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Miss Holman

*Increased Pay Costs
Pg. 35*

89TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 1349

THE SECOND SUPPLEMENTAL APPROPRIATION BILL,
1966

MARCH 25, 1966.—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.R. 14012]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making supplemental appropriations for the fiscal year ending June 30, 1966, and for other purposes.

SCOPE AND SUMMARY OF THE BILL

The Committee considered budget requests for appropriations aggregating \$2,813,552,168 and a contract authority request of \$30,000,000 for the new rent supplement program, submitted in House Documents Nos. 380, 383, 405, 414, and 415. This sum excludes \$838,850 for Senate housekeeping items on which initiative is left to the other body. The President also asked for a number of provisions transferring funds between appropriations, increasing limitations, and the like, mostly to accommodate greater absorptions of increased pay costs dealt with largely in Title II.

The Committee bill totals \$2,564,872,568 in appropriations, and \$12,000,000 in contract authority for the rent supplement program, representing a net total reduction of \$248,679,600 from the budget estimates for appropriations and \$18,000,000 less on contract authority. While there are many changes—virtually all being reductions—from the individual budget requests, the net total cut is very substantially accounted for by the \$242,000,000 deleted from the

\$342,000,000 request for a repayable advance to the trust fund for health insurance for the aged on the evidence that \$100,000,000 is an entirely adequate amount as a contingency fund. Otherwise, the Committee changes are about a standoff.

Some perspective about the lack of amenability of the totals to further substantial reductions can be gained from analysis of the several types of requests submitted.

\$552,600,000, or 21% of the bill, is for mandatory-type expenditures under laws enacted prior to the last session—requests involving little or no discretion at this point. Public assistance matching grants and veterans compensation and pensions account for nearly all of it.

\$1,171,400,000, or some 46% of the bill is for increased pay rates enacted in the last session for military and civilian personnel.

These two categories account for roughly two-thirds of the total.

\$694,300,000—another 27%—is assigned in the bill to legislation—other than pay acts—enacted in the last session. And about half of that—precisely, \$335,700,000—is nondiscretionary at this stage, for additional veterans compensation and pensions and to pay off the extra obligations incurred under an over-allotment formula written into the new elementary and secondary education appropriation last year. Another \$125,800,000 is associated with health insurance for the aged. \$105,000,000 is to begin paying military service credits to the Social Security trust fund.

\$146,600,000—the remaining 6%—is for an assortment of programs. The postal service, where the volume is increasing, is \$81,000,000. Another \$45,000,000 is to replenish the disaster relief fund.

These sums supplement gross appropriations for the current fiscal year 1966, including the permanent appropriations that recur automatically, of approximately \$125,900,000,000, including the \$13,175,000,000 defense supplemental which cleared earlier this week. All supplemental budget requests considered in connection with this bill were either specifically contemplated and encompassed in the fiscal 1966 totals reflected in the fiscal 1967 budget or are chargeable to the allowance for contingencies which those totals included. Thus they do not exceed previously announced budget totals.

More details on the Committee's recommendation are set out in the several individual chapter explanations.

Report page No.	Chapter	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
		TITLE I			
4	I	District of Columbia.....	\$2, 300, 000	\$1, 250, 000	-\$1, 050, 000
6	II	Independent Offices.....	380, 681, 000	348, 280, 000	-32, 401, 000
9	III	Interior.....	23, 350, 000	22, 495, 000	-855, 000
14	IV	Labor, and Health, Education, and Welfare.....	1, 106, 442, 000	902, 528, 000	-203, 914, 000
22	V	Legislative.....	17, 000	107, 000	+90, 000
24	VI	Public Works.....	16, 024, 000	15, 570, 000	-454, 000
27	VII	State, Justice, Commerce, and the Judiciary.....	7, 922, 000	7, 260, 000	-662, 000
32	VIII	Treasury, Post Office.....	296, 010, 000	294, 010, 000	-2, 000, 000
34	IX	Claims and judgments.....	10, 251, 798	10, 251, 798	-----
		Total, title I.....	1, 842, 997, 798	1, 601, 751, 798	-241, 246, 000
		TITLE II			
35		Increased pay costs.....	¹ 970, 554, 370	963, 120, 770	-7, 433, 600
39		Minority views.			
		Total, title II.....	970, 554, 370	963, 120, 770	-7, 433, 600
		Grand total.....	2, 813, 552, 168	2, 564, 872, 568	-248, 679, 600

¹ Excludes \$838,850 pertaining to Senate operations not considered by the Committee. In addition, estimates for various chapters in Title I, above, include a total of \$208,768,500 for increased pay costs.

CHAPTER I
SUBCOMMITTEE

WILLIAM H. NATCHER, KENTUCKY, *CHAIRMAN*

ROBERT N. GIAIMO, CONNECTICUT GLENN R. DAVIS, WISCONSIN
NEAL SMITH, IOWA JOSEPH M. McDADE, PENNSYLVANIA
JOHN J. McFALL, CALIFORNIA

DISTRICT OF COLUMBIA

The Committee considered budget estimates totaling \$2,300,000 in Federal funds and \$3,055,000 in District of Columbia funds, submitted in House Documents Numbered 383 and 405. The estimates requested in House Document Numbered 383 include the request for an additional Federal payment as well as appropriations in the amount of \$1,459,800. The remaining \$1,595,200 for pay costs submitted in House Document Numbered 405 are included in Title II of the accompanying bill.

FEDERAL PAYMENT

The Committee has approved an increased Federal payment of \$1,250,000 to the general fund of the District of Columbia which will provide a total of \$44,250,000 for the current fiscal year. This allowance is \$1,050,000 less than requested. Based on revised estimates of revenues furnished by District officials on March 17 and the appropriations recommended in this bill, as well as those enacted during the last session of the Congress, it is estimated there will be a surplus of approximately \$38,000 remaining in the general fund at the end of the fiscal year. A reserve has also been continued to cover corporation refunds, indefinite appropriations, and miscellaneous items.

OPERATING EXPENSES

The Committee recommends a total of \$1,459,800 in this chapter for Public Safety and Parks and Recreation, payable from District of Columbia funds. This allowance is the full amount of the budget request for financing the costs of pay increases under Public Law 89-301 and wage-board increases. These funds also provide for the overtime pay of policemen and firemen as authorized by Public Law 89-282. Additional funds for classified pay and wage-board increases totaling \$1,595,200 are included in Title II as requested.

The Committee has also approved the extension of the tactical force of the Police Department for the period April 1, to June 30, 1966, as requested. This program was authorized for a nine-month period on a temporary and emergency basis last year and the Committee reiterates its position stated in the conference report on the regular bill for fiscal year 1966 that this action in no way constitutes a precedent for future estimates for this purpose. Continued overtime work by existing personnel destroys the efficiency and flexibility of the force and detracts from its ability to respond to emergencies. This matter will be explored very carefully during the hearings on the regular budget for fiscal year 1967.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	DISTRICT OF COLUMBIA			
383	Federal payment to District of Columbia-----	\$2, 300, 000	\$1, 250, 000	-\$1, 050, 000
383	Operating expenses:			
	Public safety-----	(1, 249, 200)	(1, 249, 200)	-----
	Parks and recreation-----	(210, 600)	(210, 600)	-----
	Total, operating expenses-----	(1, 459, 800)	(1, 459, 800)	-----

CHAPTER II

SUBCOMMITTEE

JOE L. EVINS, TENNESSEE, *CHAIRMAN*

EDWARD P. BOLAND, MASSACHU- SETTS	CHARLES R. JONAS, NORTH CARO- LINA
GEORGE E. SHIPLEY, ILLINOIS	WILLIAM E. MINSHALL, OHIO
ROBERT N. GIAIMO, CONNECTICUT	JOHN J. RHODES, ARIZONA

INDEPENDENT OFFICES

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

An appropriation of \$10,180,000 is recommended for additional expenses of the Selective Service System arising from an increase in the number of inductions the System is expected to provide during the current fiscal year, and to cover the cost of pay increases provided by law for both military and civilian employees last session. A substantial increase was granted in the regular appropriation bill in anticipation of increased workload. Inductions scheduled for April, however, have declined over projections made only recently. The Committee has taken these factors into account in reducing the request by \$2,501,000.

VETERANS ADMINISTRATION

The bill contains \$288,000,000, the entire amount requested, for compensation and pensions. Of this additional amount \$151,771,000 is attributable to five new legislative enactments last session. These increased certain disability compensation rates; provided for a death gratuity payment up to \$5,000 to beneficiaries of veterans who died in service between January 1, 1957, and September 28, 1965; and made other liberalizations in benefits. The balance of \$136,229,000 is due to increases in the average rates payable and in caseload.

The Committee also recommends the supplemental budget request of \$5,000,000 for readjustment benefits. This additional amount is related to legislation enacted last session which increased the monthly payment to war-orphans in training and extended the time available for seriously disabled veterans to pursue vocational rehabilitation training.

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

A supplemental appropriation of \$45,000,000 is recommended to replenish the President's disaster relief fund for use to assist States and local governments in major disasters. This is \$30,000,000 less than the budget estimate, but is expected to be adequate to cover all

obligation requirements in the current fiscal year. There have been twelve new major disaster declarations since August 16, 1965, when additional funds were last provided. As a consequence the unobligated balance has declined to less than \$13,500,000 at the present time.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RENT SUPPLEMENT PROGRAM

The Committee recommends \$100,000 for payments and \$12,000,000 for contract authorization to implement the new rent supplement program authorized by Section 101 of the Housing and Urban Development Act of 1965. The budget estimate proposed an authorization of \$30,000,000 but the Committee is of the opinion that the lesser amount is adequate to initiate the program for the remainder of the current fiscal year.

Subsequent to consideration of this proposition by the Congress last fall, much has been done to clarify issues raised at that time. Rent supplement payments will be made to owners or developers of certain private housing in order to help make more housing available to low-income persons. The Secretary has clearly stated that only those of low income will be helped. In no case will income limits be above those established for low-rent public housing. An asset limitation has been set at \$2,000 for low-income families, or \$5,000 in the case of the elderly.

The success of this program is dependent in great measure on acceptance by local communities. The recent housing legislation places great emphasis on the value of workable programs at the local level. To facilitate the establishment of the rent supplement program, the Committee has included language in the bill limiting the use of funds under this program to those projects which are either part of a workable program or which have been officially approved by the local community concerned. This action does not restrict but serves to strengthen local planning and insures participation similar to that required in other programs of the Department of Housing and Urban Development.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	INDEPENDENT OFFICES			
	SELECTIVE SERVICE SYSTEM			
380	Salaries and expenses-----	\$12,681,000	\$10,180,000	-\$2,501,000
	VETERANS ADMINISTRATION			
383	Compensation and pensions-----	288,000,000	288,000,000	-----
383	Readjustment benefits-----	5,000,000	5,000,000	-----
	Total, Veterans' Administration-----	293,000,000	293,000,000	-----
	FUNDS APPROPRIATED TO THE PRESIDENT			
383	Disaster relief-----	75,000,000	45,000,000	-30,000,000
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	OFFICE OF THE SECRETARY			
380	Rent supplement program:			
	Appropriation for rent payments-----		100,000	+100,000
	Annual contract authorization for grants-----	(30,000,000)	(12,000,000)	(-18,000,000)
	Total, chapter II-----	380,681,000	348,280,000	-32,401,000

CHAPTER III

SUBCOMMITTEE

WINFIELD K. DENTON, INDIANA, *CHAIRMAN*

MICHAEL J. KIRWAN, OHIO

BEN REIFEL, SOUTH DAKOTA

JULIA BUTLER HANSEN,
WASHINGTON

JOSEPH M. McDADE, PENNSYLVANIA

JOHN O. MARSH, JR., VIRGINIA

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

The Committee recommends an appropriation of \$1,495,000, of which \$1,000,000 is to cover the costs of emergency fire suppression and rehabilitation of burned-over land incurred during the summer of 1965, and to meet anticipated expenses for similar activities for the remainder of the current fiscal year; and \$495,000 is for increased pay and associated costs resulting from enactment of Public Law 89-301.

BUREAU OF INDIAN AFFAIRS

RESOURCES MANAGEMENT

The Committee recommends an appropriation of \$755,000, of which \$186,000 is to cover fire suppression costs incurred through December 31, 1965, and anticipated costs for these activities for the remainder of the current fiscal year; and \$569,000 is for increased pay and associated costs resulting from enactment of Public Law 89-301.

NATIONAL PARK SERVICE

MANAGEMENT AND PROTECTION

The Committee recommends an appropriation of \$1,028,000, a reduction of \$279,000 below the budget request. The amount of \$245,000 is for emergency fire suppression expenses incurred during the summer of 1965, and to meet similar anticipated expenses during the remainder of the current fiscal year; \$741,000 is for increased pay and associated costs resulting from enactment of Public Law 89-301; and \$42,000 is for compensation for over-time work by park police as authorized by Public Law 89-282.

The Committee does not recommend approval of the request of \$279,000 for initial staffing of 13 newly authorized park areas. Most of the land for these new park areas has not yet been acquired, and what appears to be adequate funding for this purpose has been provided in 1967 budget estimate. In the opinion of the Committee, a delay of several months in the funding of this activity will cause no undue hardships.

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

The Committee recommends an appropriation of \$827,000, a reduction of \$97,000 below the budget request. The amount of \$724,000 is for increases for wage board employees, and \$103,000 is for increased pay and associated costs resulting from enactment of Public Law 89-301.

The Committee does not recommend approval of the request of \$97,000 for the initial maintenance staff at nine new park areas. Funding is included in the 1967 budget estimate for this purpose. The urgency of this supplemental is not apparent to the Committee.

CONSTRUCTION

The Committee recommends an appropriation of \$900,000, a reduction of \$269,000 below the budget request, to provide funds for the reconstruction of roads and other facilities damaged by hurricane, flood, storm, and other uncontrollable causes. Estimates for this type of damage to park service facilities have tended to be more than ample for the restoration of the damaged facilities. In the event the recommended amount is not sufficient to cover all damage, fiscal year 1967 construction funds should be available in the near future for any remaining work that cannot be financed with this amount.

CONSTRUCTION—(LIQUIDATION OF CONTRACT AUTHORIZATION)

The Committee recommends an appropriation of \$5,500,000 to liquidate obligations incurred under the contract authority granted in the Federal Aid Highway Act.

BUREAU OF COMMERCIAL FISHERIES

MANAGEMENT AND INVESTIGATION OF RESOURCES

The Committee recommends an appropriation of \$148,000, a reduction of \$55,000 below the budget request. The amount of \$148,000 is for increased pay and associated costs resulting from enactment of Public Law 89-301.

The Committee does not recommend approval of the request for \$55,000 for pesticides research. \$500,000 was appropriated for this activity in 1966 and \$720,000 is included in the 1967 budget estimate.

BUREAU OF SPORT FISHERIES AND WILDLIFE
MANAGEMENT AND INVESTIGATION OF RESOURCES

The Committee recommends an appropriation of \$658,000, a reduction of \$105,000 below the budget estimate. Of this amount, \$478,000 is for civilian pay and associated costs resulting from enactment of Public Law 89-301, and \$180,000 is for wage board increases.

The Committee does not recommend approval of the request for \$105,000 for pesticides research. The sum of \$2,065,000 was appropriated for this activity in 1966 and \$2,480,000 is included in the 1967 budget estimate.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST PROTECTION AND UTILIZATION

The Committee recommends an appropriation of \$10,290,000, which includes \$7,500,000 for fighting forest fires and \$2,135,000 for increased pay and associated costs resulting from enactment of Public Law 89-301 under Forest Land Management; \$610,000 under Forest Research for increased pay and associated costs; and \$45,000 under State and Private Forestry Cooperation for increased pay costs.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

The Committee recommends an appropriation of \$18,000 for pay and associated costs resulting from the enactment of Public Law 89-301.

The Committee does not recommend approval of the request for \$50,000 for printing costs. The excess costs for this item should be absorbed within funds otherwise available under this appropriation item for 1966.

FUNDS APPROPRIATED TO THE PRESIDENT

TRANSITIONAL GRANTS TO ALASKA

The Committee recommends an appropriation of \$876,000 to complete payment of grants authorized by Public Law 88-311, approved May 27, 1964, to assist the State of Alaska in recovering from the earthquake of March 27, 1964.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF THE INTERIOR			
	BUREAU OF LAND MANAGEMENT			
383	Management of lands and resources-----	\$1,495,000	\$1,495,000	-----
	BUREAU OF INDIAN AFFAIRS			
383	Resources management-----	755,000	755,000	-----
	NATIONAL PARK SERVICE			
383	Management and protection-----	1,307,000	1,028,000	-\$279,000
383	Maintenance and rehabilitation of physical facilities-----	924,000	827,000	-97,000
383	Construction-----	1,169,000	900,000	-269,000
383	Construction (liquidation of contract authorization)-----	5,500,000	5,500,000	-----
	Total, National Park Service-----	8,900,000	8,255,000	-645,000
	FISH AND WILDLIFE SERVICE			
	BUREAU OF COMMERCIAL FISHERIES			
383	Management and investigation of resources-----	203,000	148,000	-55,000

BUREAU OF SPORT FISHERIES AND WILDLIFE				
383	Management and investigation of resources-----	763, 000	658, 000	- 105, 000
	Total, Fish and Wildlife Service-----	966, 000	806, 000	- 160, 000
	Total, Department of the Interior-----	12, 116, 000	11, 311, 000	- 805, 000
DEPARTMENT OF AGRICULTURE				
FOREST SERVICE				
	Forest protection and utilization:			
383	Forest land management-----	9, 635, 000	9, 635, 000	-----
383	Forest research-----	610, 000	610, 000	-----
383	State and private forestry cooperation-----	45, 000	45, 000	-----
	Total, forest protection and utilization-----	10, 290, 000	10, 290, 000	-----
	Total, Forest Service, Department of Agriculture-----	10, 290, 000	10, 290, 000	-----
NATIONAL CAPITAL PLANNING COMMISSION				
383	Salaries and expenses-----	68, 000	18, 000	- 50, 000
FUNDS APPROPRIATED TO THE PRESIDENT				
383	Transitional grants to Alaska-----	876, 000	876, 000	-----
	Total, chapter III-----	23, 350, 000	22, 495, 000	- 855, 000

CHAPTER IV
SUBCOMMITTEE

JOHN E. FOGARTY, RHODE ISLAND, *CHAIRMAN*

WINFIELD K. DENTON, INDIANA MELVIN R. LAIRD, WISCONSIN
DANIEL J. FLOOD, PENNSYLVANIA ROBERT H. MICHEL, ILLINOIS
D. R. (BILLY) MATTHEWS, FLORIDA GARNER E. SHRIVER, KANSAS
ROBERT B. DUNCAN, OREGON
BILLIE S. FARNUM, MICHIGAN

DEPARTMENT OF LABOR
BUREAU OF EMPLOYMENT SECURITY
TRADE ADJUSTMENT ACTIVITIES

The bill includes \$1,000,000 for expenses of carrying out the Department of Labor's responsibilities under the Automotive Products Trade Act of 1965. This Act authorizes adjustment assistance for workers in the automotive industry who are determined to have been "dislocated" as a result of changes in tariffs made by that Act. This assistance is in the form of weekly allowances and in some cases relocation allowances, as well as special assistance in finding new jobs or assistance in entering training programs. The request was for \$10,000,000 to remain available until expended. The Committee could see no reason for deviating from the standard practice of making appropriations of this type on an annual basis and has therefore limited the availability of these funds to the fiscal year 1966. The Department estimated that \$1,400,000 would be needed in 1966. In the view of the Committee, this estimate was based on overly optimistic forecasts of the speed with which action will be taken on petitions.

Both the funds requested and the funds included in the bill would be derived by transfer from the appropriation "Unemployment compensation for Federal employees and ex-servicemen." The use of funds under that appropriation is somewhat affected by the general unemployment situation. The appropriation for 1966 was made at a time when estimates of unemployment were higher than the rate which has actually developed. As a result, there is a surplus of funds in the appropriation and all three Department of Labor appropriations which appear in the bill are transfers from this surplus, with the exception of \$206,100, which is by transfer from the Unemployment Trust Fund.

SALARIES AND EXPENSES

The bill includes \$1,028,000, a reduction of \$15,000 from the request. Of the amount allowed, \$238,000 is to cover about half of the increased salary costs under Public Law 89-301 and \$790,000 is to enable the Department to carry out its responsibilities in connection with the admission and employment of immigrant aliens under the 1965

amendments to the Immigration and Nationality Act. The reduction of \$15,000 represents funds requested for the Office of Manpower Administrator. The Committee sees absolutely no reason for a layer of administrative responsibility for this program between the Bureau of Employment Security and the Secretary.

WAGE AND LABOR STANDARDS

WAGE AND HOUR DIVISION, SALARIES AND EXPENSES

The bill includes \$614,000, the amount of the request, to cover slightly over 50% of the increased salary costs under Public Law 89-301 and a portion of the cost of administering the Service Contract Act of 1965 (Public Law 89-286). The balance of these costs is being absorbed by some reduction in the regular activities of the Division.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

OFFICE OF EDUCATION

EXPANSION AND IMPROVEMENT OF VOCATIONAL EDUCATION

The bill includes \$950,000, the amount of the request. These funds are to enable the Office of Education to initiate the National Vocational Student Loan Insurance Act of 1965. Included is \$850,000 for advances for State and non-profit private student loan insurance programs and \$100,000 for interest payments for about 15,000 qualified students.

VOCATIONAL STUDENT LOAN INSURANCE FUND

The bill includes \$50,000, the amount of the request, to establish a Federal Insurance Reserve Fund to insure loans for vocational students as provided for in the National Vocational Student Loan Insurance Act of 1965.

ELEMENTARY AND SECONDARY EDUCATIONAL ACTIVITIES

The bill includes \$184,000,000, the amount of the request. These funds are limited to assistance for educationally deprived children under Title I of the Elementary and Secondary Education Act for which \$775,000,000 has already been appropriated for fiscal year 1966. The appropriation, which is already available, was included in the Departments of Labor, and Health, Education and Welfare Supplemental Appropriation Act, 1966. At the time that appropriation was acted on it was impossible to estimate, with any assurance of accuracy, the fund requirements for this new program. Congress, therefore, included in that appropriation a provision permitting allocation of funds on the basis of the maximum authorization, realizing that a supplemental appropriation would have to be made if demands exceeded \$775,000,000. It now appears that even the additional \$184,000,000 may fall short of providing sufficient funds to finance all approvable applications.

HIGHER EDUCATIONAL ACTIVITIES

The bill includes \$21,300,000, a reduction of \$2,900,000 from the budget request of \$24,200,000. This request was in two parts, one included in House Document No. 380 and the other in House Document No. 383. The former request was for \$13,200,000 to start the National Teacher Corps Program and the latter request was for \$11,000,000 to fund the library program under Title II of the Higher Education Act of 1965. The Committee has approved \$10,000,000 for the National Teacher Corps; the \$11,000,000 requested for the library program; and has added \$300,000 to be transferred to the Librarian of Congress for the acquisition and cataloging of library materials as authorized by Part C of Title II of the Act. While the President's budget for fiscal year 1967 requests an appropriation for the last mentioned activity, there was no request for supplemental funds for 1966 to start this part of the program at the same time the other parts were to be started. In the opinion of the Committee, the addition of these funds will provide for a better rounded program.

The bill includes two language provisions which apply limitations on the use of funds for the National Teacher Corps. The first would limit the use of Federal funds for teachers' salaries to 90%, thus requiring that a minimum of 10% of such salary cost be borne by the State and/or local school system benefiting by the assignment of teachers under the program. The second would provide that no Federal funds could be spent on any program in a local school system until it had been approved by the State educational agency. The Committee believes that the inclusion of these provisions will result in a sounder program than a 100% Federally financed program operating directly with local schools to the virtual exclusion of the State educational agency. The Committee realizes that few, and perhaps no teachers will actually be assigned to schools until next fiscal year, but it feels that these provisions should be carried in this bill to make the intent clear and thus make it easier for all concerned to make their plans for the program.

While both the library program and the National Teacher Corps are authorized by the Higher Education Act of 1965, they are two separate and distinct programs. The bill, therefore, carries them in two separate paragraphs, the first under the heading "Higher educational activities" and the other under the heading "National Teacher Corps".

PAYMENTS TO SCHOOL DISTRICTS

The last session of Congress appropriated \$347,000,000 to carry out the provisions of Public Law 874, as amended. This amount was estimated by the Office of Education to be sufficient to cover 100% of entitlements under the law as it then stood. During the latter days of the last session of Congress, Public Law 874 was further amended and further liberalized. Largely as a result of this action, the appropriation will lack approximately \$41,000,000 of being sufficient to cover 100% of entitlements. The Committee thus recommends the inclusion of \$41,000,000.

VOCATIONAL REHABILITATION ADMINISTRATION

GRANTS TO STATES

The bill includes \$39,000,000, the amount of the request. This is based on a mathematical calculation of the amount necessary to carry out the provisions of the Vocational Rehabilitation Act amendments of 1965 which provide for increased allotments and an increased rate of Federal sharing in the cost of the program under Section 2.

PUBLIC HEALTH SERVICE

NATIONAL LIBRARY OF MEDICINE

The bill includes \$4,175,000, the amount of the request. These funds are limited to initiating programs authorized by the Medical Library Assistance Act of 1965 which authorizes a maximum appropriation of \$11,000,000 for fiscal year 1966.

SOCIAL SECURITY ADMINISTRATION

PAYMENT TO TRUST FUNDS FOR HEALTH INSURANCE FOR THE AGED

The bill includes \$125,800,000, a reduction of \$242,000,000 from the request for \$367,800,000. These funds were requested to provide an advance of \$342,000,000 to the Supplementary Medical Insurance Trust Fund, and \$25,800,000 to reimburse the Federal Hospital Insurance Trust Fund for administrative expenses incurred under the program to provide hospital insurance benefits for aged individuals not covered under the Social Security or Railroad Retirement programs. The advance of \$342,000,000 is authorized under Section 1844 of the Social Security Amendments of 1965. However, the justifications submitted to the Committee stated, "Current forecasts indicate that it is unlikely that substantial withdrawals from the \$342,000,000 fund will be required during the 18-month period of its proposed availability." Hearings with the Social Security Administration officials further substantiated this statement. Some funds will be necessary in order to assure prompt payment of benefits during the early months of the program should benefits exceed payments into the trust fund. Especially since this is a repayable advance, the Committee believes the appropriation of \$100,000,000, as a contingency fund, is appropriate.

PAYMENT FOR MILITARY SERVICE CREDITS

The bill includes \$105,000,000, the amount of the request. This will provide the first installment to reimburse the Social Security trust funds for past and future benefit payments resulting from non-contributory credit for military service. Section 217(g) of the Social Security Act, as amended, requires such reimbursement over a period of 50 years beginning in fiscal year 1966.

WELFARE ADMINISTRATION

GRANTS TO STATES FOR PUBLIC ASSISTANCE

The bill includes \$381,000,000, the amount of the request, which would make a total of \$3,603,000,000 available for this purpose for fiscal year 1966. When Congress acted on the regular annual bill for the Departments of Labor and Health, Education and Welfare for fiscal year 1966, it reduced the request for grants to states for public assistance by \$242,100,000 on the basis that we have been appropriating hundreds of millions of additional dollars every year for the past few years for programs that are aimed at combating dependency, and the outlook for a reduction in the rate of unemployment was better than it had been for a long time. Of course, unemployment rates have gone to even lower levels than was anticipated when Congress acted on the original appropriation for 1966. Yet, in the face of this fact, the request for a supplemental appropriation is not only to restore the reduction made by Congress last year but for an additional amount of approximately \$140,000,000. Of course, this is purely a mathematical calculation and nothing can be done under the law but to pay the bill.

SPECIAL INSTITUTIONS

The bill includes \$24,000 for the appropriation "Gallaudet College, salaries and expenses," and \$216,000 for "Howard University, salaries and expenses," the amount of the request in both instances. These appropriations are similar to those made during the last several years when salary increases were provided for Federal employees. They provide for salary increases comparable to those granted under Public Law 89-301 and social security premium rates in line with changes under Public Law 89-97. Nothing else is included in the requests or the recommended appropriations.

OFFICE OF THE SECRETARY

OFFICE OF FIELD ADMINISTRATION, SALARIES AND EXPENSES

The bill includes \$13,000 and authorization to use \$53,000 from the old age and survivors insurance trust fund, a reduction of \$14,000 and \$15,000, respectively, from the request for \$27,000 and \$68,000. The request was for \$36,000 for increased pay costs under Public Law 89-301 and \$59,000 for state merit systems workload related to requirements under new legislation during the last year. The Committee has allowed \$30,000 for the latter purpose which it believes will be sufficient to adequately provide for the additional workload.

RAILROAD RETIREMENT BOARD

LIMITATION ON SALARIES AND EXPENSES

The bill includes \$1,075,000, the amount of the request. This amount includes \$225,000 to cover pay act costs and \$850,000 for handling work created for the Railroad Retirement Board by the enactment of the 1965 amendments to the Social Security and Railroad Retirement Acts. The Board estimates that this additional workload will amount to approximately \$965,000 but it is expected that \$115,000 of these costs can be absorbed as a result of savings in other operations.

Item	Amount	Source
1. Salaries and expenses of the Board	\$1,075,000	Appropriation
2. Pay act costs	\$225,000	Appropriation
3. Handling work created by 1965 amendments	\$850,000	Appropriation
4. Savings in other operations	(\$115,000)	Offset
Total	\$1,075,000	

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF LABOR			
	BUREAU OF EMPLOYMENT SECURITY			
383	Trade adjustment activities-----	1 (\$10,000,000)	1 (\$1,000,000)	(-\$9,000,000)
383	Salaries and expenses-----	1 (1,043,000)	1 (1,028,000)	(-15,000)
	WAGE AND LABOR STANDARDS			
383	Wage and Hour Division, salaries and expenses-----	1 (614,000)	1 (614,000)	(-----)
	Total, Department of Labor-----	1 (11,657,000)	1 (2,642,000)	(-\$9,015,000)
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
	OFFICE OF EDUCATION			
383	Expansion and improvement of vocational education-----	950,000	950,000	-----
383	Vocational student loan insurance fund-----	50,000	50,000	-----
383	Elementary and secondary educational activities-----	184,000,000	184,000,000	-----
383	Higher educational activities-----	11,000,000	11,300,000	+300,000
380	National Teacher Corps-----	13,200,000	10,000,000	-3,200,000
	Payments to school districts-----	-----	41,000,000	+41,000,000
	VOCATIONAL REHABILITATION ADMINISTRATION			
383	Grants to States-----	39,000,000	39,000,000	-----

	PUBLIC HEALTH SERVICE			
383	National Library of Medicine-----	4, 175, 000	4, 175, 000	-----
	SOCIAL SECURITY ADMINISTRATION			
383	Payment to trust funds for health insurance for the aged-----	367, 800, 000	125, 800, 000	-242, 000, 000
383	Payment for military service credits-----	105, 000, 000	105, 000, 000	-----
	WELFARE ADMINISTRATION			
383	Grants to States for public assistance-----	381, 000, 000	381, 000, 000	-----
	SPECIAL INSTITUTIONS			
383	Gallaudet College, salaries and expenses-----	24, 000	24, 000	-----
383	Howard University, salaries and expenses-----	216, 000	216, 000	-----
	OFFICE OF THE SECRETARY			
383	Office of Field Administration, salaries and expenses-----	27, 000	13, 000	-14, 000
	Trust funds-----	(68, 000)	(53, 000)	(-15, 000)
	Total, Department of Health, Education, and Welfare--	1, 106, 442, 000	902, 528, 000	-203, 914, 000
	RAILROAD RETIREMENT BOARD			
383	Salaries and expenses (trust fund transfer)-----	(1, 075, 000)	(1, 075, 000)	(-----)
	Total, chapter IV-----	1, 106, 442, 000	902, 528, 000	-203, 914, 000

¹ To be derived by transfer.

CHAPTER V
SUBCOMMITTEE

GEORGE W. ANDREWS, ALABAMA, *CHAIRMAN*

TOM STEED, OKLAHOMA
MICHAEL J. KIRWAN, OHIO
JOHN M. SLACK, JR., WEST VIRGINIA
JOHN J. FLYNT, JR., GEORGIA

ODIN LANGEN, MINNESOTA
BEN REIFEL, SOUTH DAKOTA

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

The usual sum is included to pay the customary gratuities to the widows of three Members of the House who have passed away since the last enactment in this connection.

ARCHITECT OF THE CAPITOL

The amount of \$17,000 is recommended to supplement the usual, but this year insufficient, annual allotment for emergency snow removal on the Capitol grounds caused by the big blizzard at the end of January, 1966.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	LEGISLATIVE BRANCH ¹ HOUSE OF REPRESENTATIVES			
	Gratuities to widows of deceased Members-----		\$90, 000	+\$90, 000
	ARCHITECT OF THE CAPITOL CAPITOL BUILDINGS AND GROUNDS			
415	Capitol grounds-----	\$17, 000	17, 000	-----
	Total, chapter V-----	17, 000	107, 000	+ 90, 000

¹ Budget estimates of \$838,850 in H. Doc. 405, pertaining to Senate operations were not considered and are therefore omitted from this table.

CHAPTER VI
SUBCOMMITTEE

MICHAEL J. KIRWAN, OHIO, *CHAIRMAN*

JOHN E. FOGARTY, RHODE ISLAND JOHN J. RHODES, ARIZONA
JOE L. EVINS, TENNESSEE GLENN R. DAVIS, WISCONSIN
EDWARD P. BOLAND, MASSACHU- HOWARD W. ROBISON, NEW YORK
SETTS
JAMIE L. WHITTEN, MISSISSIPPI

PUBLIC WORKS

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

The Committee recommends \$7,000,000, a reduction of \$350,000 below the budget estimate. This amount will provide \$4,230,000 for repair and restoration of navigation facilities damaged by Hurricane Betsy; \$920,000 for salary increases as authorized by Public Law 89-301 and Public Law 89-132; and \$1,850,000 for the cost of wage board rate increases effective during the period October 1, 1964 thru June 30, 1966. The reduction of \$350,000 has been effected in this latter item. It is believed this amount can be absorbed within available funds without any impairment of the planned operation and maintenance program.

FLOOD CONTROL, HURRICANE AND SHORE PROTECTION EMERGENCIES

The Committee recommends the budget request of \$7,750,000 consisting of \$4,235,000 to cover the cost of emergency activities associated with Hurricane Betsy and \$3,515,000 to provide a contingency fund to meet anticipated needs during the 1966 spring flood season.

THE PANAMA CANAL

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

The Committee has approved \$300,000, a reduction of \$104,000 below the estimate, to meet the increased pay and associated costs authorized by Public Law 89-301 and overtime compensation for

police and firemen resulting from enactment of Public Law 89-282. It is believed that the recommended reduction can be absorbed by the Canal Zone Government within available funds.

DEPARTMENT OF THE INTERIOR

SOUTHWESTERN POWER ADMINISTRATION

CONSTRUCTION

The Committee has approved the budget estimate of \$520,000 to permit continuation of construction of the Jonesboro-Idalia Line in southeast Missouri and northeast Arkansas required to provide service to several municipalities served by the Southwestern Power Administration. \$1,820,000 has been obligated for construction of the line to date and an additional \$560,000 is being made available for the current year from unobligated balances. The remaining funds to complete construction of the line, \$360,000, are included in the 1967 budget.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	PUBLIC WORKS			
	DEPARTMENT OF DEFENSE—CIVIL			
	DEPARTMENT OF THE ARMY			
	CORPS OF ENGINEERS—CIVIL			
383	Operation and maintenance, general.....	\$7,350,000	\$7,000,000	—\$350,000
383	Flood control, hurricane, and shore protection emergencies.....	7,750,000	7,750,000	-----
	Total, Corps of Engineers—Civil.....	15,100,000	14,750,000	—350,000
	THE PANAMA CANAL			
	CANAL ZONE GOVERNMENT			
383	Operating expenses.....	404,000	300,000	—104,000
	DEPARTMENT OF THE INTERIOR			
	SOUTHWESTERN POWER ADMINISTRATION			
383	Construction.....	520,000	520,000	-----
	Total, chapter VI.....	16,024,000	15,570,000	—454,000

CHAPTER VII

SUBCOMMITTEE

JOHN J. ROONEY, NEW YORK, *CHAIRMAN*

ROBERT L. F. SIKES, FLORIDA FRANK T. BOW, OHIO
JOHN M. SLACK, JR., WEST VIRGINIA GLENARD P. LIPSCOMB, CALIFORNIA
NEAL SMITH, IOWA ELFORD A. CEDERBERG, MICHIGAN
JOHN J. FLYNT, GEORGIA
CHARLES S. JOELSON, NEW JERSEY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The sum of \$450,000, a decrease of \$50,000 from the amount of the budget estimate, is provided in the bill to finance unanticipated emergencies arising in the conduct of foreign affairs.

PAYMENT TO FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

The amount of the budget estimate, \$45,000, is included in the accompanying bill to finance certain changes made by the Foreign Service Annuity Adjustment Act of 1965 of annuities for personnel who retired before October 1960. This amount represents the additional cost for four months of fiscal year 1966.

INTERNATIONAL COMMISSIONS

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

The Committee is of the opinion that the request for \$32,000 to provide funds for the preparation of the claims of American citizens against Canada for damage caused in 1951-1952 by high waters to property located along the south shore of Lake Ontario is not necessary. This matter can continue to be handled within the appropriation for "Salaries and Expenses" and this appropriation.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

FEEES AND EXPENSES OF WITNESSES

Language as requested in House Document No. 383 is included in the bill to increase the limitation in the 1966 appropriation act on the total amount that may be paid to expert witnesses by the sum of \$25,000.

FEDERAL PRISON SYSTEM

SUPPORT OF UNITED STATES PRISONERS

The bill includes \$475,000 additional to cover the increased costs of keeping Federal prisoners in non-Federal jails.

The costs under this item are getting entirely out of hand. Testimony before the Committee disclosed that payments as high as \$22.99 per day per inmate have been made. The Committee expects the proper departmental officials to remedy this situation immediately.

DEPARTMENT OF COMMERCE

PATENT OFFICE

SALARIES AND EXPENSES

Also included in the accompanying bill is \$1,000,000, the amount of the budget estimate, to provide \$605,000 to cover increased pay and associated costs resulting from the enactment of Public Law 89-301 and \$395,000 for printing an additional 5,000 patents for issuance under the acceleration provisions of Public Law 89-83.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER
JUDICIAL SERVICES

SALARIES OF JUDGES

An additional amount of \$200,000 is contained in the bill for the compensation of judges. This amount, together with the regular appropriation of \$14,500,000, will provide for the payment of salaries to an average of 466 judges.

FEES OF JURORS AND COMMISSIONERS

The full amount of the budget estimate, \$1,165,000, is recommended to cover increases in the attendance fee and subsistence allowance of jurors as authorized by Public Law 89-165.

RELATED AGENCIES

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

An additional \$425,000 is provided for this Commission of which \$399,000 is for the initiation of a study of the problems of race and education as requested by the President in November, 1965, and \$26,000 is for increased pay and related costs resulting from the enactment of Public Law 89-301.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

CIVIL RIGHTS EDUCATIONAL ACTIVITIES

The sum of \$3,000,000 is contained in the bill to finance additional training and technical assistance activities for alleviation of problems caused by desegregation of schools as authorized in the Civil Rights Act of 1964.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

The additional sum of \$500,000 is provided in the accompanying bill for this Commission. The amount of \$52,000 is to finance increased pay and related costs resulting from the enactment of Public Law 89-301 and \$448,000 is to develop a program of affirmative action designed to achieve voluntary compliance with the objective of equal employment opportunities and for the processing of more complaints of discrimination in employment than was originally anticipated by the Commission.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF STATE			
	ADMINISTRATION OF FOREIGN AFFAIRS			
383	Emergencies in the diplomatic and consular service-----	\$500, 000	\$450, 000	—\$50, 000
383	Payment to Foreign Service retirement and disability fund-----	45, 000	45, 000	-----
	INTERNATIONAL COMMISSIONS			
383	American sections, international commissions-----	32, 000	0	—32, 000
	Total, Department of State-----	577, 000	495, 000	—82, 000
	DEPARTMENT OF JUSTICE			
	LEGAL ACTIVITIES AND GENERAL ADMINISTRATION			
383	Fees and expenses of witnesses-----	(1)	(1)	-----
	FEDERAL PRISON SYSTEM			
383	Support of United States prisoners-----	500, 000	475, 000	—25, 000
	DEPARTMENT OF COMMERCE			
	PATENT OFFICE			
383	Salaries and expenses-----	1, 000, 000	1, 000, 000	-----

THE JUDICIARY			
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES			
383	Salaries of judges-----	220, 000	200, 000 -20, 000
383	Fees of jurors and commissioners-----	1, 165, 000	1, 165, 000
	Total, the judiciary-----	1, 385, 000	1, 365, 000 -20, 000
RELATED AGENCIES			
COMMISSION ON CIVIL RIGHTS			
383	Salaries and expenses-----	468, 000	425, 000 -43, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
OFFICE OF EDUCATION			
383	Civil rights educational activities-----	3, 250, 000	3, 000, 000 -250, 000
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION			
383	Salaries and expenses-----	742, 000	500, 000 -242, 000
	Total, related agencies-----	4, 460, 000	3, 925, 000 -535, 000
	Total, chapter VII-----	7, 922, 000	7, 260, 000 -662, 000

¹ Language increasing limitation by \$25,000.

THE SECOND SUPPLEMENTAL APPROPRIATION BILL, 1968

CHAPTER VIII
SUBCOMMITTEE

TOM STEED, OKLAHOMA, *CHAIRMAN*

OTTO E. PASSMAN, LOUISIANA
JOSEPH P. ADDABBO, NEW YORK
JEFFERY COHELAN, CALIFORNIA
SIDNEY R. YATES, ILLINOIS

SILVIO O. CONTE, MASSACHUSETTS
HOWARD W. ROBISON, NEW YORK

POST OFFICE DEPARTMENT

OPERATIONS

The Committee recommends an appropriation of \$269,904,000, a reduction of \$2,000,000 below the budget estimate. The funds recommended are to provide for the handling of a substantial increase in mail volume, and to comply with the requirements of various laws enacted subsequent to the passage of the regular annual appropriation bill last year.

The Department requested \$2,000,000 to provide for sixth day delivery of parcel post. The Committee is of the opinion that the urgency of this program is not of the highest order and can be deferred at this time. It is considering this matter in connection with the 1967 estimates.

TRANSPORTATION

The Committee recommends an appropriation of \$21,000,000, the amount of the budget request, to provide for transportation services incident to the greatly increased mail volume referred to above.

PLANT AND EQUIPMENT

The Committee recommends an appropriation of \$3,106,000, the amount of the budget request, to accelerate the procurement and installation of mechanical equipment in post offices as part of a stepped-up program to improve efficiency and service.

COMPARATIVE STATEMENT OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc. No.	Department or activity	Budget estimates	Recommended in bill	Bill compared with estimates
	POST OFFICE DEPARTMENT			
383	Operations-----	\$271, 904, 000	\$269, 904, 000	-\$2, 000, 000
383	Transportation-----	21, 000, 000	21, 000, 000	-----
383	Plant and equipment-----	3, 106, 000	3, 106, 000	-----
	Total, Post Office Department-----	296, 010, 000	294, 010, 000	-2, 000, 000
	Total, chapter VIII-----	296, 010, 000	294, 010, 000	-2, 000, 000

CHAPTER IX CLAIMS AND JUDGMENTS

The Committee recommends the appropriation of \$10,251,798, the amount of the estimate, for claims and judgments rendered against the United States. Of this amount, \$3,876,205 represents damage and other type claims, the payments of which are due under various laws, and \$6,375,593 represents judgments rendered by the U.S. Court of Claims and U.S. district courts. Details concerning these claims and judgments are contained in House Document numbered 414, Eighty-ninth Congress.

TITLE II

INCREASED PAY COSTS

This title of the bill deals exclusively with additional funds to help meet increased pay costs—military and civilian—authorized by or pursuant to law in all three branches of the government and the District of Columbia. Additionally, various appropriations in title I of this bill have blended into them amounts for similar increased pay costs—a procedure followed to avoid confusion that would probably arise if the supplemental under a given item were arbitrarily split and shown in two places. The specific requests are in House Documents 380, 383, and 405; there is also an unbudgeted \$19,000 legislative branch item.

The following abbreviated resume shows budget requests for these pay costs during the current fiscal year 1966; the estimated absorptions; and the additional amounts budgeted and allowed.

	In millions of dollars, rounded		
	Total estimated costs, fiscal year 1966	Absorptions proposed	Budget requests for added funds
Pay of members of military services (Act of Aug. 21, 1965, P.L. 89-132, an average pay raise of 10.4 percent)-----	\$870. 1	\$96. 0 (11%)	\$774. 1
Civilian pay (Act of Oct. 29, 1965, P.L. 89-301, an average pay raise of 3.6 percent; also, comparable raises granted administratively; and wage-board increases)-----	600. 2	194. 1 (32%)	1 406. 1
Totals-----	1, 470. 3	² 290. 1 (20%)	1, 180. 2

¹ Includes \$838,850 for Senate operations not considered by committee. ² Includes some that hinge on Congressional action on transfers, lifting limitations, and the like.

\$963,120,770 is included in title II, a reduction of \$7,433,600 from the budget requests for additional appropriations accounted for under that title. Additionally, various items in title I include approximately \$208,314,500, a reduction of \$454,000 from the requests of \$208,768,500 for increased pay costs submitted and considered in connection with supplements for other than increased pay costs. Thus, for all increased pay and wage purposes, the bill includes a total of \$1,171,435,270, which is \$8,726,450 less than the aggregate budget requests of \$1,180,161,720; the difference represents requests of \$838,850 for Senate items not considered by the committee, and further savings of \$7,887,600 made by the committee.

Each subcommittee concerned with the applicable programs and activities reviewed the related pay supplementals. Some reductions were made in four groups, including the legislative branch where, unlike those for the executive branch, the requests had not been centrally screened.

But large reductions were impractical. The added costs have been running since last fall and it would be unduly disruptive to the many on-going functions if large additional absorptions were imposed this late in the fiscal year. Already, as the tabulation shows, 11 percent of the military pay raise and 32 percent of the civilian raises are being absorbed; the overall absorption, Government-wide, being about 20 percent.

THE SECOND SUPPLEMENTAL APPROPRIATION BILL, 1968

508,120,770 is included in title II, a reduction of \$7,438,600 from the budget requests for additional appropriations accounted for under that title. Additionally, various items in title I include approximately \$207,814,500, a reduction of \$44,000 from the requests of \$207,858,500 for increased pay costs submitted and considered in connection with supplements for other than increased pay costs. Thus, for all increased pay and wage purposes, the bill includes a total of \$1,171,485,270, which is \$8,750,450 less than the aggregate budget requests of \$1,180,235,720; the difference represents requests of \$88,755 for Senate items not considered by the committee, and further savings of \$7,227,000 made by the committee.

Each subcommittee conferred with the workable program and activities reviewed the related pay supplements. Some reductions were made in four areas, including the legislative branch where, unlike those for the executive branch, the pay scale had not been

LIMITATIONS AND LEGISLATIVE PROVISIONS

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

On page 4, line 15, in connection with Rent Supplement Program:

: Provided further, That no part of the foregoing appropriation or contract authority shall be used for incurring any obligation in connection with any dwelling unit or project which is not either part of a workable program for community improvement meeting the requirements of section 101(c) of the Housing Act of 1949, as amended (42 U.S.C. 1451(c)), or which is without local official approval for participation in this program.

On page 10, in connection with National Teacher Corps:

Provided, That none of these funds may be used to pay in excess of 90 per centum of the salary of any teacher in the National Teacher Corps: Provided further, That none of these funds may be spent on behalf of any National Teacher Corps program in any local school system prior to approval of such program by the State educational agency of the State in which the school system is located.

MINORITY VIEWS

Only this week, the House voted final approval of the Supplemental Defense Appropriation Bill, H.R. 13546, for the remaining portion of fiscal year 1966, which ends next June 30. That bill provided \$13.1 billion of new obligational authority to be used principally in behalf of the war in Vietnam.

We, the undersigned, supported passage of H.R. 13546 just as we have consistently supported the President's prior requests for funds with which to prosecute the war in Vietnam. We stand ready to do whatever is necessary in the future to back up our Nation's commitment of men and material in Vietnam.

No one knows when the war in Vietnam will be terminated nor does anyone know with certainty what its eventual cost will be. It is apparent, however, that our defense needs and expenditures were originally understated in last year's budget request and they are still underestimated in the fiscal 1967 budget.

We pointed out to the House last August 19 (House Report 818 on the Labor-Health, Education, and Welfare Supplemental Appropriation Bill, H.R. 10586) that the initial budget for fiscal 1966 had deliberately underfunded defense needs by several billion dollars in order to pave the way for Great Society spending proposals and to keep the facade of a one hundred billion dollar budget.

Our judgment in that regard has been more than sustained by the supplemental request for defense needs of \$700 million late in fiscal 1965 and a budget amendment of \$1.7 billion in fiscal 1966 which were granted last year and by the supplemental of \$13.1 billion on which the House voted final approval this week.

With respect to fiscal 1967, it can be predicted with virtual certainty that additional supplemental requests for defense will be needed and will be forthcoming in the late Fall of 1966 or the early Winter of 1967 to make up for the deficiencies in the 1967 defense budget.

In the light of our confirmed judgment of last August and the virtual certainty that defense needs are understated in the 1967 budget, it is time for the Administration, and if it is not willing then the Congress, to establish a system of priorities on the Administration's unbridled plans for domestic nondefense spending in fiscal years 1966 and 1967.

This Second Supplemental Appropriation Bill would provide appropriations of \$2,564,872,568. The spending authority requested by the President for new programs included in this bill totals more than one-half billion dollars. Although the Committee reduced these requests by nearly one-quarter billion dollars, substantial funds remain in this bill to start new programs.

The situation in Southeast Asia is far different today than it was when Congress enacted these new programs last year. The war in Vietnam is being escalated and the demands for men and material with which to fight the war are increasing daily. Congress now has the opportunity of taking a second look at these programs and rendering a judgment with respect to the validity of providing funds

for them at this time when compared with our increasing needs in Vietnam.

The inescapable fact that we are at war cannot be successfully denied by the Administration or, for that matter, by the Congress. Therefore, we can no longer continue "business as usual" without running the risk of incurring runaway inflation and the imposition of additional taxes to curb inflation and to finance the unessential or low priority domestic spending programs of the Administration.

Despite protestations to the contrary by spokesmen for the Administration, the fear of inflation and the probable imposition of additional taxes are subjects of constant and continuing consideration by the Executive Branch.

Americans have always risen to the demands placed upon them by war. We are certain that they are willing now to make whatever sacrifices are necessary to win the war in Vietnam and to restore peace to a troubled world. But we are also convinced that they are not willing for this Administration, or the Congress, to have "its cake and eat it too" through wasteful and unessential domestic spending in time of war.

Last August 19 we made these conclusions crystal clear to the Congress when we said:

"In light of these inescapable facts, a hard look should already have been taken at nondefense related projects with an eye toward cutting substantially the dollar amounts appropriated, where possible, and putting off the implementation of marginal or not-absolutely-necessary domestic welfare programs.

"War calls for sacrifices.

"This war is no exception.

"To postpone the sacrifices can only invite a terrible strain on an already burdened economy. The rising costs of living and the shrinking purchasing power of the dollar in large part are the result of business as usual in recent years even without the added strains and stresses of the large-scale needs of the present war situation.

"Those large-scale needs are now upon us. To attempt to finance them by additional deficit financing without first bending every effort to tighten the Nation's belt in the nondefense spending area is to court an economic situation that will further erode the value of the dollar, more deeply threaten the economic well-being of low and middle income citizens and the economic health of our Nation.

"It is incumbent upon Members of the Appropriations Committees of both Houses of the Congress to discharge their urgent responsibility of reexamining thoroughly those programs that have yet to be funded in this fiscal year.

"Wherever possible, dollar amounts for nondefense programs should be cut back or eliminated. A hard decision must be made on programs which may in the short run be desirable but that in the long run can only contribute to the further deterioration of what is essential in time of war—a sound dollar and a sound economy.

"The Congress of the United States is charged with the primary responsibility of determining how large a federal budget our economy can stand. It is within the power of the Congress even yet in this session of the 89th Congress to make substantial reevaluation of the level of expenditures it would be prudent to impose on the economy at this time."

Demands on the Administration and the Congress to be selective in the financing of Government programs are even more compelling now than they were last August.

We recognize that over the years the Executive Branch has utilized supplemental appropriation bills for the initial funding of new programs. This is an undesirable practice, in our opinion, and should be discontinued. We believe that new programs should be funded, generally, in the regular appropriation bills for affected Departments and agencies. To the extent that funds for new programs were provided in the regular bills, Members of the Committee (and Congress, as a whole) would be better able to evaluate the relative importance of new program needs to total funds requested for a Department or agency.

We, the undersigned, therefore, firmly believe that funds for the new programs that are provided for in the bill should be further studied. There is no urgent need for their immediate funding. The Appropriations Committee should further study these requests in relation to overall budget needs. The Committee should notify the Administration that funds for new and expanded domestic spending programs will be withheld until such time as a more realistic assessment of overall national security needs for fiscal year 1967 (including those for Southeast Asia) is submitted to the Congress. Moreover, to the extent that the Administration refuses to reassess our defense needs and to the extent that it refuses to assign priorities to these and other domestic nondefense spending requests, then the Committee should undertake that responsibility. To that end, we recommend that the House recommit this bill to the Committee on Appropriations with instructions that funds proposed therein for new programs and expansions of existing programs be further studied for the purpose of making additional cuts in the appropriations requested.

FRANK T. BOW.
CHARLES R. JONAS.
MELVIN R. LAIRD.
ELFORD A. CEDERBERG.
GLENARD P. LIPSCOMB.
JOHN J. RHODES.
WILLIAM E. MINSHALL.
ROBERT H. MICHEL.
ODIN LANGEN.
BEN REIFEL.
GLENN R. DAVIS.
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