—is falacious. Both GAO and the Library of Congress have verified that 95 percent of the funds are used to modernize or construct outpatient facilities, rehabilitation facilities, long-term care centers, and public health clinics. Less than 5 percent is spent on providing new hospitals.

This program is a steady source for jobs, both in the hospitals and in the critically-depressed construction trades. On February 7 these funds were released by HEW.

CHAPTER III

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

*Rescission No. R75-035*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$205,903,000; Other BA:*

*Amount of Proposed Rescission: \$2,000,000.*

*Presidential Rationale for Proposed Rescission:* The contribution assessed of the U.S. was lower than expected.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends rescission. The funds are unnecessary because assessments are a net of \$2,000,000 less than the amount appropriated.

INTERNATIONAL TRADE NEGOTIATIONS

*Rescission No. 75-36*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources: New BA: \$2,000,000; Other BA:*

*Amount of Proposed Rescission: \$100,000.*

*Presidential Rationale for Proposed Rescission:* Savings pursuant to Anti-Deficiency Act, due to delay in passage of Trade Reform Bill.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends rescission. The funds are not needed due to enactment of the Trade Reform Act at a date later than had been assumed in the fiscal year 1975 Budget request.

DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
SALARIES AND EXPENSES

*Rescission No. R75-30*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$433,100,000; Other BA: \$4,485,000.*

*Amount of Proposed Rescission: \$5,300,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee does not approve any of the proposed rescission. The rescission, if approved, would force the Bureau to delay until fiscal year 1976 the filling of 835 vacancies across the nation. This action undoubtedly will weaken FBI efforts in combating organized crime, white collar crime, and other investigative matters of a high priority. The Committee finds it difficult to understand the logic behind such a reduction in law enforcement effort when the Bureau's report on crime statistics for the first nine months of 1974 shows an increase of 16 percent over the same period for 1973. The Bureau further states that the portion of the rescission directed toward purchase of equipment and vehicles would hinder field operations, particularly if the personnel portion of the rescission is disallowed.*

IMMIGRATION AND NATURALIZATION SERVICE  
SALARIES AND EXPENSES

*Rescission No. R75-31*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$175,850,000; Other BA: \$7,850,000.*

*Amount of Proposed Rescission: \$1,300,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation: The Committee does not approve any of the proposed rescission. The proposal would reduce funding for the Detention and Deportation of illegal aliens account from \$19,100,000 to \$17,800,000. This comes at a time when the Director of the Service states that the number of illegals entering the country is at an all-time high.*

FEDERAL PRISON SYSTEM  
BUREAU OF PRISONS  
SALARIES AND EXPENSES

*Rescission No. R75-32*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$169,000,000; Other BA: \$2,920,000.*

*Amount of Proposed Rescission: \$5,250,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. The amount proposed for savings is justifiable due to a smaller prison population than anticipated in the budget. It will delay the opening of certain new facilities.*

BUILDINGS AND FACILITIES

*Rescission No. R75-33*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$27,690,000; Other BA: \$52,015,735.*

*Amount of Proposed Rescission: \$1,750,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. The Bureau has informed the Committee that there is a definite possibility of acquiring a facility at no cost; thus the money budgeted for acquiring the facility is not needed at this time.*

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

*Rescission No. R75-34*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$135,000,000; Other BA: \$6,562,000.*

*Amount of Proposed Rescission: \$2,400,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

*The Committee does not approve any of the proposed rescission. Last fall, the building housing DEA's Miami regional office collapsed, killing seven employees and completely destroying the office.*

At that time, the Committee urged the DEA to request a supplemental. That request was disapproved by the OMB and the agency was forced into a reprogramming of \$2,500,000 to cover the cost of reestablishing that regional office.

The FBI confirms that drug addiction is a major contributing factor to crime, and they further state that crime is on the rise. (See Committee recommendation, FBI.)

Although the rescission is directed at research projects such as vehicle tracking devices; aircraft surveillance equipment; and night vision devices, the Committee feels that now is not the time to hamper enforcement efforts in the war on drugs, in any way.

The inability of our Government's representatives to successfully renegotiate the opium poppy agreement with Turkey, and the General Accounting Offices' confirmation of the reestablishment of the so-called "French Connection" bear clear warning that traffic in illicit narcotics is on the rise.

## DEPARTMENT OF COMMERCE

### SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION

#### SALARIES AND EXPENSES

*Rescission No. R75-11*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$47,977,000; Other BA:*

*Amount of Proposed Rescission: \$373,000.*

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays, by delaying reconciliation of trade balanced with Japan until fiscal year 1976.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends approval of the rescission. This proposal would defer \$373,000 for the reconciliation of discrepancies in bilateral merchandise trade balances between the United States and Japan. Initial exploratory discussions were to be held with both Japan and West Germany in fiscal year 1975 to develop implementation plans. An agreement to proceed with a joint undertaking has been reached with West Germany and the reconciliation is under way. The Committee concurs in the Administration's proposal to postpone similar efforts with Japan until fiscal year 1976.

### ECONOMIC DEVELOPMENT ADMINISTRATION

#### ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

*Rescission No. R75-12*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$184,200,000; Other BA:*

*Amount of Proposed Rescission: \$2,000,000.*

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Disapproved rescission.

*Committee Recommendation:* The Committee does not approve any of the proposed rescission. These funds were appropriated earlier in the fiscal year to assist the various States and EDA Districts in their planning efforts to provide assistance to areas of chronic, high unemployment. The rescission, if approved, would reduce available technical assistance funds by approximately twenty percent. This in turn would severely limit the number of new technical assistance grants this fiscal year. The Committee believes that taking such an action to limit this valuable program is out of step with the realities of our economic situation.



## TRADE ADJUSTMENT ASSISTANCE

## FINANCIAL AND TECHNICAL ASSISTANCE

*Rescission No.* R75-13      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:*      ; *Other BA:* \$19,821,000.

*Amount of Proposed Rescission:* \$12,000,000.

*Presidential Rationale for Proposed Rescission:* Savings pursuant to Anti-Deficiency Act. These savings are made possible by termination of the original program provided under Trade Expansion Act of 1962 and replacing it with a new program under the Trade Reform Act of 1974.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends rescission of \$12,000,000 for financial assistance provided under the appropriation account, "Domestic and International Business, Trade Adjustment Assistance."

The financial and technical assistance program was authorized by the Trade Expansion Act of 1962. The program provided financial and/or technical assistance to firms suffering financial loss as a result of increased imports. The Trade Reform Act of 1974, for which funds are requested for fiscal year 1976, replaces the older Act.

The rescission of \$12,000,000 still leaves sufficient funds remaining in the account to honor pending proposals from firms having received approval of eligibility or those which have pending a request for assistance.

## U.S. TRAVEL SERVICE

## SALARIES AND EXPENSES

*Rescission No.* R75-14      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$11,250,000; *Other BA:*

*Amount of Proposed Rescission:* \$250,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee does not approve the rescission. In view of the fact that tourism is among the top three industries in 46 of our 50 States; that the tourism industry employs approximately four million Americans; and that other countries, such as Canada and Ireland, are investing more in these activities than this country is, the Committee believes any reduction in this area is unwise. Moreover, any reduction in this area would be especially untimely as the Nation prepares to celebrate its bicentennial.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

## OPERATIONS, RESEARCH, AND FACILITIES

*Rescission No.* R75-15A      *Date Proposed:* (November 26, 1974)  
January 30, 1975.

*Available Budgetary Resources—New BA:* \$440,930,000; *Other BA:*  
\$4,175,851.

*Amount of Proposed Rescission:* \$3,227,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends a partial rescission of \$927,000. This sum represents that portion of the rescission dealing with marine data buoys. However, the Committee disapproves of the three remaining items in this rescission message:

- (1) The \$1,300,000 for salmon and steelhead rearing ponds on the Columbia River. The National Marine Fisheries Service in NOAA advises that the benefit-cost ratio of such facilities is 7:1. NMFS states that the four rearing ponds would have the capacity of annually producing 300,000 pounds of fish. This equates to 3,000,000 pounds of fish at maturity, having a market value of approximately sixty-five cents per pound.
- (2) The \$500,000 proposed for the three regional fisheries commissions. The Committee disagrees with the Administration's position that these regional fisheries commissions are unnecessary and superfluous. The 1975 draft of the National Fisheries plan is only a first step toward the National Fisheries Policy called for in S. Con. Res. 11 and unanimously approved by both houses. On this premise, the Executive Directors of the three regional commissions (Atlantic, Gulf and Pacific) have been working with the planning staff of the NMFS and Congressional staff to bring about an operationally integrated national plan. This cooperative effort has assumed that the Administration's "National Fisheries Plan" would provide the necessary funding support for regional input on their problems and needs in order to initiate an effective starting point.
- (3) The Committee disagrees with the proposed rescission amounting to \$500,000 for the marine ecosystems project in Puget Sound. The proposed study of this large, unique and important body of water has been contemplated for some time, and has now received matching funding support from the State. The Committee believes that this important study of the state of the marine environment should be initiated now in order that an adequate data base will be available before the influx of oil tankers associated with the completion of the Alaskan pipeline.

## PATENT OFFICE

## SALARIES AND EXPENSES

*Rescission No. R75-16*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$76,300,000; Other BA:*

*Amount of Proposed Rescission: \$700,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. Though this rescission will result in a delay of one year in processing some 2160 patent applications, the Patent Office assures us that it will not interfere with their overall goal of reducing processing time on applications to 18 months by 1977.*

## CHAPTER IV

## DEPARTMENT OF THE TREASURY

## OFFICE OF THE SECRETARY

## SALARIES AND EXPENSES

*Rescission No. R75-037*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$25,955,000;<sup>1</sup> Other BA: \$1,500,000.*

*Amount of Proposed Rescission: \$310,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$100,000 will be saved by deferring the lease of a Univac 8440 Disc subsystem approximately seven months. The present subsystem is inefficient and will not permit utilization of the computer to its fullest capacity. The lease can be effected on new subsystem in April 1975.

\$210,000 can be saved by deferring the lease of an automatic communications switch until May or June 1975. Planned operating personnel reductions, terminal cost reductions and distribution capability will be adversely affected during this period.

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

## SALARIES AND EXPENSES

*Rescission No. 75-038*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$3,100,000; Other BA: N/A.*

*Amount of Proposed Rescission: \$60,000.*

*Presidential Rationale for Proposed Reduction: Restrain budget outlays.*

*House Action: Approved rescission.*

<sup>1</sup> \$25,850,000 approved in Public Law 93-381.  
\$105,000 transferred from Office of the Treasurer.

*Committee Recommendation:*

The Committee recommends rescission. \$35,000 would be saved by elimination of selected educational services including films, audio-visual services, and development of specialized courses.

\$5,000 saved by deferring procurement of equipment.

\$20,000 saved by deferring procurement of ammunition for inventory.

The proposed rescission will not demonstrably interfere with the current year program for training law enforcement personnel.

## BUREAU OF ACCOUNTS

## SALARIES AND EXPENSES

*Rescission No. 75-039*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$113,278,000;<sup>1</sup> Other BA: \$3,332,000.*

*Amount of Proposed Rescission: \$630,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$50,000 for training of supervisory personnel would be delayed.

\$25,000 for travel and per diem of personnel selected for training would be deferred.

\$555,000 for procurement of envelopes to mail checks would be deferred. Fifty million checks are mailed each month. Deferral would reduce normal three month supply of envelopes to two months.

Deferral of training and reduction of envelope inventory will not materially affect Bureau programs.

## CUSTOMS SERVICE

## SALARIES AND EXPENSES

*Rescission No. 75-040*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$284,800,000; Other BA: \$44,465,000.*

*Amount of Proposed Rescission: \$3,000,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

<sup>1</sup> \$100,000,000 approved in Public Law 93-381; \$14,000,000 transferred from Office of Treasurer; \$722,000 transferred to Office of the Secretary.

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission.

The proposed rescission would delay planned replacement of equipment due to age or condition until fiscal year 1976 (\$300,000). It would also delay implementation dates for expansion of the Treasury Enforcement Communications System (\$724,000) and the Automated Merchandise Processing System (\$272,500), training of new employees (\$150,000), planned co-location or expansion of existing space (\$1,100,000), and deferred hiring of new employees (\$454,000).

The rescission would have an adverse impact on Customs programs in fiscal year 1975 and beyond. As this agency is the front line in prevention of smuggling of contraband, the Committee recommends denial of rescission so that funds will be made available for obligation.

## INTERNAL REVENUE SERVICE

## SALARIES AND EXPENSES

*Rescission No. 75-041*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources: New BA: \$41,000,000; Other BA: \$2,185,000.*

*Amount of Proposed Rescission: \$530,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$178,000 would be saved by reducing administrative travel; \$100,000 by deferral of training; and \$252,000 by deferring improvements in office layouts and planned procurement of office equipment. The recommended rescission will not adversely affect the prime mission of the Internal Revenue Service.

## ACCOUNTS, COLLECTION AND TAXPAYER SERVICES

*Rescission No. 75-042*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources: New BA: \$712,600,000; Other BA: \$4,082,000.*

*Amount of Proposed Rescission: \$9,230,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

Rescission will reduce administrative travel (\$690,000); delay all training to fiscal year 1976 (\$2,200,000); delay improvements in office layouts, office equipment and maintenance and lease of ADP equipment (\$3,340,000); deferral of general office renovations and alterations (\$2,600,000); and reduction in inventory levels (\$400,000.).

Negligible effect will be experienced on revenue collections. Fiscal year 1975 appropriation for this activity was increased \$106.0 million over fiscal year 1974.

## INTERNAL REVENUE SERVICE

## COMPLIANCE

*Rescission No. 75-043*                      *Date Proposed:* November 26, 1974.

*Available Budgetary Resources—New BA:* \$791,000,000; *Other BA:* \$1,436,000.

*Amount of Proposed Rescission:* \$10,240,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Disapproved rescission.

*Committee Recommendation:*

The Committee recommends rescission.

Rescission would reduce administrative travel (\$1,432,000); defer management and employee development training (\$2,800,000); defer planned improvements in office layouts and equipment (\$2,308,000); defer general office renovations and alterations (\$3,300,000); and reduce inventory levels of materials (\$400,000).

This rescission will have a negligible effect upon revenues collected by the Internal Revenue Service. FY 75 appropriation for this activity was increased \$128.9 million over FY 74.

## EXECUTIVE OFFICE OF THE PRESIDENT

## SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

## PHARMACOLOGICAL RESEARCH

*Rescission No. 75-045*                      *Date Proposed:* November 26, 1974.

*Available Budgetary Resources; New BA:* \$4,000,000; *Other BA:*

*Amount of Proposed Rescission:* \$2,760,000.

*Presidential Rationale for Proposed Rescission:* Sufficient funding is available to implement the research designs and protocols for the narcotic antagonist research project.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends rescission.

Special Action Office is several months from funding this grant. It believes that grant can be accommodated with \$1,375,000. Federal Government will spend over \$510 million for drug abuse prevention and treatment activity, an increase of \$107 million over 1974. Of this amount, \$140 million is for research, prevention and management activities.

## OFFICE FOR DRUG ABUSE PREVENTION

## SPECIAL FUND

*Rescission No. R75-046*                      *Date Proposed:* November 26, 1974.

*Available Budgetary Resources—New BA:* \$11,000,000; *Other BA:*

*Amount of Proposed Rescission:* \$2,240,000.

*Presidential Rationale for Proposed Rescission:* Legislative authority for Special Action Office for Drug Abuse Prevention expires June 30, 1975. Many of the activities funded in this account have been transferred to other agencies.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends rescission.

Federal Government will spend an estimated \$510 million for drug abuse prevention and treatment activities, an increase of \$107 million above the 1974 level. Of this amount, \$140 million will be for research, prevention and management activities and the remaining \$370 million for treatment and rehabilitation activities.

Proposed reductions are less than 1% of the total Federal drug abuse prevention expenditures.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATION ON AVAILABILITY OF REVENUE

*Rescission No. 75-044*      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources—New BA: \$1,008,870,700;<sup>1 2</sup> Other BA:*

*Amount of Proposed Rescission: \$20,022,900.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

This will reduce funds available for alteration and major repairs of public buildings to \$77,977,100. Funding will be withdrawn from programmed low-priority work which has not been started. Termination of this work will not adversely affect the ability of Federal agencies to carry out essential Government services.

<sup>1</sup> Derived from Standard Level User Charges.

<sup>2</sup> Additional \$1.0 million limitation provided in fiscal year 1975 Supplemental Appropriations Act.

REPORT BY THE COMMITTEE ON THE BUDGET

The Senate Committee on the Budget, to which was referred a bill (HR 3260), to rescind certain budget authority recommended in the message of the President of November 26, 1974, and as those rescissions are modified by the message of the President of January 30, 1975, and in the communication of the Comptroller General of November 6, 1974, transmitted pursuant to the Impoundment Control Act of 1974, having considered the same, reports without recommendation thereon.

The Congressional Budget and Impoundment Control Act of 1974 provides that in the case of any special message from the President under Section 1012 of that Act requesting rescission of budget authority, those funds must be made available for obligation unless Congress completes action on a rescission bill rescinding all or part of the amount proposed to be rescinded within 45 days of its receipt of that request. The 45-day period applicable to the rescission request dealt with in HR 3260 expires on Friday, February 28, 1975. In view of the fact that HR 3260 was not received and referred in the Senate until February 26, 1975, the Committee on the Budget has not had the opportunity to analyze its provisions or make recommendations thereon.

In order to permit the completion of Congressional action on this rescission bill prior to the elapse of the 45-day period prescribed for such action in the Budget Act, the Committee on the Budget makes no recommendation upon it.

It is clear that procedures must be worked out between the Houses of Congress to assure timely consideration of rescission bills under which the views of committees affected by the Order of January 30 can be fully considered.

SECOND  
REVISION  
BILL

# Calendar No. 26

94TH CONGRESS }  
1st Session }

SENATE }

REPORT  
No. 94-24

## BUDGET RESCISSION BILL

FEBRUARY 27 (legislative day, FEBRUARY 21), 1975.—Ordered to be printed

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

### REPORT

[To accompany H.R. 3260]

together with

### VIEWS

of the Committee on the Budget

The Committee on Appropriations, to which was referred the bill H.R. 3260, to rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93-398) and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94-39) and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), transmitted pursuant to the Impoundment Control Act of 1974, reports the same to the Senate with amendments and with the recommendation that the bill be passed, and submits the following explanation of its recommendations, together with views of the Committee on the Budget, to which the bill was also referred.

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## SUMMARY OF THE BILL

This is the second rescission bill, and the first during the 94th Congress, to be reported to the Senate under the provisions of Title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

A total of 40 pending rescissions and 137 pending deferrals that had been submitted to the 93rd Congress by the President were automatically resubmitted to the 94th Congress. This bill and report reflects the recommendations of the Committee on Appropriations on these 40 rescissions. The Committee is recommending approval of either all or some part of 28 rescissions and is recommending that 12 rescissions not be approved.

These proposed rescissions are contained in H. Doc. 93-398 (Nov. 26, 1974). Additionally, some of these rescissions have been amended by H. Doc. 94-39 (Jan. 30, 1975). This report also covers an item which was originally submitted as a deferral by the President and later reclassified to a rescission by the Comptroller General in H. Doc. 93-391 (Nov. 6, 1974).

A general discussion of the bill follows. A summary of the rescissions and deferral process contained in Title X of the Congressional Budget and Impoundment Control Act of 1974 is also provided.

Specific Committee recommendations are explained in the various chapters of this report which is organized by Appropriation Subcommittees. Further details concerning particular items can be found in the documents cited above.

## RESCISSION TOTALS

The estimated total of budget authority recommended to be rescinded in the bill is \$185,412,940 and a decrease in limitation of \$20,022,900. This is \$744,007,332 less than the amount proposed for rescission by the President. This is \$37,137,060 less than the amount approved for rescission by the House. The amounts not rescinded will have to be made available for obligation on March 1, 1975, the day after the expiration of the 45-day period prescribed by law.

## SUMMARY OF RESCISSION AND DEFERRAL PROVISIONS OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Title X of this Act provides two ways for the President to terminate or defer spending that the Congress has provided—either through a budget rescission or a budget deferral. In each case, Congress has the opportunity to overturn the President and to require that the funds it originally provided be made available for obligation.

## RESCISSION OF BUDGET AUTHORITY

When the President decides not to use all or part of the money which the Congress has provided for a program, he must send a rescission message to the Congress. The House and Senate then have 45 days in which to approve the President's proposal through a rescission bill canceling the budget authority previously made available. *This bill must be passed by the House and Senate and signed by the President.* If this is not done within 45 days of the date of the Presidential message containing the proposed rescission, the money must then be made available for obligation.

## DEFERRAL OF BUDGET AUTHORITY

When the President proposes to delay spending for some project or program he must send a budget deferral message to the Congress. That message should provide the information needed by the Committee and the Congress to evaluate and act upon the proposed impoundment.

The President may then defer spending according to his proposal unless *either the House or Senate passes* an impoundment resolution disapproving the proposed deferral. As opposed to the rescission process, this requires action by only one body of the Congress.

## CUMULATIVE REPORTS

The Act requires the President to submit to Congress by the 10th day of each month a cumulative report of rescissions and deferrals. These reports are published as House documents.

## RESPONSIBILITIES OF THE COMPTROLLER GENERAL

The Comptroller General has the responsibility to report to Congress whenever deferrals or rescissions have not been transmitted to Congress when, in fact, funds are being withheld from obligation. He must also report to Congress if he determines that an action has been improperly classified as a deferral or a rescission. If amounts are made available for obligation under the act by Congressional action or inaction, the Comptroller General is authorized to bring court action to require that such amounts are made available for expenditure if the President fails to do so. These reports will be published as House documents.

## APPROPRIATIONS COMMITTEE PROCEDURE

When a Presidential message on rescissions and deferrals or a rescission bill or deferral resolution is referred to the Appropriations Committee, the Committee initially utilizes its existing Subcommittee structure to hold hearings and deal with the items as they deem appropriate. The Full Committee then considers and reports these measures to the Senate, in much the same manner and fashion as Supplemental Appropriations bills are handled.

Views of the Committee on the Budget and of other Committees providing selected contract and borrowing authorizations are included in the report pursuant to S. Res. 45 which is now before the Committee on Rules and Administration.

## PENDING RESCISSIONS AND DEFERRALS

*Rescissions.* With the passage of this bill and the expiration of 45 days of continuous session since the beginning of the 94th Congress which occurs on February 28, the only rescissions pending before the Congress will be those submitted by the President in his message of January 30, 1975.

There are 35 of these rescissions totaling \$1,097,478,954 in new budget authority.

*Deferrals.* Since the beginning of the rescission and deferral process, the President has proposed 152 deferrals to the Congress. Nineteen of these have been canceled by the President and one has been reclassified by the Comptroller General to a rescission.

Since a deferral remains in effect until either the House or Senate takes action, the Committee could report a bill on any of the remaining deferrals at any time in the future if such action is deemed appropriate.

## COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY

Rept. Page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for rescission by the Committee on Appropriations
9	R75-8 <sup>1</sup>	Department of Agriculture: Water bank program	\$21, 212, 940	-----	\$15, 712, 940
		Department of Defense—Military:			
10	R75-17	Operation and maintenance, Army	41, 000, 000	\$20, 500, 000	41, 000, 000
10	R75-18	Operation and maintenance, Navy	27, 500, 000	13, 750, 000	27, 500, 000
10	R75-19	Operation and maintenance, Marine Corps	5, 000, 000	2, 500, 000	5, 000, 000
10	R75-20	Operation and maintenance, Air Force	40, 000, 000	20, 000, 000	40, 000, 000
10	R75-21	Operation and maintenance, Defense agencies	1, 900, 000	950, 000	1, 900, 000
10	R75-22	Operation and maintenance, Army Reserve	1, 800, 000	900, 000	1, 800, 000
10	R75-23	Operation and maintenance, Navy Reserve	1, 100, 000	550, 000	1, 100, 000
10	R75-24	Operation and maintenance, Air Force Reserve	400, 000	200, 000	400, 000
10	R75-25	Operation and maintenance, Army National Guard	1, 400, 000	700, 000	1, 400, 000
10	R75-26	Operation and maintenance, Air National Guard	500, 000	250, 000	500, 000
10	R75-27A <sup>1</sup>	Aircraft procurement, Army	5, 700, 000	-----	-----
11	R75-28A <sup>1</sup>	Aircraft procurement, Air Force	152, 500, 000	122, 900, 000	-----
		Total, Department of Defense	278, 800, 000	153, 200, 000	120, 600, 000
(4)	R75-48 <sup>2</sup>	Department of Housing and Urban Development: Home-ownership assistance (annual contract authority)	* 264, 117, 000	-----	-----

See footnotes at end of table.



COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY—Continued

Rept. page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for rescission by the Committee on Appropriations
		<b>Department of Agriculture—Forest Service:</b>			
12	R75-10	Forest land management.....	\$10,000,000		
12	R75-9	State and private forestry cooperation.....	4,921,000		
		Total, Subcommittee on Interior.....	14,921,000		
14	R75-29A	<b>Department of Health, Education, and Welfare: Health-resources.....</b>	<b>284,719,332</b>		
		<b>Department of State:</b>			
15	R75-35	Contributions to international organizations.....	2,000,000	\$2,000,000	\$2,000,000
15	R75-36	International trade negotiations.....	100,000	100,000	100,000
		Subtotal, Department of State.....	2,100,000	2,100,000	2,100,000
		<b>Department of Justice:</b>			
16	R75-30	Federal Bureau of Investigation.....	5,300,000	5,300,000	
16	R75-31	Immigration and Naturalization Service.....	1,300,000		
		<b>Federal Prison System:</b>			
17	R75-32	Salaries and expenses, Bureau of Prisons.....	5,250,000	5,250,000	5,250,000
17	R75-33	Buildings and facilities.....	1,750,000	1,750,000	1,750,000
17	R75-34	Drug Enforcement Administration.....	2,400,000	2,400,000	
		Subtotal, Department of Justice.....	16,000,000	14,700,000	7,000,000

		<b>Department of Commerce:</b>			
19	R75-11	Social and Economic Statistics Administration.....	373,000	373,000	373,000
19	R75-12	Economic Development Administration.....	2,000,000		
20	R75-13	Trade Adjustment Assistance.....	12,000,000	12,000,000	12,000,000
20	R75-14	U.S. Travel Service.....	250,000	250,000	
21	R75-15A	National Oceanic and Atmospheric Administration.....	3,227,000	3,227,000	927,000
21	R75-16	Patent Office.....	700,000	700,000	700,000
		Subtotal, Department of Commerce.....	18,550,000	16,550,000	14,000,000
		Total, Subcommittee on State, Justice, Commerce, and the Judiciary.....	36,650,000	33,350,000	23,100,000
		<b>Department of the Treasury:</b>			
23	R75-37	Office of the Secretary.....	310,000	310,000	310,000
23	R75-38	Federal Law Enforcement Training Center.....	60,000	60,000	60,000
24	R75-39	Bureau of Accounts.....	630,000	630,000	630,000
24	R75-40	U.S. Customs Service.....	3,000,000		
		<b>Internal Revenue Service:</b>			
25	R75-41	Salaries and expenses.....	530,000		530,000
25	R75-42	Accounts, collection and taxpayer service.....	9,230,000		9,230,000
26	R75-43	Compliance.....	10,240,000		10,240,000
		Subtotal, Treasury Department.....	24,000,000	1,000,000	21,000,000

See footnotes at end of table.

COMPARISON OF RESCISSIONS PROPOSED AND ACTIONS RECOMMENDED IN H. DOC. 398—SUMMARY—Continued

Rept. page No.	Rescission No.	Department or activity	Amount proposed for rescission	Amount recommended for rescission by the House	Amount recommended for rescission by the Committee on Appropriations
27	R75-45	Executive Office of the President: Special action office for drug abuse prevention: Pharmaceutical research	\$2,760,000	\$2,760,000	\$2,760,000
27	R75-46	Special fund: Subtotal, Executive Office of the President	2,240,000	2,240,000	2,240,000
28	R75-44	Independent Agencies: General Services Administration: Federal Building Fund (limitation) Total, Subcommittee on Treasury, Postal Service, and General Government: Budget authority Limitation Total budget authority Limitation Grand total	(20,022,900) 29,000,000 (20,022,900) 929,420,272 20,022,900 949,443,172	(20,022,900) 6,000,000 (20,022,900) 222,550,000 20,022,900 242,572,900	(20,022,900) 26,000,000 (20,022,900) 185,412,940 20,022,900 205,435,840

<sup>1</sup> Modified by H. Doc. 94-30.

<sup>2</sup> Amount shown is annual contract authority. The maximum budget authority over a 40 year period is estimated in the 1976 budget at \$7,815,510,000.

<sup>3</sup> Reclassified as a rescission by the Comptroller General (H. Doc. 98-391).

<sup>4</sup> The rationale for this action will be reported in a separate document.

CHAPTER I

DEPARTMENT OF AGRICULTURE

AGRICULTURAL CONSERVATION AND STABILIZATION SERVICE

WATER BANK PROGRAM

Rescission No. R-75-8 Date Proposed: R-75-8 November 26, 1974.  
R-75-8A R-75-8A January 30, 1975.

Available Budgetary Resources:—New BA: \$10,000,000; Other BA: \$11,212,940.

Amount of Proposed Rescission: \$21,212,940.

Presidential Rationale for Proposed Rescission: This is a low priority program which duplicates existing programs in the Department of Interior.

House Action: Disapproved.

Committee Recommendation:

The Committee approves of a partial rescission of \$15,712,940, leaving a balance of \$5,500,000 available for obligation for fiscal 1975. The Committee finds that while the Water Bank Program is complementary to and supportive of Interior Department activities, duplication is not in evidence.

The Water Bank Program continues to provide valuable incentives for the preservation, restoration, and improvement of our nation's wetlands necessary for migratory waterfowl and other wildlife resources.

More than half of the \$21 million proposed for rescission represents unobligated balances from prior year appropriations. In addition, during the 1975 fiscal year approximately \$4.5 million in prior year authority will be obligated. The House rejected the rescission in its entirety but it is the Committee's intent to be as responsive to our nation's serious economic needs as is possible while maintaining sound programs at realistic levels.

(9)

CHAPTER II  
DEPARTMENT OF DEFENSE  
OPERATION AND MAINTENANCE

*Rescission No. R75-17 to R75-26 Date Proposed: November 26, 1974*

The Committee recommends approval of the full amount of \$120,600,000 proposed for rescission by the President. All of the funds proposed for rescission were for maintenance of real property facilities. This is \$60,300,000 more than the amount rescinded in the House bill.

The table below shows the Operation and Maintenance appropriations where rescissions were proposed, the amounts recommended in the House bill, and those recommended by the Committee.

	Budget authority proposed for rescission	Rescission in House bill	Recommended for rescission by committee
<i>Operation and maintenance:</i>			
Army.....	\$41,000,000	\$20,500,000	\$41,000,000
Navy.....	27,500,000	13,750,000	27,500,000
Marine Corps.....	5,000,000	2,500,000	5,000,000
Air Force.....	40,000,000	20,000,000	40,000,000
Defense agencies.....	1,900,000	950,000	1,900,000
Army Reserve.....	1,800,000	900,000	1,800,000
Navy Reserve.....	1,100,000	550,000	1,100,000
Air Force Reserve.....	400,000	200,000	400,000
Army National Guard.....	1,400,000	700,000	1,400,000
Air National Guard.....	500,000	250,000	500,000
<b>Total.....</b>	<b>120,600,000</b>	<b>60,300,000</b>	<b>120,600,000</b>

The Committee notes that the increase in fiscal year 1975 funding for real property maintenance will be about 9 percent over fiscal year 1974 even if the entire amount is rescinded. The present estimate is that the overall Defense Department backlog will decrease in fiscal year 1976 with the funding requested in the fiscal year 1976 budget. In view of this, the Committee is recommending that the full \$120.6 million be rescinded. In its examination of the fiscal year 1976 budget request, the Committee will determine if there is clear evidence of a significant adverse impact on real property maintenance as a result of the rescission.

DEPARTMENT OF THE ARMY

AIRCRAFT PROCUREMENT, ARMY

*Rescission No. R75-27A Date Proposed: (11/26/74) 1/30/75*

*Available Budgetary Resources—New BA: \$242,800,000; Other BA: \$984,900,000.*

*Amount of Proposed Rescission: \$5,700,000.*

*Presidential Rationale for Proposed Rescission: Restrain budgetary outlays. This is a low priority program with respect to present and projected aircraft inventory.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The Congress appropriated \$18,500,000 in fiscal year 1975 for the procurement of 48 UH-1H utility helicopters. The proposed rescission of \$5,700,000 would result in no procurement of UH-1H aircraft in fiscal year 1975. The Committee recommendation makes the full amount appropriated available for obligation to procure 48 helicopters in fiscal year 1975. This is the minimum amount required for a warm production base.

DEPARTMENT OF THE AIR FORCE

AIRCRAFT PROCUREMENT, AIR FORCE

*Rescission No. R75-28A Date Proposed: (11/26/74) 1/30/75*

*Available Budgetary Resources—New BA: \$3,062,800,000; Other BA: \$718,600,000.*

*Amount of Proposed Rescission: \$152,500,000.*

*Presidential Rationale for Proposed Rescission: Restrain budgetary outlays.*

*House Action: Approved rescission of \$122,900,000 for F-111 fighter aircraft. Disapproved rescission of \$29,600,000 for the A-7D attack aircraft.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The Congress appropriated \$205,500,000 in fiscal year 1975 for the procurement of 12 F-111F fighter aircraft. The proposed rescission includes \$122,900,000 from the F-111F program and would procure no F-111F aircraft in fiscal year 1975. The Committee recommends that the full amount appropriated be made available for obligation to procure 12 F-111F aircraft in fiscal year 1975. This purchase is the minimum necessary to sustain a warm production base, which is particularly desirable pending final resolution of production plans for the B-1 bomber.

The Congress appropriated \$100,100,000 in fiscal year 1975 for the procurement of 24 A-7D attack aircraft. The proposed rescission includes \$29,600,000 from the A-7D program and would result in no procurement of A-7D aircraft in fiscal year 1975. The Committee recommendation makes the full amount appropriated available for obligation to procure 24 A-7D aircraft in fiscal year 1975. Continuing procurement of A-7D aircraft is needed to modernize the Air National Guard, a stated Senate policy since fiscal year 1974.

## CHAPTER — INTERIOR AND RELATED AGENCIES

## DEPARTMENT OF AGRICULTURE

## FOREST SERVICE

## FOREST LAND MANAGEMENT

## REFORESTATION AND STAND IMPROVEMENT

*Rescission No. R75-10*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$48,289,000; Other BA: \$\_\_\_\_\_.*

*Amount of Proposed Rescission: \$10,000,000.*

*Presidential Rationale for Proposed Rescission: Restrain 1975 budget outlays.*

*House Action: Disapproved.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The amount proposed for rescission is part of a specific budget addition given high priority by the Congress. The clear intent was to accelerate reforestation and timber stand improvement and eliminate a 3,300,000 acre backlog in the national forests. The Committee believes this proposed rescission would not be consistent with sound natural resource management policies and would work against the immediate goal of providing more employment opportunities in conservation programs.

## FOREST SERVICE

## STATE AND PRIVATE FORESTRY COOPERATION

## COOPERATION IN FOREST FIRE CONTROL

*Rescission No. R75-9*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$25,098,000; Other BA: \$\_\_\_\_\_.*

*Amount of Proposed Rescission: \$4,921,000.*

*Presidential Rationale for Proposed Rescission: Restrain 1975 budget outlays.*

*House Action: Disapproved.*

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. The amount proposed for rescission was added by the Congress with the specific intent of expanding this cooperative program. A rescission would actually reduce the program effort at a time when there is both a need and a willingness at the state, local and private level to increase fire protection efforts in the nation's timber resources. State, local, and private sources normally provide 5 times the amount of federal funding. Thus, the amount proposed for rescission should stimulate some \$25 million in State and local fire control activity. This is an incentive program that generates useful jobs which would result in needed economic stimulus.

(CHAPTER —)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH RESOURCES ADMINISTRATION

HILL-BURTON

*Rescission No.* R75-29                      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$————; *Other BA:*  
\$284,719,000.

*Amount of Proposed Rescission:* \$284,719,000 (unobligated balance).

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays. In addition, this is a low priority program since it provides funds for hospital bed construction at a time when a surplus of hospital beds exists in many parts of the country.

*House Action:* Disapproved.

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission. This program is the only major source of Federal funds for hospital construction, particularly in urban and rural areas which are presently underserved. HEW's argument that the funds in question are unnecessary because of the present number of hospital beds—is falacious. Both GAO and the Library of Congress have verified that 95 percent of the funds are used to modernize or construct outpatient facilities, rehabilitation facilities, long-term care centers, and public health clinics. Less than 5 percent is spent on providing new hospitals.

This program is a steady source for jobs, both in the hospitals and in the critically-depressed construction trades. On February 7 these funds were released by HEW.

CHAPTER III

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

*Rescission No.* R75-035                      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$205,903,000; *Other BA:*

*Amount of Proposed Rescission:* \$2,000,000.

*Presidential Rationale for Proposed Rescission:* The contribution assessed of the U.S. was lower than expected.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends rescission. The funds are unnecessary because assessments are a net of \$2,000,000 less than the amount appropriated.

INTERNATIONAL TRADE NEGOTIATIONS

*Rescission No.* 75-36                      *Date Proposed:* November 26, 1974

*Available Budgetary Resources: New BA:* \$2,000,000; *Other BA:*

*Amount of Proposed Rescission:* \$100,000.

*Presidential Rationale for Proposed Rescission:* Savings pursuant to Anti-Deficiency Act, due to delay in passage of Trade Reform Bill.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends rescission. The funds are not needed due to enactment of the Trade Reform Act at a date later than had been assumed in the fiscal year 1975 Budget request.

DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
SALARIES AND EXPENSES

*Rescission No. R75-30*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$433,100,000; Other BA: \$4,485,000.*

*Amount of Proposed Rescission: \$5,300,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee does not approve any of the proposed rescission. The rescission, if approved, would force the Bureau to delay until fiscal year 1976 the filling of 835 vacancies across the nation. This action undoubtedly will weaken FBI efforts in combating organized crime, white collar crime, and other investigative matters of a high priority. The Committee finds it difficult to understand the logic behind such a reduction in law enforcement effort when the Bureau's report on crime statistics for the first nine months of 1974 shows an increase of 16 percent over the same period for 1973. The Bureau further states that the portion of the rescission directed toward purchase of equipment and vehicles would hinder field operations, particularly if the personnel portion of the rescission is disallowed.*

IMMIGRATION AND NATURALIZATION SERVICE  
SALARIES AND EXPENSES

*Rescission No. R75-31*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$175,850,000; Other BA: \$7,850,000.*

*Amount of Proposed Rescission: \$1,300,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation: The Committee does not approve any of the proposed rescission. The proposal would reduce funding for the Detention and Deportation of illegal aliens account from \$19,100,000 to \$17,800,000. This comes at a time when the Director of the Service states that the number of illegals entering the country is at an all-time high.*

FEDERAL PRISON SYSTEM  
BUREAU OF PRISONS  
SALARIES AND EXPENSES

*Rescission No. R75-32*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$169,000,000; Other BA: \$2,920,000.*

*Amount of Proposed Rescission: \$5,250,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. The amount proposed for savings is justifiable due to a smaller prison population than anticipated in the budget. It will delay the opening of certain new facilities.*

BUILDINGS AND FACILITIES

*Rescission No. R75-33*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$27,690,000; Other BA: \$52,015,735.*

*Amount of Proposed Rescission: \$1,750,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. The Bureau has informed the Committee that there is a definite possibility of acquiring a facility at no cost; thus the money budgeted for acquiring the facility is not needed at this time.*

DRUG ENFORCEMENT ADMINISTRATION  
SALARIES AND EXPENSES

*Rescission No. R75-34*      *Date Proposed: November 26, 1974*  
*Available Budgetary Resources—New BA: \$135,000,000; Other BA: \$6,562,000.*

*Amount of Proposed Rescission: \$2,400,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

*The Committee does not approve any of the proposed rescission. Last fall, the building housing DEA's Miami regional office collapsed, killing seven employees and completely destroying the office.*

At that time, the Committee urged the DEA to request a supplemental. That request was disapproved by the OMB and the agency was forced into a reprogramming of \$2,500,000 to cover the cost of reestablishing that regional office.

The FBI confirms that drug addiction is a major contributing factor to crime, and they further state that crime is on the rise. (See Committee recommendation, FBI.)

Although the rescission is directed at research projects such as vehicle tracking devices; aircraft surveillance equipment; and night vision devices, the Committee feels that now is not the time to hamper enforcement efforts in the war on drugs, in any way.

The inability of our Government's representatives to successfully renegotiate the opium poppy agreement with Turkey, and the General Accounting Offices' confirmation of the reestablishment of the so-called "French Connection" bear clear warning that traffic in illicit narcotics is on the rise.

## DEPARTMENT OF COMMERCE

### SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION

#### SALARIES AND EXPENSES

*Rescission No.* R75-11                      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$47,977,000; *Other BA:*

*Amount of Proposed Rescission:* \$373,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays, by delaying reconciliation of trade balanced with Japan until fiscal year 1976.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee recommends approval of the rescission. This proposal would defer \$373,000 for the reconciliation of discrepancies in bilateral merchandise trade balances between the United States and Japan. Initial exploratory discussions were to be held with both Japan and West Germany in fiscal year 1975 to develop implementation plans. An agreement to proceed with a joint undertaking has been reached with West Germany and the reconciliation is under way. The Committee concurs in the Administration's proposal to postpone similar efforts with Japan until fiscal year 1976.

### ECONOMIC DEVELOPMENT ADMINISTRATION

#### ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

*Rescission No.* R75-12                      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$184,200,000; *Other BA:*

*Amount of Proposed Rescission:* \$2,000,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Disapproved rescission.

*Committee Recommendation:* The Committee does not approve any of the proposed rescission. These funds were appropriated earlier in the fiscal year to assist the various States and EDA Districts in their planning efforts to provide assistance to areas of chronic, high unemployment. The rescission, if approved, would reduce available technical assistance funds by approximately twenty percent. This in turn would severely limit the number of new technical assistance grants this fiscal year. The Committee believes that taking such an action to limit this valuable program is out of step with the realities of our economic situation.

## TRADE ADJUSTMENT ASSISTANCE

## FINANCIAL AND TECHNICAL ASSISTANCE

*Rescission No.* R75-13      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:*      ; *Other BA:* \$19,821,000.

*Amount of Proposed Rescission:* \$12,000,000.

*Presidential Rationale for Proposed Rescission:* Savings pursuant to Anti-Deficiency Act. These savings are made possible by termination of the original program provided under Trade Expansion Act of 1962 and replacing it with a new program under the Trade Reform Act of 1974.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends rescission of \$12,000,000 for financial assistance provided under the appropriation account, "Domestic and International Business, Trade Adjustment Assistance."

The financial and technical assistance program was authorized by the Trade Expansion Act of 1962. The program provided financial and/or technical assistance to firms suffering financial loss as a result of increased imports. The Trade Reform Act of 1974, for which funds are requested for fiscal year 1976, replaces the older Act.

The rescission of \$12,000,000 still leaves sufficient funds remaining in the account to honor pending proposals from firms having received approval of eligibility or those which have pending a request for assistance.

## U.S. TRAVEL SERVICE

## SALARIES AND EXPENSES

*Rescission No.* R75-14      *Date Proposed:* November 26, 1974

*Available Budgetary Resources—New BA:* \$11,250,000; *Other BA:*

*Amount of Proposed Rescission:* \$250,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Approved rescission.

*Committee Recommendation:* The Committee does not approve the rescission. In view of the fact that tourism is among the top three industries in 46 of our 50 States; that the tourism industry employs approximately four million Americans; and that other countries, such as Canada and Ireland, are investing more in these activities than this country is, the Committee believes any reduction in this area is unwise. Moreover, any reduction in this area would be especially untimely as the Nation prepares to celebrate its bicentennial.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

## OPERATIONS, RESEARCH, AND FACILITIES

*Rescission No.* R75-15A      *Date Proposed:* (November 26, 1974)  
January 30, 1975.

*Available Budgetary Resources—New BA:* \$440,930,000; *Other BA:*  
\$4,175,851.

*Amount of Proposed Rescission:* \$3,227,000.

*Presidential Rationale for Proposed Rescission:* Restrain budget outlays.

*House Action:* Approved rescission.

*Committee Recommendation:*

The Committee recommends a partial rescission of \$927,000. This sum represents that portion of the rescission dealing with marine data buoys. However, the Committee disapproves of the three remaining items in this rescission message:

- (1) The \$1,300,000 for salmon and steelhead rearing ponds on the Columbia River. The National Marine Fisheries Service in NOAA advises that the benefit-cost ratio of such facilities is 7:1. NMFS states that the four rearing ponds would have the capacity of annually producing 300,000 pounds of fish. This equates to 3,000,000 pounds of fish at maturity, having a market value of approximately sixty-five cents per pound.
- (2) The \$500,000 proposed for the three regional fisheries commissions. The Committee disagrees with the Administration's position that these regional fisheries commissions are unnecessary and superfluous. The 1975 draft of the National Fisheries plan is only a first step toward the National Fisheries Policy called for in S. Con. Res. 11 and unanimously approved by both houses. On this premise, the Executive Directors of the three regional commissions (Atlantic, Gulf and Pacific) have been working with the planning staff of the NMFS and Congressional staff to bring about an operationally integrated national plan. This cooperative effort has assumed that the Administration's "National Fisheries Plan" would provide the necessary funding support for regional input on their problems and needs in order to initiate an effective starting point.
- (3) The Committee disagrees with the proposed rescission amounting to \$500,000 for the marine ecosystems project in Puget Sound. The proposed study of this large, unique and important body of water has been contemplated for some time, and has now received matching funding support from the State. The Committee believes that this important study of the state of the marine environment should be initiated now in order that an adequate data base will be available before the influx of oil tankers associated with the completion of the Alaskan pipeline.



## PATENT OFFICE

## SALARIES AND EXPENSES

*Rescission No. R75-16*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$76,300,000; Other BA:*

*Amount of Proposed Rescission: \$700,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation: The Committee recommends rescission. Though this rescission will result in a delay of one year in processing some 2160 patent applications, the Patent Office assures us that it will not interfere with their overall goal of reducing processing time on applications to 18 months by 1977.*

## CHAPTER IV

## DEPARTMENT OF THE TREASURY

## OFFICE OF THE SECRETARY

## SALARIES AND EXPENSES

*Rescission No. R75-037*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$25,955,000;<sup>1</sup> Other BA: \$1,500,000.*

*Amount of Proposed Rescission: \$310,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$100,000 will be saved by deferring the lease of a Univac 8440 Disc subsystem approximately seven months. The present subsystem is inefficient and will not permit utilization of the computer to its fullest capacity. The lease can be effected on new subsystem in April 1975.

\$210,000 can be saved by deferring the lease of an automatic communications switch until May or June 1975. Planned operating personnel reductions, terminal cost reductions and distribution capability will be adversely affected during this period.

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

## SALARIES AND EXPENSES

*Rescission No. 75-038*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$3,100,000; Other BA: N/A.*

*Amount of Proposed Rescission: \$60,000.*

*Presidential Rationale for Proposed Reduction: Restrain budget outlays.*

*House Action: Approved rescission.*

<sup>1</sup> \$25,850,000 approved in Public Law 93-381.  
\$105,000 transferred from Office of the Treasurer.

*Committee Recommendation:*

The Committee recommends rescission. \$35,000 would be saved by elimination of selected educational services including films, audio-visual services, and development of specialized courses.

\$5,000 saved by deferring procurement of equipment.

\$20,000 saved by deferring procurement of ammunition for inventory.

The proposed rescission will not demonstrably interfere with the current year program for training law enforcement personnel.

## BUREAU OF ACCOUNTS

## SALARIES AND EXPENSES

*Rescission No. 75-039*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$113,278,000;<sup>1</sup> Other BA: \$3,332,000.*

*Amount of Proposed Rescission; \$630,000.*

*Presidential Rationale for Proposed Rescission; Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$50,000 for training of supervisory personnel would be delayed.

\$25,000 for travel and per diem of personnel selected for training would be deferred.

\$555,000 for procurement of envelopes to mail checks would be deferred. Fifty million checks are mailed each month. Deferral would reduce normal three month supply of envelopes to two months.

Deferral of training and reduction of envelope inventory will not materially affect Bureau programs.

## CUSTOMS SERVICE

## SALARIES AND EXPENSES

*Rescission No. 75-040*                      *Date Proposed: November 26, 1974*

*Available Budgetary Resources—New BA: \$284,800,000; Other BA: \$44,465,000.*

*Amount of Proposed Rescission: \$3,000,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

<sup>1</sup> \$100,000,000 approved in Public Law 93-381; \$14,000,000 transferred from Office of Treasurer; \$722,000 transferred to Office of the Secretary.

*Committee Recommendation:*

The Committee does not approve any of the proposed rescission.

The proposed rescission would delay planned replacement of equipment due to age or condition until fiscal year 1976 (\$300,000). It would also delay implementation dates for expansion of the Treasury Enforcement Communications System (\$724,000) and the Automated Merchandise Processing System (\$272,500), training of new employees (\$150,000), planned co-location or expansion of existing space (\$1,100,000), and deferred hiring of new employees (\$454,000).

The rescission would have an adverse impact on Customs programs in fiscal year 1975 and beyond. As this agency is the front line in prevention of smuggling of contraband, the Committee recommends denial of rescission so that funds will be made available for obligation.

## INTERNAL REVENUE SERVICE

## SALARIES AND EXPENSES

*Rescission No. 75-041*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources: New BA: \$41,000,000; Other BA: \$2,185,000.*

*Amount of Proposed Rescission: \$530,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

\$178,000 would be saved by reducing administrative travel; \$100,000 by deferral of training; and \$252,000 by deferring improvements in office layouts and planned procurement of office equipment. The recommended rescission will not adversely affect the prime mission of the Internal Revenue Service.

## ACCOUNTS, COLLECTION AND TAXPAYER SERVICES

*Rescission No. 75-042*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources: New BA: \$712,600,000; Other BA: \$4,082,000.*

*Amount of Proposed Rescission: \$9,230,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

Rescission will reduce administrative travel (\$690,000); delay all training to fiscal year 1976 (\$2,200,000); delay improvements in office layouts, office equipment and maintenance and lease of ADP equipment (\$3,340,000); deferral of general office renovations and alterations (\$2,600,000); and reduction in inventory levels (\$400,000.).

Negligible effect will be experienced on revenue collections. Fiscal year 1975 appropriation for this activity was increased \$106.0 million over fiscal year 1974.

## INTERNAL REVENUE SERVICE

## COMPLIANCE

*Rescission No. 75-043*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources—New BA: \$791,000,000; Other BA: \$1,436,000.*

*Amount of Proposed Rescission: \$10,240,000.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Disapproved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

Rescission would reduce administrative travel (\$1,432,000); defer management and employee development training (\$2,800,000); defer planned improvements in office layouts and equipment (\$2,308,000); defer general office renovations and alterations (\$3,300,000); and reduce inventory levels of materials (\$400,000).

This rescission will have a negligible effect upon revenues collected by the Internal Revenue Service. FY 75 appropriation for this activity was increased \$128.9 million over FY 74.

## EXECUTIVE OFFICE OF THE PRESIDENT

## SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

## PHARMACOLOGICAL RESEARCH

*Rescission No. 75-045*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources; New BA: \$4,000,000; Other BA:*

*Amount of Proposed Rescission: \$2,760,000.*

*Presidential Rationale for Proposed Rescission: Sufficient funding is available to implement the research designs and protocols for the narcotic antagonist research project.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

Special Action Office is several months from funding this grant. It believes that grant can be accommodated with \$1,375,000. Federal Government will spend over \$510 million for drug abuse prevention and treatment activity, an increase of \$107 million over 1974. Of this amount, \$140 million is for research, prevention and management activities.

## OFFICE FOR DRUG ABUSE PREVENTION

## SPECIAL FUND

*Rescission No. R75-046*                      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources—New BA: \$11,000,000; Other BA:*

*Amount of Proposed Rescission: \$2,240,000.*

*Presidential Rationale for Proposed Rescission: Legislative authority for Special Action Office for Drug Abuse Prevention expires June 30, 1975. Many of the activities funded in this account have been transferred to other agencies.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

Federal Government will spend an estimated \$510 million for drug abuse prevention and treatment activities, an increase of \$107 million above the 1974 level. Of this amount, \$140 million will be for research, prevention and management activities and the remaining \$370 million for treatment and rehabilitation activities.

Proposed reductions are less than 1% of the total Federal drug abuse prevention expenditures.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATION ON AVAILABILITY OF REVENUE

*Rescission No. 75-044*      *Date Proposed: November 26, 1974.*

*Available Budgetary Resources—New BA: \$1,008,870,700;<sup>1,2</sup> Other BA:*

*Amount of Proposed Rescission: \$20,022,900.*

*Presidential Rationale for Proposed Rescission: Restrain budget outlays.*

*House Action: Approved rescission.*

*Committee Recommendation:*

The Committee recommends rescission.

This will reduce funds available for alteration and major repairs of public buildings to \$77,977,100. Funding will be withdrawn from programmed low-priority work which has not been started. Termination of this work will not adversely affect the ability of Federal agencies to carry out essential Government services.

<sup>1</sup> Derived from Standard Level User Charges.

<sup>2</sup> Additional \$1.0 million limitation provided in fiscal year 1975 Supplemental Appropriations Act.

REPORT BY THE COMMITTEE ON THE BUDGET

The Senate Committee on the Budget, to which was referred a bill (HR 3260), to rescind certain budget authority recommended in the message of the President of November 26, 1974, and as those rescissions are modified by the message of the President of January 30, 1975, and in the communication of the Comptroller General of November 6, 1974, transmitted pursuant to the Impoundment Control Act of 1974, having considered the same, reports without recommendation thereon.

The Congressional Budget and Impoundment Control Act of 1974 provides that in the case of any special message from the President under Section 1012 of that Act requesting rescission of budget authority, those funds must be made available for obligation unless Congress completes action on a rescission bill rescinding all or part of the amount proposed to be rescinded within 45 days of its receipt of that request. The 45-day period applicable to the rescission request dealt with in HR 3260 expires on Friday, February 28, 1975. In view of the fact that HR 3260 was not received and referred in the Senate until February 26, 1975, the Committee on the Budget has not had the opportunity to analyze its provisions or make recommendations thereon.

In order to permit the completion of Congressional action on this rescission bill prior to the elapse of the 45-day period prescribed for such action in the Budget Act, the Committee on the Budget makes no recommendation upon it.

It is clear that procedures must be worked out between the Houses of Congress to assure timely consideration of rescission bills under which the views of committees affected by the Order of January 30 can be fully considered.

# Ninety-fourth Congress of the United States of America

## AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,  
one thousand nine hundred and seventy-five*

### An Act

To rescind certain budget authority recommended in the Message of the President of January 30, 1975 (H. Doc. 94-39) and in the communications of the Comptroller General of February 7, 1975 (H. Doc. 94-46) and of February 14, 1975 (H. Doc. 94-50), transmitted pursuant to the Impoundment Control Act of 1974.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following rescissions of budget authority contained in the message of the President of January 30, 1975 (H. Doc. 94-39) and in the communications of the Comptroller General of February 7, 1975 (H. Doc. 94-46) and of February 14, 1975 (H. Doc. 94-50), are made pursuant to the Impoundment Control Act of 1974, namely:

#### CHAPTER I

##### DEPARTMENT OF AGRICULTURE

###### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

###### FORESTRY INCENTIVES PROGRAM

Appropriations provided under this head in the Agriculture-Environmental and Consumer Protection Appropriation Act, 1975, are rescinded in the amount of \$10,000,000.

#### CHAPTER II

##### DEPARTMENT OF DEFENSE—MILITARY

###### SPECIAL FOREIGN CURRENCY PROGRAM

Appropriations provided under this head in the Department of Defense Appropriation Act, 1973, are rescinded in the amount of \$915,000. Appropriations provided under this head in the Department of Defense Appropriation Act, 1974, are rescinded in the amount of \$40,000.

#### CHAPTER III

##### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

###### CONSUMER PRODUCT SAFETY COMMISSION

###### SALARIES AND EXPENSES

Appropriations provided under this head in the Agriculture-Environmental and Consumer Protection Appropriation Act, 1975, are rescinded in the amount of \$500,000.

H. R. 4075—2

CHAPTER IV

DEPARTMENT OF COMMERCE

UNITED STATES TRAVEL SERVICE

INTER-AMERICAN CULTURAL AND TRADE CENTER

Appropriations provided under this head in the Supplemental Appropriations Act, 1967, are rescinded in the amount of \$4,999,704.

*Speaker of the House of Representatives.*

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

# Ninety-fourth Congress of the United States of America

## AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,  
one thousand nine hundred and seventy-five*

### An Act

To rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93-398) and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94-39) and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), transmitted pursuant to the Impoundment Control Act of 1974.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rescissions of budget authority contained in the message of the President of November 26, 1974 (H. Doc. 93-398) and as those rescissions are modified by the message of the President of January 20, 1975 (H. Doc. 94-39) and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93-391), are made pursuant to the Impoundment Control Act of 1974, namely:*

#### CHAPTER I

##### DEPARTMENT OF AGRICULTURE

###### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

###### WATER BANK PROGRAM

Appropriations provided under this head in the Agriculture-Environmental and Consumer Protection Appropriation Acts for 1974 and 1975 are rescinded in the amount of \$7,856,470.

#### CHAPTER II

##### DEPARTMENT OF DEFENSE—MILITARY

###### OPERATION AND MAINTENANCE

###### OPERATION AND MAINTENANCE, ARMY

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$20,500,000, to be derived from the sum provided only for the maintenance of real property facilities.

###### OPERATION AND MAINTENANCE, NAVY

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$13,750,000, to be derived from the sum provided only for the maintenance of real property facilities.

###### OPERATION AND MAINTENANCE, MARINE CORPS

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$2,500,000, to be derived from the sum provided only for the maintenance of real property facilities.

H. R. 3260—2

OPERATION AND MAINTENANCE, AIR FORCE

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$20,000,000, to be derived from the sum provided only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

Appropriations provided only for the maintenance of real property facilities under this head in the Department of Defense Appropriation Act, 1975, in the amount of \$50,000 for the Defense Mapping Agency, in the amount of \$500,000 for the Defense Supply Agency, and in the amount of \$400,000 for Intelligence and Communications activities; in all: \$950,000, are rescinded.

OPERATION AND MAINTENANCE, ARMY RESERVE

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$900,000, to be derived from the sum provided only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY RESERVE

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$550,000, to be derived from the sum provided only for maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$200,000, to be derived from the sum provided only for maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$700,000, to be derived from the sum provided only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of \$250,000, to be derived from the sum provided only for maintenance of real property facilities.

AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations provided under this head in the Department of Defense Appropriations Act, 1975, are rescinded in the amount of \$122,900,000, to be derived from the sum provided for the procurement of twelve F-111F fighter/bomber aircraft.



H. R. 3260—3

CHAPTER III

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Appropriations provided under this head in the Department of State Appropriation Act, 1975, are rescinded in the amount of \$2,000,000.

INTERNATIONAL TRADE NEGOTIATIONS

Appropriations provided under this head in the Department of State Appropriation Act, 1975, are rescinded in the amount of \$100,000.

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES, BUREAU OF PRISONS

Appropriations provided under this head in the Department of Justice Appropriation Act, 1975, are rescinded in the amount of \$5,250,000.

BUILDINGS AND FACILITIES

Appropriations provided under this head in the Department of Justice Appropriation Act, 1975, are rescinded in the amount of \$1,750,000.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Justice Appropriation Act, 1975, are rescinded in the amount of \$2,400,000.

DEPARTMENT OF COMMERCE

SOCIAL AND ECONOMIC STATISTICS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of \$373,000.

TRADE ADJUSTMENT ASSISTANCE

FINANCIAL ASSISTANCE

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1972, are rescinded in the amount of \$12,000,000.

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of \$250,000.

H. R. 3260—4

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of \$927,000.

PATENT OFFICE

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of \$700,000.

CHAPTER IV

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of \$310,000.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of \$60,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of \$630,000.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of \$530,000.

EXECUTIVE OFFICE OF THE PRESIDENT

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

PHARMACOLOGICAL RESEARCH

Appropriations provided under this head in the Executive Office Appropriation Act, 1975, are rescinded in the amount of \$2,760,000.

H. R. 3260—5

SPECIAL FUND

Appropriations provided under this head in the Executive Office Appropriation Act, 1975, are rescinded in the amount of \$2,240,000.

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATION ON AVAILABILITY OF REVENUE

The amount made available under this head in the Independent Agencies Appropriations Act, 1975, is hereby reduced in the amount of \$20,022,900, which reduction shall apply specifically to the limitation on alterations and major repairs.

*Speaker of the House of Representatives.*

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

March 27, 1975

Dear Mr. Director:

The following bills were received at the White House on March 27th:

- H.R. 2166
- H.R. 2783
- H.R. 3260
- H.R. 4075

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D. C.