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90TH CONGRESS }
2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT
{ No. 1800

See p. 6

CONTINUING APPROPRIATIONS, 1969

JULY 26, 1968.—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

[To accompany H.J. Res. 1420]

The Committee on Appropriations, to whom was referred House Joint Resolution 1420, making further continuing appropriations for the fiscal year 1969, and for other purposes, report the same to the House without amendment and with the recommendation that the joint resolution be passed.

This is the second continuing resolution of the session. It merely extends to September 30 the existing provisions of the first continuing resolution covering the month of July under which governmental activities without their regular annual appropriations have operated on a minimum basis since June 30. (H.J. Res. 1368, Public Law 90-366, the general terms and conditions of which are fully explained in H. Rept. 1588.)

Five appropriation bills for the current fiscal year 1969 that began the first of this month have either cleared Congress or are about to. These are: Treasury-Post Office; Interior; Legislative; Public Works; Agriculture.

Two bills for 1969 are in conference. These are: Independent Offices-HUD and Transportation.

Two bills for 1969 are pending in the Senate. These are: State-Justice-Commerce-Judiciary and Labor-HEW.

Three bills pending on the House floor—Defense, District of Columbia, military construction—are scheduled to be acted on by the House before the impending recess but will not be signed into law before the end of this month.

Two bills for 1969—Foreign assistance and the customary closing supplemental—are still pending in the Committee on Appropriations.

Thus, prompt enactment of this second continuing resolution is required to avoid interruption of necessary functions of government after July 31.

SCOPE OF THE RESOLUTION

The whole thrust of the resolution is to keep the Government functioning on a minimum basis until funds for the full year are supplied in the regular course of events. Briefly, the emphasis in the resolution is on the *continuation of existing projects and activities* at the lowest of one of several rates, namely, the fiscal year 1968 rate; the budget request for 1969 where no action has been taken by either House; the more restrictive amount adopted by either of the two Houses; or an even more restrictive rate where the Executive branch, under the mandate of title II of the Revenue and Expenditure Control Act of 1968, has imposed or does impose lower ceilings.

In this general connection, the President issued the following memorandum to the heads of departments and agencies on the day he signed the expenditure reduction provisions:

THE WHITE HOUSE,
Washington, June 28, 1968.

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

I have today signed Public Law 90-364. Its provisions will require significant readjustments, and I shall expect you to achieve these promptly and in a manner consistent with the Nation's interests.

We must reduce spending and lending by at least \$6 billion below my original estimates for fiscal 1969. It will also be necessary to restrict hiring until Federal civilian employment is reduced to the June 1966 level.

I regard this situation as a challenge to management ingenuity. Make every dollar available to you go a little further; make sure every person in your agency is being used in the most effective way possible. This must not be a mechanical, across-the-board exercise. That's the easy way.

I will expect each of you to concern yourself personally with management decisions that will best allocate your diminished resources in money and manpower. All decisions should be made in the light of agency-wide priorities.

The necessary procedures on hiring restrictions and budget reductions are being sent to you by the Budget Director. However, the precise dollar limitations for each agency must await completion by Congress of the 1969 appropriations. In the interim, I shall expect you to proceed with caution in obligating funds so that you can be sure that your agency will be able to make the necessary adjustments under the new law in an orderly manner.

LYNDON B. JOHNSON.

A two month rather than a one month extension is required to bridge the time the House is expected to be in recess for the national political conventions and to allow time after the recess in which to undertake disposition of the remaining appropriations business. While the outside date in this second resolution is September 30, it is just that—an outside date. Like continuing resolutions of the past, it ceases to apply to an agency or activity concurrent with approval by the President of the applicable appropriation bill in which provision for such agency or activity is made. Thus, the scope of the resolution constricts as each regular bill is enacted; and it becomes wholly inoperative after the last approval.

As with previous continuing resolutions, this one does not in any way augment the appropriation for a given project or activity in the regular bills for the fiscal year 1969. In the words of section 105 of the resolution being extended:

Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

In other words, while this resolution—as in the case of similar resolutions of previous years—does not enumerate *specific* amounts that may be obligated and expended for the countless activities of government during the July–September period (or such shorter period as the resolution may operate as to particular departments or agencies), the controlling factor, known to all who have any responsibility for the management of the programs or the obligation of the funds, is that whatever is used during this interim must be taken out of, or charged against, whatever amount is finally appropriated, or otherwise made available, for the whole year, as those amounts may be reduced pursuant to the expenditure reduction legislation.

DELAYS IN APPROPRIATION BILLS

The Committee's original reporting plan, released on February 27, was to bring all the 13 regular annual bills for fiscal 1969 to the House during the period April 5–June 28.

Several were reported on schedule but delays in processing the underlying annual authorization bills forced some slippage in the reporting schedule as indicated on the tabulation herewith. As Members know, the Committee on Appropriations cannot, within the rules, report appropriations for any purpose not previously authorized by separate law.

The closing supplemental will deal with some of the amounts for going programs not included in the regular appropriation bills for lack of timely authorizing legislation; certain of those delayed items have been incorporated in the regular bills at the Senate stage of consideration. And there may also be a few last-minute items (claims and judgments, etc.).

Following is a tabulation comparing the original committee reporting schedule with the status of the 13 regular annual bills for 1969:

The 13 regular annual appropriation bills as of July 26, 1968

Bill	Committee reporting schedule, Feb. 27, 1968	Reported to House	Passed House	Passed Senate	Final congressional action	Notes
Treasury-Post Office-Interior	Apr. 5 Apr. 26	Apr. 4 May 16	Apr. 9 May 21	June 6 June 26	June 12 July 11	House bill omitted Arts and Humanities program for lack of authorization (budget, \$22 millions).
Agriculture-Independent Offices-HUD	Apr. 30 May 3	Apr. 30 May 3	May 1 May 8	May 29 July 18	(1)	House bill omitted provisions for all or portions of 3 items for lack of authorization, budgets totaling \$371.2 millions.
District of Columbia-Labor-HFW	May 17 May 21	July 18 June 20	(2) June 26			Delayed, awaiting certain authorization legislation on revenues.
State-Justice-Commerce-Judiciary-Public Works-Defense	May 24 June 7 June 14	May 24 June 14 July 18	May 28 June 19 (2)	July 20	(1)	House bill omitted provision for all or portions of several items for lack of authorization, budgets totaling \$1,085.3 millions.
Foreign assistance-Legislative-Transportation-Military construction-Closing supplemental	June 21 June 21 June 25 June 28 ?	June 20 June 27 July 19	June 27 July 3 (2)	July 9 July 23	July 17	Delayed, awaiting authorization for BDT and E, and for procurement of missiles, aircraft, ships and tracked vehicles. Delayed, awaiting authorization bill.

¹ Conference report in process of clearing.

² Pending floor action.

THE APPROPRIATIONS BUSINESS OF THE SESSION

BILLS TO DATE IN THE HOUSE

The House has considered at this session, *including* the Defense, Military Construction, and District of Columbia bills, pending floor action, 17 appropriation measures—5 supplementals for the fiscal year 1968 and 12 regular annual bills relating to fiscal 1969, as follows:

Supplemental measures for fiscal 1968:

1. Urgent supplemental (in conference, lapsed).
2. Unemployment compensation (H.J. Res. 1229).
3. Claims and judgments (H.J. Res. 1268, which also carried \$400 million highway trust fund "liquidation cash").
4. Secret Service (H.J. Res. 1292).
5. Second supplemental.

Bills for fiscal 1969:

Treasury-Post Office.

Agriculture.

Independent Offices—HUD.

Interior.

State, Justice, Commerce, and Judiciary.

Public Works (and AEC).

Labor—H.E.W.

Legislative.

Transportation.

District of Columbia (reported).

Defense (reported).

Military Construction (reported).

Only the foreign assistance bill for 1969, which continues to await authorization, and the closing supplemental bill remain to be reported to the House.

SESSION TOTALS (HOUSE)

In the 17 measures of the session, including the *reported* versions of the Defense, military construction, and District of Columbia bills, the House has considered new budget (obligational) authority requests of \$140,138 million; approved \$127,948 million; with consequent aggregate reductions of \$12,190 million, including \$2,685 million related to participation sales authorizations and \$126 million (committee bill, \$256 million) deleted on a floor point of order on the State-Justice bill.

BILLS FOR FISCAL 1968 IN THE HOUSE

The 5 measures for fiscal 1968 processed through the House involved requests of \$6,796 million of new budget (obligational) authority and requests for release of \$2,976 million of reserves under Public Law 90-218 of last December. The House approved \$6,426 million, plus release of \$2,675 million of such reserves. Thus the House reductions were \$370 million against new budget authority requests and \$301 million against the reserve release requests.

None of these actions on 1968 measures count against the "not less than" \$10 billion reduction figure in title II of the Revenue and Expenditure Control Act of 1968 since that reduction is directed not to 1968 but to the fiscal 1969 new budget (obligational) authority requests.

BILLS FOR FISCAL 1969 IN THE HOUSE

In the 12 bills for fiscal 1969, *including* the Defense, military construction, and District of Columbia bills pending floor action, the House has made reductions of \$11,577 million in new budget (obligational) authority relating to fiscal 1969. In addition, \$242 million was cut from the \$1,200 million advance fiscal 1970 request for elementary and secondary education considered in connection with the Labor-HEW bill. The totals involved on this basis are: Requests, \$133,342 million; approved \$121,523 million; reduction, \$11,819 million: \$242 million against the 1970 item, and \$11,577 million against the 1969 requests, the latter amount including \$2,685 million relating to participation sales authorization and \$126 million (committee bill, \$256 million) stricken on a floor point of order.

EXPENDITURE CONTROL PROVISIONS

It is easy to make a precise comparison of House actions on new budget (obligational) authority in the 12 appropriation bills for 1969 in relation to the "not less than" \$10 billion reduction figure in title II of the Revenue and Expenditure Control Act of 1968, since the budget *requests* and the *bills* are stated on the basis of "new budget authority". But for several reasons it is virtually impossible to make a precise translation of the effects of those actions on the budget *estimates* (not "requests") of 1969 outlays (expenditures and net lending). There are several imponderables not within the scope of the bills that can and do affect *expenditure* (disbursement) rates and timing. Carryover balances are involved. Uncertainties of deliveries; unforeseeable administrative changes; construction schedule changes; lag of expenditures behind obligations for various research and other grants; and so on. All that can be done is to undertake reasonable approximations of the *expenditure* reductions.

Specifically, as to *House* actions in the 12 appropriation bills for 1969—again, including the *reported* versions of the three bills pending floor action:

1. \$11,577 million has been cut from new budget (obligational) authority requests—considerably above the \$10 billion reduction goal. And this will be added to when the foreign assistance and closing supplemental bills are processed.

2. \$3,768 million, based on tentative approximations, of the \$6 billion outlay (expenditure) reduction goal has been achieved. And this will be added to when the foreign assistance and closing supplemental bills are acted upon.

SENATE ACTION ON 1969 BILLS

The Senate has passed 7 of the appropriation bills for 1969. In those bills, amounts of new budget (obligational) authority approved were below the budget requests for 1969 by \$4,894 million. They were \$2,572 million above the House totals, partly accounted for by the fact that some budget amendments were sent directly to the Senate and, importantly, that the Senate considered several items that had been deferred by the House for lack of legislative authorization. The greater portion of the increase above the House totals relates to *advance* 1970 appropriations, not to fiscal 1969 amounts.

FINAL ACTIONS ON 1969 BILLS

Three appropriation bills—Treasury-Post Office, Interior, and Legislative—have been sent to the President, totaling \$3,364 million in new budget (obligational) authority, a cut of \$337 million from the budget requests. This would count toward the \$10 billion reduction goal. On a budget outlay (expenditure) rather than new budget authority basis, the tentative estimation is that the cuts would translate into *expenditure* reductions of approximately \$243 million from the January budget estimates. This would count toward the \$6 billion reduction goal.

Conference action has been concluded on two additional bills—Public Works and Agriculture; the reports are in process of clearing. These two conference bills carry new budget authority of \$10,139 million for 1969, and represent cuts of \$1,693 million from the budget requests. They entail reductions of approximately \$517 million from the budget *expenditure* estimates.

A summary of the grand totals of new budget (obligational) authority on the appropriation bills to date follows:

Summary of appropriation bill totals of new budget (obligational) authority, 90th Cong., 2d sess., as of July 26, 1968

[Does not of course include any "back-door" type budget authority; or any permanent (Federal or trust) authority, under earlier or "permanent" law¹, without further or annual action by the Congress]

	New budget (obligational) authority (All figures are slightly rounded)		
	Bills for fiscal 1968	Bills for fiscal 1969	Bills for the session
A. House actions:			
1. Budget requests considered.....	\$6,796,295,000	\$133,342,632,000	\$140,138,927,000
2. Amounts approved by House.....	6,425,665,000	² 121,523,206,000	127,948,871,000
3. Change from corresponding budget requests.....	-370,630,000	² -11,819,426,000	-12,190,056,000
B. Senate actions:			
1. Budget requests considered.....	6,818,092,000	35,819,511,000	42,637,603,000
2. Amounts approved by Senate.....	6,453,116,000	30,925,375,000	37,378,491,000
3. Change from corresponding budget requests.....	-364,976,000	-4,894,136,000	-5,259,112,000
4. Compared with House amounts in same bills.....	+27,452,000	+2,572,312,000	+2,599,764,000
C. Enacted:			
1. Budget requests considered.....	6,818,092,000	15,533,762,000	22,351,854,000
2. Amounts enacted.....	6,375,212,000	³ 13,503,512,000	19,878,724,000
3. Comparison— With corresponding budget requests..	-442,880,000	⁴ -2,030,250,000	-2,473,130,000

¹ For fiscal 1969, according to the January budget, total new budget (obligational) authority is *tentatively* estimated at \$214.6 billion (\$201.7 billion, *net* of certain budget presentation adjustments), of which \$141.5 billion is for current action by Congress and \$73.1 billion would become available under permanent law.

² Includes committee *reported* amounts for Defense, Military Construction, and District of Columbia bills. \$11,577,139,000 of this figure would count against the "not less than" \$10 billion cut in the tax bill; the \$11,577,139,000 figure includes \$2,685 million of participation sales authorization reduction and \$126.5 million (committee bill, \$256,000,000) stricken on floor point of order on State-Justice bill.

³ Reflects enactment of five bills.

⁴ It is estimated that this reduction from new budget authority requests will translate into *expenditure* reductions of about \$760,730,000 below budgeted 1969 expenditures.

1969 NEW BUDGET (OBLIGATIONAL) AUTHORITY TOTALS TO BE
CONSIDERED

Under the new unified budget basis, the *tentatively* estimated total new budget (obligational) authority proposed in the 1969 budget, and relating to fiscal 1969, is \$214,581,000,000, *gross*, and \$201,723,000,000 *net* of certain transactions treated as offsets for budget summary presentation purposes only (the latter figure is the one used in title II of the Revenue and Expenditure Control Act of 1968). Most of this would be in the technical form of what has always been known as "appropriations".

The 1969 budget also proposes \$2,895,000,000 in *advance* new budget (obligational) authority for fiscal 1970 for title I elementary and secondary education grants, for urban renewal grants, for mass transit grants, and for airport aid grants.

The \$214.6 billion breaks out as follows:

Category	Amount
1. Grand total, gross amount.....	\$214, 581, 000, 000
2. <i>Deduct</i> amounts that arise from previous permanent-type legislation that does not <i>require</i> action in bills this session (interest, social security and other trust funds, etc.).....	-73, 085, 000, 000
3. Portion requiring action in bills.....	141, 496, 000, 000
4. Amount acted upon by House in the 12 appropriation bills.....	-132, 142, 000, 000
5. Remainder to be considered.....	9, 354, 000, 000
6. Amounts <i>presently</i> involved in <i>specific</i> budget requests, pending.....	-5, 322, 000, 000
7. Remainder.....	4, 032, 000, 000
Consisting of:	
a) Amounts relating to backdoor-type legislative bills (mostly contract authorities in highways).....	1, 248, 000, 000
b) Amounts shown in the budget as being for "later transmittal" (the \$1.6 billion July 1968 pay cost item; contingencies allowance; etc.).....	2, 784, 000, 000

SUMMARY OF OVERALL CONGRESSIONAL ACTIONS TO DATE AFFECTING
THE BUDGET TOTALS

While the appropriation bills reflect the great bulk of congressional actions on the outgo side of budget recommendations, there have been several legislative bills dealing with new budget (obligational) authority or that mandate expenditures that must be entered in any comparison with overall budget totals. Some of these actions call for expenditures *above* the January budget estimates. And of course actions on budget revenue recommendations affect the picture.

Periodic budget "scorekeeping" reports are now being issued by the staff of the Joint Committee on Reduction of Federal Expenditures. These reports are designed to keep tabs, currently, on what is happening in the legislative process to the budget recommendations of the President, both appropriation-wise and expenditure-wise, and on the

revenue recommendations, and not only from actions in the revenue and appropriation bills but also in legislative bills that affect budget authority and expenditures (backdoor bills, bills that mandate expenditures, and so on).

For general information of Members and others, the following summaries, dealing with both sides of the budget, are taken from the latest Joint Committee staff report (July 19, 1968).

Budget summary

A SUMMARY OF CONGRESSIONAL ACTIONS AFFECTING THE 1969 BUDGET

[In millions of dollars]

Summary totals	Budget authority (obligational and lending authority) (1)	Budget outlays (expendi- tures and net lending) (2)	Budget receipts (3)	Budget deficit (4)
Fiscal year 1969:				
Net total budget estimates as submitted in January.....	201,723	186,062	178,108	-7,954
Net total budget estimates, as revised.....	201,723	¹ 188,663	178,108	¹ -10,555
Adjustments for interfund and intragovernmental transactions and applicable receipts.....	+12,858	+12,615	-----	-----
Total gross budget estimates:	214,581	¹ 201,278	-----	-----
Becoming available without further action by Congress.....	73,085	58,893	-----	-----
Portion requiring current action by Congress.....	141,496	² 142,385	13,157	-----
Memorandum: Division of outlays (related to items requiring current action)—				
From current budget authority.....	-----	(90,202)	-----	-----
From prior years budget authority.....	-----	(52,183)	-----	-----
Effect of congressional action— Changes from the budget (to July 19, 1968):				
House.....	-11,430	-3,705	+2,258	-5,963
Senate.....	-4,682	-1,207	+2,163	-3,370
Enacted.....	-175	-234	+2,163	-2,397
Effect of Revenue and Expenditure Control Act of 1968.....	-10,000	³ -6,000	⁴ +2,163	-8,163

¹ Figures have been revised to reflect the effect of supplemental requests and budget amendments and the estimated increase in defense spending of \$2.5 billion in 1968 and \$2.6 billion in 1969, as indicated by the President in his March 31 address to the Nation.

² Excludes expenditures which are entirely from permanent authorizations. Expenditures from mixed and revolving fund programs and from appropriations to liquidate contract authorizations are included because they are regarded as related to program levels under current consideration and subject to varying degrees of review and limitation in appropriation legislation. Also included are related expenditures from miscellaneous and expiring accounts.

³ Except for increase in social security benefits which are reflected on the Senate and enacted action lines.

⁴ Reflects slippage from fiscal year 1968 to fiscal year 1969 resulting from the delay in enactment of the Revenue and Expenditure Control Act of 1968.

TABLE No. 1.—Actions on individual bills affecting budget authority and outlays (expenditures) (as of July 19, 1968)

[In thousands of dollars]

Items acted upon	Congressional actions on budget authority (changes from the budget)			Congressional actions on budget outlays (changes from the budget)		
	House (1)	Senate (2)	Enacted (3)	House (4)	Senate (5)	Enacted (6)
Fiscal year 1969:						
1. Appropriation bills:						
Treasury, Post Office, and Executive Office.....	-181,735	-178,832	-179,232	-132,206	-129,230	-129,430
Agriculture and related agencies.....	-1,400,344	-1,383,429	-----	-414,114	-331,114	-----
Independent offices and Department of Housing and Urban Development.....	-2,899,944	-2,698,503	-----	-360,000	-343,245	-----
Interior and related agencies.....	-129,462	-147,970	-147,353	-83,000	-103,000	-103,000
State, Justice, and Commerce, the Judiciary, and related agencies.....	-408,839	-----	-----	-136,620	-----	-----
Second Supplemental Act, 1968.....	-----	-----	-----	-186,352	-120,601	-210,874
Public works and atomic energy.....	-409,434	-181,035	-----	-255,000	-101,870	-----
Labor, and Health, Education, and Welfare, and related agencies.....	-738,204	-10,746	-10,746	-341,250	-----	-----
Legislative branch.....	-9,665	-----	-----	-9,833	-10,900	-10,900
Transportation Department.....	-267,441	-113,621	-----	-304,830	-224,930	-----
Department of Defense.....	1 -4,834,300	-----	-----	1 -1,700,000	-----	-----
District of Columbia.....	1 -31,289	-----	-----	1 Nil	-----	-----
Military construction.....	1 -266,481	-----	-----	1 -32,000	-----	-----
Subtotal, appropriation bills (including, as to budget outlays, the effects of 2d Suppl. actions).....	-11,577,138	-4,714,136	-337,331	-3,955,205	-1,364,890	-454,204
2. Legislative bills with spending authorizations (changes from the budget):						
Service-connected compensation increase for veterans (H.R. 16027).....	+117,350	-----	-----	+98,000	-----	-----
Education assistance to veterans' widows (H.R. 16025).....	+7,625	+16,125	-----	+7,625	+16,125	-----
Nursing care for certain veterans (H.R. 7481).....	+3,551	+3,551	-----	+3,551	+3,551	-----
Care and treatment of veterans in State homes (H.R. 16902).....	+4,098	+4,098	-----	+4,000	+4,000	-----
Social security benefits (H.R. 15414).....	-----	+134,000	+132,000	-----	+134,000	+132,000
Railroad retirement and unemployment insurance benefits (H.R. 14563).....	-----	-----	-----	+88,000	-----	+88,000
Land and water conservation fund (S. 1401).....	+30,000	+30,000	+30,000	-----	-----	-----
Federal-Aid Highway Act of 1968 (S. 3418 and H.R. 17134).....	-15,000	-155,000	-----	-51,000	-----	-----
National School Lunch Act amendments (H.R. 17872).....	-----	-----	-----	+100,000	-----	-----
Subtotal, legislative bills.....	+147,624	+32,774	+162,000	+250,176	+157,676	+220,000
Total, fiscal year 1969.....	-11,429,514	-4,681,362	-175,331	-3,705,029	-1,207,214	-234,204

