

N.R. 15572

Senate on the disagreeing votes of the two Houses thereon; and that Mr. EVINS of Tennessee, Mr. BOLAND, Mr. WHITTEN, Mr. SLACK, Mr. PASSMAN, Mr. MAHON, Mr. DAVIS of Wisconsin, Mr. ROBISON of New York, Mr. MYERS, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. McFALL, Mr. YATES, Mr. STEED, Mrs. HANSEN of Washington, Mr. BOLAND, Mr. MAHON, Mr. CONTE, Mr. MINSHALL, Mr. EDWARDS of Alabama, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message further announced that the House has passed without amendment the joint resolution (S.J. Res. 228) to extend the expiration date of the Defense Production Act of 1950.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3669. An act to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes; and

H.R. 14012. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. JOHNSTON).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1975

The Senate continued with the consideration of the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development, for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Has the Senator from Maryland relinquished the floor?

Mr. MATHIAS. Yes. I am yielding the floor now.

Mr. GOLDWATER. Mr. President, I should like to ask a question of the Senator from Wisconsin.

Is it true that he proposes to offer an amendment that would cut this overall budget item by 3 percent?

Mr. PROXMIRE. The Senator is correct. My amendment would make an across-the-board cut on all the controllable items. Obviously, we cannot cut

veterans' pensions or benefits, which are fixed by law and are in a contractual and legal position. It would be futile to try to make a reduction, and we should not. Everything to be reduced would be reduced by 3 percent below what the Appropriations Committee submitted to the Senate.

Mr. GOLDWATER. Would the Senator be favorable to eliminating that cut from NASA, which is a part of this grouping of budgets?

Mr. PROXMIRE. No. I would be opposed to that, for several reasons. No. 1, the NASA request is either at or above the budget, and the others, in some cases, are far below the budget. We have one agency, for example, which is about 20 percent below the budget, and we are making a further cut of 3 percent.

I recognize that there is great merit in the NASA position, and I also recognize that the Office of Management and Budget has reduced it far below what many people feel is desirable and necessary. We have to do this on an equal basis, or we have great difficulty justifying this kind of reduction.

Mr. GOLDWATER. I ask that because I think the Senator might agree that including NASA in this group is illogical. It is probably the only scientific appropriation we have. Well, the National Science Foundation is in it. But the rest do not apply to science. I thought that the Senator might be agreeable to skipping NASA, so that we could get at the rest of it.

Mr. PROXMIRE. I am afraid not. I would have to resist that. I do not see how we could do that. One could make a very strong appeal to skip the National Science Foundation and to skip some of the other very worthy agencies here.

As the Senator from Maryland has said, these are people-oriented programs, all deserving programs, and good programs. I do not see how we can make an exception.

The purpose of this reduction would be to ease the inflationary pressure. As the Senator from Arizona knows far better than I, NASA does use goods and materials that are in short supply—steel, chemicals, highly trained and highly skilled people. For us to exempt NASA under these circumstances will be extremely difficult to justify.

Mr. GOLDWATER. The Senator from Wisconsin puts this particular Senator in a bad spot, because I have voted consistently for cuts and will continue to vote for cuts. I have argued for years, as the Senator knows, that spending money we do not have has caused our inflation. As to whether I vote for this 3 percent or not, I will have to go out and wrestle with my conscience. Right now, that is not being done, but I might try.

Mr. PROXMIRE. If anybody can wrestle with the conscience of a conservative, it is the distinguished Senator from Arizona.

I might point out that NASA represents only part of this overall cut. The cuts would be made equitably under the other agencies, too.

Mr. GOLDWATER. I realize that.

I thank the Senator from Wisconsin.

Mr. ERVIN. Mr. President, will the

Senator yield for an observation, with the understanding that he will not use lose his right to the floor?

Mr. GOLDWATER. I am glad to yield.

Mr. ERVIN. I would like to pay this tribute to the Senator from Arizona, as a result of my long service with him in the Senate. If he wrestles with his conscience, his conscience will win. (Laughter)

Mr. GOLDWATER. I think it usually does, much to my disappointment.

Mr. President, at long last, the Senate appears to be making a determined effort to do its part in bringing inflation under control. I applaud that effort.

There is no question in my mind that there is plenty of fat in the Federal budget—fat that has contributed to the inflationary spiral.

I certainly intend to support any and all efforts to get the fat out. At the same time, I want to make sure we cut the fat and not the bone.

Last week we had amendments offered cutting appropriations for Public Works and the Department of Transportation. On Public Works the cuts failed, although I supported them. Friday, by a vote of 58 to 15, the Senate approved a 3.5 percent reduction for the Department of Transportation, which I also supported. In both instances, the Senate had an opportunity to work its will on one Department and one set of programs.

I submit the case is very different in H.R. 15572, because we have a kind of omnibus appropriations bill covering 11 Departments, Agencies, Commissions, and a Foundation. They are:

- Housing and Urban Development;
- Funds Appropriated to the President;
- Disaster Relief;
- American Battle Monuments Commission;
- Cemeterial Expenses, Army;
- Federal Communications Commission;
- National Aeronautics and Space Administration;
- National Science Foundation;
- Renegotiation Board;
- Securities and Exchange Commission;
- Selective Service System; and
- Veterans' Administration.

As I noted earlier, there is quite a grouping of unrelated items. As one Senator has alluded, most are people agencies. But it is hard to see NASA right now as a people agency, although I think it is going to become one.

The funding histories of this group differ, and therefore a straight across the board 3½-percent cut will fall unequally on them.

In 1972, the Congress and executive approved a constant level budget of \$3.4 billion for NASA. The purpose of this budget was to stabilize NASA's expenditures over the ensuing 5 to 7 years. A mix of new starts were combined with existing programs.

No sooner was the ink dry on this agreement, then NASA took further cuts. If the constant level budget that was approved in the Congress had been carried out, the NASA budget this year would be \$3.750 billion. In other words, the NASA budget that we are approving today is one-half of a billion dollars below what the Congress and the execu-

tive agreed was a sound budget back in 1972.

Now, the 3-percent cut that is being proposed is, in my opinion, a meat-ax approach. It does not take into account the funding history of the agencies involved. NASA, for example, has had to absorb most of the inflationary increases without relief.

There are three multibillion-dollar agencies provided for in H.R. 15572. They are: the Veterans' Administration at \$14 billion; the National Aeronautics and Space Administration at \$3.2 billion; and the Department of Housing and Urban Development at slightly over \$3 billion.

A look at the employment records of the three agencies involved tells part of the story. In 1966, NASA had 35,494 employees. The Veterans' Administration had 154,823 and Housing and Urban Development had 14,329. In 1973, NASA had 27,540; VA had 163,129, and HUD had 17,780. Working the percentages since 1966, HUD has increased 124.1 percent, VA increased 108.6 percent and NASA has decreased 77.6 percent.

Mr. President, I have a table comparing NASA, the Veterans' Administration, and the Department of Housing and Urban Development employment, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PAID CIVILIAN FULL-TIME EMPLOYEES WITH PERCENT DEVIATIONS FROM 1966 EMPLOYMENT

	NASA	VA	HUD
1966	35,494	154,823	14,329
Percent	100.00	100.00	100.00
1967	35,703	157,576	14,618
Percent	100.59	101.76	102.02
1968	34,378	155,174	15,574
Percent	96.86	100.23	108.69
1969	33,707	152,230	14,713
Percent	94.97	98.33	102.68
1970	33,062	153,913	15,422
Percent	93.15	99.41	107.63
1971	31,135	163,668	17,102
Percent	87.72	105.71	119.35
1972	28,665	163,988	16,462
Percent	80.76	105.92	114.89
1973	27,540	168,129	17,780
Percent	77.59	108.59	124.08

Source: Pay Structure of the Federal Civil Service, table 1.

Mr. GOLDWATER. Mr. President, in the fiscal year 1965 the NASA budget was 3.79 percent of the total Federal budget. Since then it has gradually decreased to a point where the estimate for 1974 is 0.98 percent. This is less than 1 percent of all Federal expenditures.

For this dollar investment, the Nation gets untold benefits covering electronics, medicine, computer technology, and a variety of other areas too numerous to mention. The NASA programs are an investment in the future. They will produce taxable dollars. They will increase the wealth of the Nation by providing better ways of doing things.

Mr. President, one of the better ways of doing things is the Earth resources and technology satellites. They can detect crop disease, monitor pollution, and provide flood control information. They can also tell the farmers who live in the arid Southwest, which is my home, whether they are getting enough Rec-

lamation water, or whether they are not. A number of my colleagues would like to see the Earth resources technology satellites continue under development.

If this 3.4-percent cut stands, I am afraid that ERTS-C, which is the next one that we shall have to put in orbit—and ERTS-B has already outlived its useful life, although it is producing remarkably well; we do not expect it to be in an operable stage much past October. So we have to get ERTS-C up, if this valuable service provided to all the States and to foreign countries is to be continued and improved on.

Mr. President, in testimony received before the Committee on Aeronautical and Space Sciences last fall, markets for space processing and manufacturing in the amount of \$2 billion per year were identified. Among those space processing items already identified are vaccines, livestock sperm, DC rectification and regulation crystals, tungsten carbide components for oil pumps and valves, aircraft turbine blades, acoustic wave devices, X-ray targets, scientific and optical glasses, computer memory devices, and the development of small electric motors. And this is only the beginning.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. MATHIAS. Will the Senator agree that the items he has just mentioned really go a long way toward, as he said, bringing NASA into the future as a people-oriented agency?

Mr. GOLDWATER. There is no question. When I made the comment I made prior to this point, I recognized that NASA probably would not fall under the people agencies at this time. But when we start improving the transmission of electricity, when we start improving the development of other crystals, the development of space-produced vaccines and sperm, when we really feel that it might be possible some day to take very critically ill people—say very critical heart cases—into space, believe it or not, and cure that person, I think the day is very close at hand when we shall have to call it a people agency.

Mr. MATHIAS. I might share with the Senator an experience I had last week. I went to Cumberland, Md., where there was in session a class in which the pupils were sitting in Cumberland, but the teacher was at the University of Kentucky. This was a class taught by satellite. It is an experiment to demonstrate the feasibility of the practices where education would be broadcast from one central classroom and then beamed down in directional beams from the educational satellite.

This is the same equipment which, under international agreement, will be loaned to India next year and which I think can have a revolutionary effect on people and on the educational process in areas where education has been very limited in all the years up to this time.

Mr. GOLDWATER. I say to my good friend from Maryland that on the vast Indian reservations in my State, which comprise 113,000 square miles, we are using this same program. For the first

time in the history of many of these children, they are being allowed to be educated by people who are, in some cases, thousands of miles away.

Another important thing that I am afraid we overlook is that in many of the Western States such as Arizona, where 84 percent of the population is confined in two cities, we have great great areas where there is no medical attention; where we have no hospitals, where it is impossible to get a doctor to go and live because there are just not enough people to take care of. We are now beginning to use satellites to transmit medical information. This information will be fed to a computer and the answer to the symptoms will be fed back to the parties involved.

Already we are involved in a great humanitarian project and, as time goes on, it will be greatly increased. But it is not going to be increased if we have stops and starts in vital technological programs. This cut will mean about \$97 million—most from new starts.

While that is not an astronomical amount as we talk about budgets in this body, it will have a serious effect on these items that are of humanitarian concern around the world.

Mr. MATHIAS. Of course, I share the Senator's concern. It seems to me that when we talk about an across-the-board cut in an appropriations bill, where half of the items in the bill are uncontrollable, fixed items, it really has the effect of doubling the cut on the balance of the items. So if we talk about a 3-percent across-the-board cut in this bill, I think the Senator would readily agree that this really means we are making a 6-percent cut in the parts that are adjustable, because half of the bill is fixed, is frozen. We cannot do anything about it.

So it becomes a very dangerous kind of thing to do.

Mr. GOLDWATER. The effect will be that if we apply this 3-percent cut, it will mean no new starts in anything in space. It will mean cutting again—not big cuts because \$97 million, compared to the over \$3 billion budget, is not necessarily earth shaking. But it is when we consider the fact that we shall have practically no new starts.

I think it might be interesting for the Senators to know that during hearings last Fall before the Space Committee, we had testimony from Mr. David Keller, who is manager of Advanced Programs of the Space Division of General Electric.

He testified that space processing made possible by the space shuttle would have an annual value of \$2 billion. I have often prophesied that it will annually exceed the \$40 billion that we have now invested in space. Some of the items listed by Dr. Keller are: in 10 typical vaccines, there would be over \$1 billion; in livestock sperm \$422 million; direct current rectification and regulation crystals, \$100 million.

One of the reasons that we do not have adequate electricity, particularly in our large Eastern cities, is that our transmission losses run as high as 20 percent. In other words, if we are generating a million kilowatts a generator we lose 20 percent of that by the time it gets to New

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York City, or Washington, or Philadelphia, or Chicago.

The development of these crystals which will convert alternating current to direct current will mean that those losses can be cut to less than 1 percent. It can also mean a modification of the transmission lines, which is already long overdue.

Nothing makes me more angry than to see our countryside covered with big transmission lines, when they can go underground—a little more money, yes, but more efficiently, and almost 100 percent more efficiently with the \$100 million of DC crystals that we can produce in space a year.

Now, this 20 percent, if applied to New York City, would mean no brown outs and probably enough excess energy for 10 to 15 years. If one wants to extend it out over the period of the life of the shuttle and the life of the communities, I think we are looking at savings on the order of \$500 billion to \$700 billion.

Mr. MATHIAS. Mr. President, will the Senator yield for just one comment at this point?

Mr. GOLDWATER. Yes.

Mr. MATHIAS. This really becomes a conservation matter. When we talk about saving 20 percent of the electricity which is carried on long-distance transmission lines, we are talking about conservation of coal and we are talking about conservation of oil, a major conservation effort, an of course one of enormous economic consequences. And while this is something in the future, it is pretty well tested out. The limiting factor on the use of this technology now is the limit on the size of the crystals that can be made on the surface of the Earth; but much larger crystals can be made beyond the pull of gravity in space. This is one of the returns on the NASA investment which is now virtually in hand.

Mr. GOLDWATER. The Senator is absolutely correct. The absence of gravitation, by the way, is also the reason why they cannot only develop perfect crystals in space, which we could never do on Earth, but they can also do the same thing with aircraft turbine blades. If we can create turbine blades that can take more heat, we can cut down the noise of engines, and eventually I think we will all see the day when the turbine engine has little or no noise at all.

This applies also to scientific and optical glasses, computer memories, and so forth.

I mention those things, Mr. President, merely because we are just beginning to understand what the spinoff or fallout from space exploration amounts to.

The total value of space processing and manufacturing already identified amounts to about \$10 to \$12 billions over the life cycle of the Space Shuttle. However, the benefits to the Nation are many times that number. I have gone through this, but it bears repetition: Installing new transmission lines using DC current, made possible by space-manufactured crystals, would save the Nation hundreds of billions of dollars.

It is hard to understand the concept of saving a billion dollars, but anything that would save hundreds of billions, I

think, should arouse a great deal of interest among us and among our constituents.

Mr. MATHIAS. The implications of all this are tremendous; because, for instance, if we have to burn North African or Middle Eastern oil to generate the electricity we are going to waste by the present long-distance transmission lines, we are sending dollars out of the United States simply to be burned up and do no one any good, because of this 20 percent loss we are now suffering. Thus we have a worsening of our international currency position; so this is a further remote byproduct. I agree it is a remote byproduct, but a very important one.

Mr. GOLDWATER. Not only that, but, as long as the Senator has brought it up, about the only thing we have going in the black for us in international trade is our aircraft industry. The only way the aircraft industry of the United States is going to stay ahead of the rest of the world is contained in the moneys that this 3 percent would cut out; namely, further experimentation in supersonic flight.

I can see immediately that it raises the hair on the head of my friend from Wisconsin when this is brought up, but we do not stop developing airplane just because we can now fly near the speed of sound with transports. We have to continue the investigation and experimentation.

If we fail to pursue aeronautics, although I do not see it right now, we can begin to see ourselves slipping in international trade in the aircraft business.

The NASA portion of the Federal budget is productive. It can provide a better and fuller life for all Americans. If we cut our investment in future technology, then in the future we will have fewer and fewer dollars to tax.

As I indicated at the outset in my questioning of my friend from Wisconsin, I am perfectly in accord with any effort to cut the Federal budget. While one does not like to step on one's own toes, one might be forced to do it. Because NASA has taken such large cuts, and because it has actually served as an example to every other Federal agency, we might be able to, in some way, keep this outside the tent while we are working on the rest of it inside.

Mr. President, I merely wanted to express my views. I commend any Member of this body who wants to reduce Federal spending. Sometimes it is not easy; other times it is. Most of the times it is very simple. Today it is going to be harder.

Mr. President, I yield the floor.

SECTION 312 REHABILITATION LOANS

Mr. TAFT. Mr. President, I am concerned about the committee's action to delete the House request of \$70 million in new appropriations for the section 312 housing rehabilitation loan program.

Both the Congress in the housing bill now in conference and the administration in its policy pronouncements have recognized that housing and neighborhood preservation strategy deserves much more of our attention than it has had in the past. Efforts to preserve declining neighborhoods before they deteriorate to the point where compre-

hensive renewal is necessary can be worthwhile both in terms of cost-effectiveness and of the livability of our urban areas. Section 312 is almost universally recognized as a successful effort to provide just this type of Federal assistance.

I understand that the new appropriation was deleted "without prejudice," based upon the belief that approximately \$70 million in funding already will be available. However, I have been informed that of the \$70 million, only about \$30 million is pure "carryover" money. Of the rest of the funding, \$22.8 million would come from estimated loan repayments, while the remainder would result from the reallocation of funds allocated but not used in fiscal 1974.

My concern is that not as much of this money may become available as anticipated. HUD spokesmen acknowledge that since the \$22.8 million would be repaid throughout the year, there would certainly be some of that money which could not be reloaned in fiscal 1975. Furthermore, the portion of funds assumed to be available for reallocation is a rough estimate, as I understand it. This estimate, it seems to me, is much more likely to be high than low.

Because the matter will be in conference in any event, I will not contest formally the committee's decision. However, I urge the committee to explore this matter thoroughly and to consider the House provision in conference with an open mind, because I believe that more funding may be necessary for this very important program.

Along the same lines, I must take this opportunity to encourage the Senate conferees to stick with a separate section 312 program. It is a sound program which has basically been subjected to criticism only on the grounds of its disproportionately large budget impact, which occurs not because of large Federal costs, but because the budget treats loans as if they were grants. It is in keeping with the administration's emphasis of fuller utilization of existing housing. Furthermore, in several States, including my own, constitutional restrictions cast legal question upon the ability of localities to use community development funds for rehabilitation in the same manner as section 312 could be used. Despite these points, section 312 is the only housing loan program which the House housing bill proposes to consolidate. While I realize that the community development provisions are now part of difficult negotiations, I hope that the Senate conferees on the housing bill will continue to give these points the fullest consideration.

Mr. BIDEN. Mr. President, included in the National Aeronautics and Space Administration funding under H.R. 15572, the HUD-Space Appropriations bill, is \$886 million for the space shuttle—\$800 million for research and development and \$86 million for facility construction. I believe that spending such an enormous sum of money this year, for a project of such questionable worth, is a classic example of misplaced priorities. And, if this were not bad enough, we should realize that spending this sum of money this

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year will almost inevitably commit us to still larger expenditures for each of the next 3 fiscal years, by NASA's own admission. It will also commit us to a space program during the 1980's which is almost certainly overly ambitious, since the space shuttle, once built, will require that a vast number of missions be flown in order to justify its existence. Mr. President, the time to stop this juggernaut from coming into being is now, when the funds which have been spent on the shuttle are still much smaller than the vast sums yet to be spent. I believe that we should take the opportunity to stop and rethink the feasibility of this program in view of its gigantic economic consequences. With each succeeding year the shuttle will become more difficult to stop, as the total funds already obligated will continue to grow and will become an argument for continuing the program, in order that the funds already spent shall not be "wasted." Better to stop the waste now than later, when it will have increased to monumental proportions.

Mr. President, I do not doubt the claims of NASA and its supporters that the space shuttle would produce significant advances in science and technology. If our national economic circumstances were different, if we had money to spare for such an overwhelming adventure, I might look differently on the matter. But we all know that we are in a difficult time, when we must make choices among many programs and claims on the national treasury, all of which have some justification when viewed alone. What we in the Congress must do is to choose among these conflicting demands, to set national priorities. We must weigh one program against another, and we must weigh all proposed Federal spending programs against the need to hold down spending and curb inflation. When weighed in this balance, I am afraid the space shuttle is found wanting.

We are now in a period of rampant inflation. Most people around the country consider this to be the Nation's No. 1 problem.

Congress has for too long abdicated its role in the budgetary process to the executive. With the passage of the budget reform bill, Congress will hopefully begin to take its rightful place as the "keeper of the purse strings."

We cannot wait until next year, however, when the Budget Committee formally begins its duties. We must look immediately for places where money can be judiciously withheld in order to stem the already too high level of Federal expenditures which are a major ingredient in the current 12 percent rate of inflation.

Let us take a look at a few figures. As I said, the committee recommendations for this year for the shuttle is \$800 million for research and development, plus approximately \$86 million for shuttle-related facilities costs. Up to now, that is through fiscal year 1974, the amount spent on the shuttle has been on the order of a billion dollars. But this is only the beginning. The total cost for developing the space shuttle, by NASA's own estimates, will be \$5½ billion—which means the billion we have spent thus far

is less than 20 percent of the total development cost. And that \$5½ billion figure does not take inflation into account; nor does it include any room for possible overruns. Even this sum does not buy a completed, operational space shuttle system. The procurement of additional orbiters, ground support facilities, and the so-called "space tug"—all necessary in order to make the system operational—may add another \$3 billion to the bill. Under current planning, the first version of the "space tug" may be built by the Defense Department, so funds for it may not come out of the NASA budget. Nevertheless, development of the tug is a cost of the space shuttle system which must eventually be borne by the U.S. taxpayers, whether it comes out of DOD funds or NASA funds.

So now we are up to \$8½ billion—but wait, there is more to come. According to NASA estimate, the total money that the U.S. Government, and the U.S. taxpayer, will spend during the life of the space shuttle, including development costs, launch costs, and the costs of the payloads to be orbited by the shuttle, amounts to \$45 billion. That is \$45 billion. Granted, some of the experiments may be very worthwhile and useful, and some of them probably would be conducted using expendable rockets even if the shuttle were not built. Still the question remains: Do we really want and need a space program of the magnitude that would be necessary in order to justify the shuttle?

Let me turn now to some of the specific uses which, it is claimed, justify development of the shuttle. There are three arguments in particular which I should like to discuss. First, with the shuttle it will be possible to retrieve and repair or replace malfunctioning satellites in orbit. This sounds like an excellent capability to have. But there are qualified scientists in this area who claim that this capability will not be worth much as a practical advantage. As technology develops, satellites are becoming more reliable and less susceptible to failure. Also, the satellite to be repaired may well be obsolete when the time comes to repair it. So this capability becomes of doubtful value. Second, it is claimed that there will be military benefits—mainly unspecified—derived from the shuttle. In fact, the design characteristics of the space shuttle have been strongly influenced by military considerations. Very well, then—why does the Defense Department not share in the cost of developing the shuttle? Why does it not even specify how the shuttle would be useful to the military? This whole area of DOD involvement in the shuttle raises far more questions than it answers.

Finally, all sides seem to agree that the shuttle is necessary if there is to be continuation of a manned space program. Now, I was as thrilled as any other American citizen when our astronauts went into space, and when they planted the American flag on the Moon. We can all be proud of the heroic exploits of our astronauts. But it may well be that, in the future, we will be able to obtain as much useful scientific information from

unmanned probes as we could from live astronauts—and at a much lower cost, and without need of the space shuttle. Once again, I point to the remarkable improvements in the instrumentation in recent years—in computers, in electronics, in remote sensors. Unmanned probes have sent back photographs and other information in amazing detail from Mars, from Venus, from Mercury, and Jupiter. Is it not possible that the development of these devices, which do not need the life support equipment required by live astronauts, is really making manned space flight an unnecessary luxury? Again, there are many qualified space scientists who believe this to be the case.

Speaking of these space scientists reminds me that there is a serious "priorities" argument raging within the scientific community with regard to the space shuttle. A number of scientists believe that the space research and applications programs, which are of real benefit to mankind and have brought us such undoubted benefits as communications satellites and earth resources satellites, are suffering from an acute shortage of funds as NASA pours money into the shuttle program. So, even within the confines of the space program, the shuttle has its serious critics.

To sum up, we are in a time of great social needs, not all of which can be met without an unacceptable increase in the Federal budget, an increase which would be paid for by the American people either in higher taxes or in the "hidden tax" of inflation. Within the context of these unmet needs, the space program must find its proper place. I submit that the space program should be continued, but not at the swollen level which will be mandated by the continuation of the space shuttle program at its current rate.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 9, after "\$12,500,000" strike the period and insert the following:

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

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Mr. JAVITS. Mr. President, the purpose of this amendment is to zero in on the fact that what there is still contract authority available under sections 235 and 236 which should be used before the section 23 leasing program designed to replace both of those other programs is fully utilized.

The amendment does allow for a ratable utilization of section 23 in proportion to what is used of the contract authority under sections 235 and 236.

This goes along, it seems to me, with the general concept of the committee as reported on page 7 of the Senate report.

Our feeling is that these programs, especially section 236, are critically important particularly to the big cities. In view of the fact that the Department wishes to rely entirely on section 23, it runs too much of a risk if it takes a long time, for example, to install that particular program. Then you end up with a lapse in the existing programs, which are extremely beneficial, especially to us in the cities, and the figures I have show approximately \$237 million left in section 235, and \$167 million left in section 236. So this amendment takes an elementary precaution to see that we are not completely out of any program for a certain period of time which can really stimulate housing until such time as the expended section 23 program may be installed, financed, and administered.

It is just more of a lapse than we have any right to invite, especially with a tremendously falling number of housing starts today.

I notice the committee at page 7 says:

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

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

So, it seems to me, Mr. President, for these reasons that this would be a desirable amendment to take to conference.

Mr. PROXMIRE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I congratulate the Senator from New York on the amendment. The Senator is an amazing Senator. He served years ago on the Banking, Housing, and Urban Affairs Committee, but he has not served for some time on it, and yet he is extraordinarily alert.

I have been on the Banking, Housing, and Urban Affairs Committee ever since I have been in the Senate. We have just been in conference this morning on something very close to this issue, section 235 and section 236 of the authorization bill. The amendment of the Senator recognizes there are now some \$240 million in appropriated but unspent section 235 funds, and about \$170 million, I believe, in section 236 funds. These are funds which have been impounded and

which, under the Budget Reform Act, must now be used.

I favor this action for several reasons. The administration and HUD are now, as the Senator from New York has said, putting all their eggs in the section 23 basket. It is a new program.

Now, section 23 may not work at all. It is an untried program.

Second, if it does work, it may take a very long time to get going. HUD claims they will commit \$1.2 billion in a year. I do not think that is at all possible. They have had this section 23 on the books now for many, many months, and they have yet to have one single start. There were no starts at all.

When we approved public housing under the 1949 act we said that 810,000 units should be built in 6 years. It took 20 years to do that.

When we passed section 221(d)(3) for moderate-income housing in 1962, we said we should build 45,000 units in a year. It was not until the sixth year that the total of 45,000 units were built. So section 23 may take a long time to work, if it works at all.

Third, even if it works, it may not even reach the income groups now covered by public housing or by section 235 or section 236. It may not build in the suburbs or in the central city or it may work in one place but not in another. It may work in the South but not in New England; it may work in the West but not the Midwest.

For all these reasons, it is wrong to put all our eggs in the section 23 basket.

Section 235 was not a failure. Where it failed, as in Detroit, almost all the other programs failed because of corruption. In Wisconsin, less than 3 percent have failed in a program where we expected initially as high as 15 percent failures.

One measure of its success is that the funds for section 235 are actuarially sound. That means that it has worked as Congress intended.

People have gotten off subsidy. The Government pays less than it did before in subsidies to those in section 235. This program has worked and should not be the victim of HUD's mismanagement and HUD's propaganda.

I, for one, am happy to accept the amendment with a proviso as a part of the legislative or appropriation record for, I believe, sections 235 and 236 and section 23 units should march together, as the amendment provides. I do not think the total funds for all of them should exceed the total originally proposed by HUD for section 23. We are not expanding funds; we are changing the mix.

With that proviso, I am happy to accept the amendment.

I ask my distinguished colleague from Maryland (Mr. MATHIAS), the ranking Republican on the committee, for his views.

Mr. MATHIAS. I would concur with the chairman's views.

I also thank the distinguished Senator from New York (Mr. JAVITS) for making this valuable suggestion which, as I would interpret it, really seeks to mandate a balance of section 235, 236—

Mr. JAVITS. And section 23.

Mr. MATHIAS. And section 23. And, in so mandating the balance, I think it expresses on the part of Congress a sense of what the policy should be and its importance. It is important but substantively and I think it is important procedurally, so I think it is a good amendment, and I have no doubt that it will meet with considerable support in the other body.

They have mentioned this area in the House report on page 7 in which they use committee language which tends to support the thesis that the Senator from New York has spoken on today. So, on behalf of the minority, I am happy to accept it.

Mr. JAVITS. I thank my colleague very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I am happy to yield to the distinguished Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I thank the Senator very much.

I have several questions of the Senator from Wisconsin, and I would like to discuss with the distinguished chairman of the HUD, Space Science, Veterans' Subcommittee of the Appropriations Committee (Mr. PROXMIRE), and its distinguished ranking minority member (Mr. MATHIAS) a number of issues pertaining to VA medical appropriations as contained in the Appropriations bill reported from committee. At the outset, I would especially like to thank both of them and the other members of the committee for their continuing cooperation in working together on VA Appropriations and other matters of such great concern to all of us. Particularly, I am most grateful for the opportunity they have provided to me to suggest certain matters which might be discussed in the committee report and for their sympathetic treatment for those items in the pending committee report.

First, I would like to call attention to the language included in the report at my suggestion stating the strong view of the committee that VA medical and hospital personnel must not be included in any government-wide freeze which may be imposed by the President. The report clearly points out the disastrous impact this would have on the functioning of the VA medical and hospital program.

Specifically, the report states:

The Committee is aware that the President recently announced plans to make substantial cutbacks in total Federal employment throughout the Government. The Committee wishes to express its very strong view that any personnel freeze or other personnel limitations resulting from such a Government-wide policy should not be applied to the medical and hospital employment within the Veterans Administration. In 1972 the VA hospital and medical program suffered from the effects of a Government-wide freeze on

ding which had an absolutely disastrous impact on the capacity of the VA system to provide quality patient care. Based on that experience, it is projected that over a full year the VA medical program could be expected to lose over 11,000 employees—based upon an attrition rate of between 10% and 33%—especially in the fields of pathology, radiology, nursing, and medical administration. Of these, the vast majority would be in the nursing service (over 8,000), the most critical direct patient care category, where normal VA attrition runs from 15% to 20%.

I would like to ask the distinguished floor managers whether they will do their best to see that this same language is included in the joint explanatory statement to accompany the conference report on this bill?

Mr. PROXMIRE. May I say to the distinguished Senator from California that I agree wholeheartedly. In an amendment which I expect to offer shortly, which was discussed in part by the Senator from Arizona, one of the areas I feel we could not, should not, and must not reduce is the very area the Senator has referred to. These are strong, absolute commitments we have to meet, and I would agree wholeheartedly.

Of course, I speak only for myself, and the Senator from Maryland speaks for himself, but we would do our best to prevail on our colleagues on the Senate side, and hope that the House would see clear to be with us; but I think the Senator from California is correct.

Mr. MATHIAS. As one who is unhappy all too well aware of the inadequacy of existing VA medical services in many regions, I could not in conscience sit still for any chance that they would be further decreased, so I am happy to give that assurance.

Mr. CRANSTON. It would be very useful if the joint explanatory statement to accompany the conference report would contain language similar to the report, and I was asking whether that would be the endeavor of each of you; is that correct?

Mr. MATHIAS. Yes.

Mr. CRANSTON. You will both seek to have similar language in the amendment?

Mr. PROXMIRE. That is my position, yes.

Mr. MATHIAS. It certainly is mine.

Mr. CRANSTON. Thank you very much.

Second, Mr. President. I would like to point out for the information of my colleagues what the distinguished subcommittee chairman and I have previously discussed with regard to the adequacy of the amount included in the reported bill for VA medical care. The committee has sustained the House increase of approximately \$16 million for 1,000 new nursing personnel. I believe, however, that an additional appropriation of at least \$150 million more is needed to improve the quality of VA medical care. I have discussed this matter with high officials at the White House and the Office of Management and Budget and have good reason to believe that a supplemental budget request will be forthcoming from the administration this month. Frankly, Mr. President, I believe that the White House has already had ample time to submit

such a supplemental request since it has had—for over 2 months—the report and findings on the VA hospital system which were submitted by the VA Chief Medical Director, Dr. John D. Chase, on May 31, 1974.

I have discussed the recommendations in this report with Dr. Chase and strongly believe that the \$150 million figure I have cited as necessary in supplemental appropriations for the VA medical program is fully in line with his findings. These funds are most urgently needed to increase core VA hospital staffing by at least 8,000 personnel, to activate certain projects to provide more ambulatory care space and facilities and for certain crucial specialized units, such as intensive care units, and to provide for certain maintenance and repair of urgent electrical and other structural deficiencies, as well as to expedite certain air-conditioning projects.

I wish to emphasize that this \$150 million figure is actually a conservative one—amounting to less than one-half the amount which VA hospital directors reported to the House Committee on Veterans' Affairs, in response to its survey just completed, as representing additional dollars which they need now and which were not provided in the target allowance based on the budget request. The total amount of that deficiency, on the basis of the House survey, is \$305,282,000.

So, Mr. President, I am not satisfied with the medical care or construction amounts in the pending measure. But I recognize the great desirability of proceeding to consider additional appropriations in committee, rather than on the floor, and in connection with a supplemental budget request if one can be forthcoming. Thus, I have agreed to the request of the distinguished subcommittee chairman not to press a floor amendment at this time. It is my intention to proceed, however, with a supplemental appropriation amendment at the next available opportunity whether or not the administration comes forward with a supplemental request.

My question for the distinguished floor managers is this: Can I have your assurances that you will proceed to investigate the report and findings of Dr. Chase's survey and that you will give sympathetic consideration to any supplemental request that may be forthcoming based on that survey for more VA medical care funds?

Mr. PROXMIRE. May I say to the Senator from California that we will certainly investigate the report and findings of Dr. Chase's survey. If they send up a supplemental request, we will have hearings, call witnesses, give it consideration.

I do not think the Senator from California would expect us to make a commitment until we know what is requested and consider it.

I would give it high priority, but will not make any commitment that we would go ahead with any particular amount until we know what it is, and with the inflation situation with what we can do.

Mr. CRANSTON. I did not expect a

commitment today. I am perfectly satisfied with a commitment for high priority and sympathetic consideration.

Would the Senator from Maryland comment, also, on that point?

Mr. MATHIAS. Well, I would certainly feel that the report which attempted to give the Congress some sort of objective view of the quality of veterans' medical care would be one of the most important items of business Congress could have.

I would cooperate in every way with the chairman of the subcommittee in calling Dr. Chase before the committee, calling witnesses we might need to supplement his testimony, calling witnesses who might even criticize his report, so that we can get a thorough view of just what the levels of quality of care is.

That ought to be done, I think, without any delay whatever, as soon as the report is available, I think we ought to look at it.

Mr. CRANSTON. I thank the Senator.

Mr. President, we all want to proceed in a bipartisan and a consensual manner in respect to this appropriation for VA medical care.

Because of the Vietnam war, Mr. President, the problems of running the vast VA medical system are more staggering and complex than most Americans realize. The Veterans' Affairs Subcommittee on Health and Hospitals, which I am privileged to chair, has compiled data showing the Vietnam war has resulted in an increase of seriously disabled veterans—more quadriplegic veterans, more veterans with multiple injuries—requiring intensive care and rehabilitation. A survey of Army personnel released from the service demonstrates the severity of the disabilities the VA medical program must cope with. Amputation, paralysis of extremities and nervous disorders comprise nearly 60 percent of the 12,466 servicemen separated from combat wounds and injuries from 1964 through 1972.

Of 18,556 Army personnel separated during the same period for both combat wounds and diseases suffered in Vietnam, 58 percent were caused by crippling injuries to the bones, especially of the feet and legs. This compares with 21 percent in World War II and 24 percent in the Korean conflict. Another 13 percent of these Army medical retirees suffer from mental disorders.

The number of Vietnam veterans receiving medical care in VA facilities represents a substantial proportion of the patients. Of those veterans receiving outpatient care in fiscal year 1973, 2.2 million were Vietnam veterans, or over 20 percent of the total 10.8 million who visited outpatient facilities. In the first 6 months of fiscal year 1974, 1.2 million were Vietnam veterans or 20.7 percent of the total 5.8 million veterans who visited VA outpatient clinics.

Admissions to VA hospitals of Vietnam veterans for both years ran at about 13 percent of all admissions—in fiscal year 1973, 123,000 Vietnam veterans out of the 905,000 total veterans admitted and in the first 9 months of fiscal year 1974, 97,000 Vietnam veterans out of the 713,000 total veterans admitted.

These statistics clearly indicate that

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the VA medical system must have an adequate number of neurosurgeons, plastic surgeons, psychiatrists and other highly skilled specialists, and nursing and technical personnel support them.

As I have said, I believe we need at least \$150 million more for medical care than the administration requested in its fiscal year 1975 budget. We have an obligation to pay in full the human costs of this war by providing a truly first-class VA medical system for our disabled veterans.

But, at the same time I am sure that the distinguished floor managers would agree with me that we cannot defer this matter much further to accommodate a forthcoming supplemental budget request at the expense of the seriously disabled veterans of the Indochina war and all our prior wars who must rely upon the VA to tend to their wounds, treat their illnesses, and provide for their rapid recovery and rehabilitation. Would you agree?

Mr. PROXMIRE. I would agree.

Mr. CRANSTON. Mr. President, the Senator from Wisconsin referred to the amendment that he intends to offer shortly.

I would like to ask if I am correct in my understanding that the amendment to be offered by the distinguished subcommittee chairman (Mr. PROXMIRE) to make across-the-board cuts—of 3 percent throughout the bill—in new obligatory authorities will exempt from those cuts the VA medical care, medical and prosthetic research, medical administration and miscellaneous operating expenses, readjustment benefits, general operating expenses, and compensation and pension items, and thus the only major item to which it would apply would be to amounts appropriated for construction within the overall VA budget? Am I correct?

Mr. PROXMIRE. The Senator is correct for several reasons. One, of course, is the overwhelming moral reason, we have an obligation to our veterans and will fulfill that completely.

The second reason is that we consider virtually all of this uncontrollable, a matter of law, a matter of absolute obligation by the Appropriations Committee.

We have no alternative on it, so the Senator's description is correct.

Mr. CRANSTON. I thank the Senator very much.

Mr. MATHIAS. Since the Senator from Wisconsin is the author of that amendment, I think his statement is the best evidence on it.

Mr. CRANSTON. Yes, that is why I did not press for an analysis from the Senator from Maryland.

Mr. MATHIAS. Let me say that I am not one who is very enthusiastic about this kind of amendment, to start with, but that I would have to oppose it extremely vigorously if it were to cut into these items. But the Senator from Wisconsin with his usual good judgment, I think, has made it clear that it will not.

Mr. CRANSTON. I thank the Senator.

Mr. President, finally, I want to express my disappointment that the committee has eliminated totally the \$30

million added by the House for assistance for health manpower training institutions as authorized by chapter 82, title 38. I believe that at least \$20 million of this amount is fully justified and can be and will be obligated during this fiscal year, if appropriated, for grants to medical schools and other health manpower institutions as well as to VA hospitals pursuant to subchapters II, III, and IV of that chapter. This program has been traditionally a zero budget request by the Office of Management and Budget since the enabling legislation was enacted in October 1972, in Public Law 92-541.

I consider this program vital to the health care mission of the Veterans' Administration Department of Medicine and Surgery on the basis that health education and health research programs are an indispensable part of modern hospital-based medical programs and that these grants serve to strengthen greatly the capacity of VA hospitals and their staffs to provide quality care to disabled veterans.

I would like to urge the distinguished floor managers to study this matter carefully during the conference with the House committee and to be sympathetic in their evaluation of the \$30 million which the House has added for the purposes I have just described. Would the distinguished floor managers agree that this matter should be carefully studied and agree to work with the House conferees to provide those funds which can be effectively used under this important program?

Mr. PROXMIRE. Mr. President, we will have to do that, because of course it is in conference, but I would like to call the attention of the Senator from California to page 35 of the report, two short paragraphs at the top of the page:

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

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

This is why we felt that there were funds here for this program. I am sure the Senator recognizes this is a new program, highly controversial program, and we should proceed with dispatch to the extent we can be satisfied it is workable. But also in view of the fact that it is new, we felt there ought to be some caution. That is why we cut it out.

Mr. CRANSTON. I thank the Senator for that comment. It is my information that there now exists, in the pipeline, grant applications that can take a total justified expenditure of an additional

\$20 million to cover these grants. I would like to simply read one more paragraph which immediately follows those paragraphs from the report which the Senator read:

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

I am grateful that that language was included.

Mr. MATHIAS. If the Senator will yield, I believe we have given full assurance of the committee's interest in this field. It seemed to be redundant to appropriate when the funds were already on hand, unexpended and unobligated at this time. If there is real need, a pressing need, for further funds other than those which have not been expended in the past, and which have carried over, we could give very prompt and, I think, very sympathetic consideration.

Mr. CRANSTON. I thank the Senator very much. We will do our best to document that need. I understand there are applications for grants that would justify an additional \$20 million. I thank both Senators very much.

Mr. PROXMIRE. Mr. President, I send to the desk my amendments and ask the clerk that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk proceeded to read the amendments.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

Senators PROXMIRE, CHILES, HOLLINGS, and NUNN propose the following amendments to the bill H.R. 15572, a bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975:

On page 2 line 9, strike out \$12,500,000 and insert in lieu thereof \$12,125,000.

On page 3 line 15, strike out \$22,500,000 and insert in lieu thereof \$21,825,000.

On page 3 line 26, strike out \$200,000,000 and insert in lieu thereof \$194,000,000.

On page 4 line 13, strike out \$125,000,000 and insert in lieu thereof \$121,250,000.

On page 4 line 24, strike out \$110,000,000 and insert in lieu thereof \$106,700,000.

On page 5 line 5, strike out \$39,000,000 and insert in lieu thereof \$37,830,000.

On page 5, line 11, strike out \$50,000,000 and insert in lieu thereof \$43,500,000.

On page 5, line 20, strike out \$70,000,000 and insert in lieu thereof \$67,900,000.

On page 5, line 26, strike out \$6,320,000 and insert in lieu thereof \$6,130,400.

On page 6, line 7, strike out \$11,900,000 and insert in lieu thereof \$11,543,000.

On page 6, line 14, strike out \$5,580,000 and insert in lieu thereof \$5,412,000.

On page 6, line 17, strike out \$3,530,000 and insert in lieu thereof \$3,424,000.

On page 6, line 20, strike out \$6,830,000 and insert in lieu thereof \$6,635,000.

On page 6, line 24, strike out \$19,513,000 and insert in lieu thereof \$18,927,000.

On page 7, line 4, strike out \$29,446,000 and insert in lieu thereof \$28,562,000.

On page 8 line 6, strike out \$4,512,000 and insert in lieu thereof \$4,376,640.

On page 9 line 2, strike out \$265,000 and insert in lieu thereof \$257,050.

On page 9, line 18, strike out \$46,900,000 and insert in lieu thereof \$46,759,000.

On page 10, line 9, strike out \$2,349,080,000 and insert in lieu thereof \$2,278,607,000.

On page 10, line 16, strike out \$144,490,000 and insert in lieu thereof \$140,155,000.

On page 13, line 8, strike out \$749,124,000 and insert in lieu thereof \$726,650,000.

On page 14, line 8, strike out \$675,000,000 and insert in lieu thereof \$660,958,000.

On page 15, line 9, strike out \$5,000,000 and insert in lieu thereof \$4,860,000.

On page 15, line 17, strike out \$5,163,000 and insert in lieu thereof \$5,008,000.

On page 15, line 24, strike out \$43,077,000 and insert in lieu thereof \$42,947,000.

On page 16, lines 9 and 10, strike out \$38,500,000 and insert in lieu thereof \$37,345,000.

On page 20, line 8, strike out \$230,850,000 and insert in lieu thereof \$223,924,000.

On page 20, line 20, strike out \$45,150,000 and insert in lieu thereof \$43,795,000.

On page 21, line 2, strike out \$10,000,000 and insert in lieu thereof \$9,700,000.

On page 21, line 7, strike out \$2,100,000 and insert in lieu thereof \$2,037,000.

On page 22, line 14, strike out \$100,000 and insert in lieu thereof \$97,000.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am proposing an amendment to cut 3 percent essentially from the controllable items in this bill. The cut would not affect three major categories of items: First, HUD's contractual housing payments which have been reduced by \$125 million by the committee; second, the \$200 million disaster relief funds given to the President; third, those fixed items in the Veterans' Administration budget such as pension, veterans' benefits, and so forth, which are fixed items and which are paid as a right. What this means is that only about one-fourth of the total funds in this appropriation bill can be subject to this further 3-percent cut across the board. But they should be cut.

In the subcommittee and full committee of the Appropriations Committee we worked our will and increased a few programs, cut others, and essentially granted the funds requested to still others.

What I am proposing now is that we cut a further 3 percent across the board in the controllable items.

Inflation is the country's number one problem. If we are to meet inflation, we need to cut the Federal budget.

Twice the Senate has voted to cut the budget or place a ceiling on the budget of \$295 billion, once by a vote of 74 to 12. That is a \$10 billion cut in a \$305 billion budget, or about 3 percent.

By vote of 74 to 12, as I say, the Senate voted to do that on June 13. Prior to that, on May 9, we passed a similar amendment by about a 2-to-1 vote. Those

are two very strong Senate votes for a \$10 billion cut. If we mean business, we should carry out that general intention in the bills before us.

I am therefore proposing that we cut 3 percent from those controllable items in the bill. The amount of the controllable items is \$5,337,474,000, and 3 percent of that amount is \$160,124,000.

Let me say that I am not proposing to cut veterans' benefits, pensions for veterans, their widows, or children, would, along with other uncontrollable items, make up well over two-thirds of the funds in the bill. I am proposing we cut those items which are not controllable. We should make no distinction between and among programs. Every agency should have to take its fair share, namely, a 3-percent cut.

The distinguished Senator from Arizona (Mr. GOLDWATER) made a very eloquent appeal as only he can—because he is so familiar with the space program—for the space program to be exempted.

Mr. President, I just cannot see any ground for picking them out any more than I can the National Science Foundation, the Securities and Exchange Commission, or any other number of agencies which are absolutely essential for the operation of our Government in a fair and equitable way, but which in my view can absorb a 3-percent cut.

It is not as if we are cutting 50 percent. We are cutting 3 percent. I think all of us have had enough experience in Government to know that it is possible, or in business to know that it is possible, to cut 3 percent without cutting the real muscle or bone of any operation.

These agencies are not necessarily fat and lazy, but a 3-percent cut is something they can do in this period of very serious inflation without great sacrifice.

Inflation is now running at double digit numbers. Unquestionably, it is the No. 1 issue, the No. 1 problem, for 210 million Americans. I think they feel overwhelmingly this is something they would like to have faced.

In my State of Wisconsin I recently sent out a questionnaire to over 100,000 people. I asked them whether they would favor a \$10 billion cut in the Federal budget. As part of the answer, because it was part of the same questionnaire, I indicated what they had to cut. I pointed to the military budget, the Space budget, and the various other budgets.

I was astonished by the response. By a 10 to 1 margin, 89 percent to nine percent supported a Federal budget cut of \$10 billion. I think if you can get almost 90 percent of the people in my State to approve anything it is astonishing. We have a State that disagrees on almost any issue you can find. I am sure if you asked 100 people whether they loved their mother you would not get that kind of response.

So I think it should be clear to the Senate of the United States that this is something that the people want, something that they recognize very wisely. If we are going to do anything concrete and specific, except talk about inflation, it is something we should do. So for that reason I would hope this is adopted.

One other point is that just a few days

ago, I believe on Thursday or Friday, the Senate voted on the transportation appropriation bill. Senator Byrd the manager of the bill brought in a measure that was under the budget, under the House, and then in addition to that he proposed a 3-percent floor cut, or approximately a 3-percent cut, on all the controllable items in that measure. That passed by a 4 to 1 vote. I think the Senate made it very clear that even though there were programs they wanted and supported, we must recognize that inflation has now reached a stage in our society where we have to act on it.

Mr. President, I do hope that the Senate will give these amendments favorable consideration.

Mr. DOLE. Will the Senator yield?

Mr. PROXMIRE. I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent that I be joined as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I have listened very carefully to the Senator. It has been indicated in the past few days on the Senate floor there is nothing troubling the American people more than inflation.

According to a recent poll, 48 percent of the American people feel that the Government is responsible for inflation and it is clear that Federal spending is one of the primary contributing factors.

In this morning's Washington Post, I noticed an article, which was greatly heartening to me, entitled "Public Gives Better Mark to Congress." This heading is especially heartening to me this year, as I am sure it is to other Senators.

However, upon reading further into the article, I was dismayed to see that the improvement in public attitude toward Congress only reflects that of 29 percent of the population. At the same time, 64 percent feels that the Congress is only doing a fair to poor job.

One reason for the low public regard for Congress is undoubtedly inflation, which has become the biggest economic issue in the country today. The people are looking to us for action on this matter and we should not fail them.

The time to act is now. Today we are considering the HUD appropriation bill and this measure presents an opportunity to reduce inflationary Federal spending.

FEDERAL SPENDING RESPONSIBLE FOR INFLATION

High Federal spending has been identified as one of the primary causes of inflation. The President has stated that a \$5 billion cut in the budget is necessary. Others, both in the administration and the Congress, have advocated cuts of \$5 to \$10 billion. The best economists in the Nation have stated that a reduction in Federal spending is absolutely essential to prevent inflation from getting out of hand.

As I have said many times in the past week, the reduction of Federal spending is one area where we could demonstrate our commitment to doing something about it.

There has been a bipartisan effort in the Senate to reduce the budget in the past few days. Cut were nearly achieved

in the Treasury and Public Works appropriation bills last Wednesday and Thursday. Finally on Friday, we were able to cut the transportation appropriation bill by 3.5 percent.

VA BUDGET EXEMPTED

It should be emphasized that this amendment specifically exempts the funds for the most vital veterans' programs. Most veterans and their survivors are having a difficult time as it is living on the meager pension and compensation they receive.

Veterans have already made a sacrifice for the country which we can never totally repay. Most of the funds in the VA budget are obligational expenditures. These funds cannot be reduced and I do not support cutting them.

Hopefully, the Senator's effort today to cut 3 percent of the controllable items, not touching the contractual or fixed items, will be successful.

Mr. PROXMIRE. I thank the Senator from Kansas.

I would like to say one more thing before I yield to the Senator from Maryland, Mr. President.

As chairman of this subcommittee I had a chance to sit in on every single minute of the hearings on this bill. The hearings are very substantial. I am convinced, on the basis of the record, that we can make this kind of reduction without any serious damage to the agencies. In fact, I think their performance might very well be improved. As the performance of business is improved, the performance of even a family may be improved, if they are careful and more prudent about their spending.

So for that reason, too, because I think I understand these agencies—they all had an opportunity to appear—under these circumstances this cut is a responsible cut and a reasonable cut. It should not cause any serious curtailment of services to the American people.

I am happy to yield the floor.

Mr. MATHIAS. Mr. President, our subcommittee operates, in general, in such harmony and operates on the basis of consensus so often that I am very reluctant to oppose the suggestion that has been made by our chairman. But I do feel that it is necessary to oppose this amendment, and I think it has to be opposed on both practical grounds and grounds of principle.

The practical grounds are very real. When we consider the facts that have already been given to the Senate by the Senator from Arizona (Mr. GOLDWATER) about the reductions in force and the reductions in level of expenditure that have been made in NASA, and then when we consider that by this amendment we will require, we will mandate, the rifting of approximately 3,000 more employees at NASA alone, we question whether that agency will really continue to have an independent existence, whether it really is worth it.

Let us consider the impact of this amendment on the NASA program. I inquired about that over the weekend, and I was advised that the Space Shuttle, which is already well beyond its projected schedule, would be delayed by an additional 18 months.

The Senator from Kansas says that he is concerned about inflation. I am concerned about inflation, and I think we all ought to save all the money we can. But if the Senator from Kansas wants to worry about inflation, he ought to consider the ultimate impact of this cut on inflation.

As the Senator from Arizona has laid it out very clearly, we have ahead of us the prospect of saving 20 percent of the electricity which is transmitted by long-distance lines. If we can save 20 percent of the electricity on long-distance lines, we are going to do more for inflation, more for the international currency position of this country, because of the saving in the oil that would have to be bought overseas, than we possibly could by this amendment, which would cut very vital Government agencies and expenditures.

I think the practical factor here is that this cut is too deep. I have joined the chairman time and again in any reductions that I thought were necessary, but I believe that this one does go too far. I have said that I thought it was bad not only in practice but also in principle, and I think the form of the amendment demonstrates that point. It is not an across-the-board cut. The chairman—I salute him for that and support him in it—has exempted certain elements in this bill from the cut. He has exempted the so-called uncontrollable items. We cannot have an across-the-board cut, by definition, and I think it indicates that we cannot have an across-the-board cut. There are some uncontrollable items, and this is not really an across-the-board cut. It is a cut which is directed at certain programs. It hits them so hard that it really raises serious questions about the viability of those programs at the levels at which they would be left if this amendment were adopted.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. PASTORE. I thought I heard the manager of the bill say that none of the veterans' pensions or payments to orphans and widows would be cut. My question is this: Will the people who will have to administer these programs be cut?

Mr. MATHIAS. It is my understanding that the general administrative expenses of the Veterans' Administration will be cut.

Mr. PROXMIRE. No, that is not the case. The cut would be in construction. It would be confined to construction, so far as the Veterans' Administration is concerned.

These are the amendments: page 20, line 8, VA construction, major projects; page 20, line 20, VA construction minor projects; page 21, line 2, VA grants for construction of State extended care facilities; page 21, line 7, VA grants to the Republic of the Philippines; page 22, line 14, vocational rehabilitation revolving fund.

There would be no reductions anywhere else. We would not cut the people who would administer these programs, because we felt that these were obligations of right, obligations under law, and

we are not in a position to have the authority to make that reduction.

Mr. PASTORE. I have another question for the manager of the bill or his counterpart on the Republican side of the aisle. We had a very scandalous revelation not too long ago with respect to some of our Vietnam veterans who had returned. Some of them were paraplegics; some were quadriplegic. Some could not even light their cigarettes. They did not have the facilities. Many of these hospitals are very old—from World War I and World War II. They have not been modernized. They do not have the equipment to take care of some of the very peculiar injuries that have been caused by the kind of war that was conducted in Southeast Asia.

Many of these hospitals are not air-conditioned, and some of these young people cannot even move, cannot even use a fan in order to give themselves a little fresh air. They have to just sit in the sweltering heat.

Does this proposal mean that we cut this out, too?

Mr. PROXMIRE. In the first place, it is a reduction of 3 percent below what the Appropriations Committee appropriated.

Furthermore, last year \$68 million was appropriated. This year, \$223 million would be appropriated after the cut. So we increased this by more than threefold over last year.

Mr. PASTORE. I realize that as to the space program, that may be necessary. I am not going to defend that on the floor of the Senate this afternoon. I think that possibly we ought to take care of the people on Earth before we begin to explore any more out in the blue yonder. Why can we not exempt completely the Veterans' Administration?

We have these boys who, against their will, have served their country. They have returned maimed—some without arms, some without legs. If there is any money here to put a little air-conditioning in a hospital where they are stretched out on a bed, why do we take that out this afternoon? Why do we not exempt the Veterans' Administration completely?

Mr. PROXMIRE. We have exempted about 90 percent of it. The only part we have included is the construction of facilities, and this construction is a matter of timing. This is something that does go right to the heart of inflation. Steel is in short supply; many other elements that go into construction of these facilities are in short supply. It is enormously increased over last last year.

If it were a bigger cut than it is, I would agree with the Senator. But we do not cut any of the treatment for the veterans, any of the direct services for veterans, any of the pensions for veterans, or anything of that kind.

Mr. PASTORE. I realize that. I am not saying it does. I handled this budget in the past, and the plan was to do it in a very gradual way, to modernize some of these veterans hospitals. Some of them are in very bad shape.

We are saying to these veterans, "As far as you are concerned, you suffer a little more, because we have a little in-

flation in this country." I think we should take it out of where we can and not put it on the backs of these veterans who were badly wounded.

Mr. PROXMIRE. I say to the Senator from Rhode Island that we have given, by far, the greatest consideration to the veterans. Of the total amount in the bill, \$31 billion, as the Senator from Rhode Island knows, about two-thirds, \$14 billion, is for the veterans. We exempted virtually all of that.

I appreciate the remarks of the Senator from Rhode Island.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. CHILES. Mr. President, I want to compliment the Senator from Wisconsin. I serve on this subcommittee. He has worked long and hard on the appropriations.

It seems to me that the design of this amendment, which exempts completely those items having to do with veterans benefits and the hospital care, recognizes what we are trying to do for the veteran. At the same time, it recognizes that the veteran is suffering from inflation as much as or more than anyone else, especially the Vietnam veteran. He is the victim of inflation, because he is in the highest category of the unemployed today. He is the individual who is having the toughest time in the economy today. This is also true with respect to many of our other veterans who are drawing pensions and are trying to live on the pittance we are giving them—fixed funds—and at the same time we see the cost of living escalating.

So anything we can do to try to stop inflation is going to be of more benefit to the people who are in this category than anyone else.

I applaud the Senator, because I think that he—together with other Senators—is attempting to get a grip on inflation, and that is the most important thing that one can do for the veteran today.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

I should like to reinforce what I said to the Senator from Rhode Island and what the Senator from Florida is saying: Whereas we are cutting substantially in the other areas, we are cutting less than one-tenth of 1 percent of the veterans budget—one-tenth of 1 percent.

We are cutting far more, in proportion 30 times more in these other budgets. And I think that is right, because I think the veterans deserve everything we can possibly provide them. Therefore, to slow down a little bit, slow down the facility construction by 3 percent this year, it seems to me, is just a modest step.

Mr. CHILES. If the Senator would yield further, in the area of HUD, and I know it is very tough for those of us who are concerned with adequate housing, and with trying to house people in America and provide adequate housing for them, to consider any cuts in this area. But I find the prime reason that we cannot have any more housing in this country is that the interest rates are so high, there is no construction money and the people cannot get funds to build houses.

The reason for that, again, is inflation. If we want to get something started in housing in this country, if we want to start people being able to own a house again, we are going to have to do something.

Mr. President, the observation that the junior Senator from Florida is making is that, I think, the amendment of the Senator from Wisconsin might help in the movement that some of us are trying to make to reduce the deficit we are laboring under this year. If we can cut the spending back to \$295 billion and get back to the place where we are in a balanced budget situation, then perhaps we will be in a position to get something done about the interest rates.

I think the interest rates are of more serious concern to housing starts, which are really affecting my State tremendously. I can tell the Senator that unemployment is growing every day in my State because there is no construction money available. There are no funds for housing available, and people have stopped trying to buy a house or build a house because of the tremendous interest rates. So only if we can do something about that matter can we turn this situation around in that regard.

Mr. MATHIAS. Mr. President, will the Senator yield for a question at this point?

Mr. CHILES. I yield.

Mr. MATHIAS. I certainly agree with him that we have to seize every available chance to economize. I think that Government spending does play a major role in inflation. I think the subcommittee, under the leadership of the Senator from Wisconsin, has already demonstrated its awareness of that in bringing the bill to the floor in its present form.

But what about problems such as that presented by the National Science Foundation's budget? In that budget, although we have already enacted a big energy bill with separate funding for the year that just ended, we have \$98 million in indirect energy programs, and we are projecting for fiscal year 1975, \$149 million in indirect energy programs. That is \$66 million higher.

These are programs that are directed at one of the major causes of inflation, which is a shortage of energy. If we cut back the National Science Foundation—and in this bill we have already cut back the budget estimate by \$6.4 million, and we shall cut it back under this amendment roughly another \$20 million; that is \$26 million or a little more—are we not in the shape of the dog that finds itself chasing its tail? We are making what we hope is going to be an anti-inflationary move at the same time that we are taking this step which may have proven, itself, to be inflationary.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. CHILES. As I recall, we are talking about, before the cut, an increase of \$174 million above last year. As I look at the programs of the National Science Foundation—and I support their programs—I think it is important that we continue basic research and that we continue some specific research. But we all know that there are many programs that

are now being performed by the National Science Foundation that are certainly not productive for next year or for 5 years or 20 years from now, for instance, if they are studying the eating habits of the African ant and some of the other studies that we see are undertaken.

I think what we are saying to them is that they have to look at their priorities and, hopefully, they are not going to cut anything as important as research technology, of immediate application in the energy field. Perhaps they will not go out and get some of these programs that are of such an exotic nature that we have tremendous complaints from our people as to why we do not control some of that research in a better way.

So I think what we are talking about cutting here in no way will handicap them, and again it gets down to this thing that if we talk about cutting public works, someone says, "Don't cut here, cut everywhere else," and if we talk about cutting space, I usually feel I am for cutting everything else, but I hate to think about cutting space because that is getting into the interests of the area where I live. We all have to consider the special interests of our constituents.

But if we are going to do something about spending overall, we have to do something about cutting overall.

Mr. PROXMIRE. Mr. President, I just want to reinforce what the Senator from Florida has said so wisely.

The National Science Foundation does not have to take a penny for any of this out of space research.

The basic research budget for this year is well above last year's budget, in fact, far above it—by some 20 percent or more. So I think the Agency can achieve a modest cut by reducing increases in such areas as materials research and biological sciences, and eliminating the increase in funding for social sciences. Social science research is particularly suspect, with projects ranging from "Interpersonal Relations Within the Family" to "Ethnographic Atlas of Quadros," and "Conflict, Justice, and Cooperation"—a study of traffic challenges at intersections.

There are many other projects, as we pointed out, costing a quarter of a million dollars in some cases, several hundred thousand dollars in others many of which projects are simply not within the expertise of the National Science Foundation. They have one project, for example, which studies hog farming, which certainly ought to be a project within the jurisdiction of the Department of Agriculture. Others are clearly within the Law Enforcement Assistance Administration. There are many cuts that could be made without cutting the research which the National Science Foundation should be making in the energy area.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. CHILES. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, as to the National Science Foundation, for the information of my colleague from Maryland, about 5 weeks ago we passed a special research and development appropri-

ations bill, and within that bill, the very point the Senator from Maryland speaks to, was an appropriation which amounted, overall, to \$2.3 billion. We are not being puny or backward or unrealistic toward the energy problem. On the contrary, we have boosted it all up. We said, "We have got a crisis, and we have got to apply the funds to it, particularly in the field of research and development, and particularly with respect to the National Science Foundation."

Under that bill, we provided \$101 million to the National Science Foundation. So we are not, all of a sudden, coming here and, like the Senator says, saying we have an energy crisis but then exacerbating the crisis by not providing the funds necessary to solve it.

Mr. MATHIAS. But the Senator from South Carolina would agree that those appropriations were for areas not covered by programs in this bill, would he not? These are energy research programs which are independent of the major bill, which, as the Senator very properly says, the Senate has already passed and funded.

Mr. HOLLINGS. Mr. President, I would like to agree with that, but, serving as a member of the Technology Assessment Board, I have to demur from that judgment. They keep telling us, on the one hand, that this covers a particular item exclusively, and then we go through it on another particular program, and we now have, at the request of both the House and the Senate, within the Technology Assessment Board, a coordinated effort to try to cut out exactly this duplication.

It is fine to put the money to it, but it is very wasteful and contributory toward the inflation itself, if we are going to continue to duplicate.

If I may say another word, I want to commend the distinguished Senator from Wisconsin on his leadership on this particular score. Every time we turn around, we are asked, "What in the world are you meat axes trying to do here on the floor of the Senate?"

Well, in the first instance, we are trying to be a meat ax, and yet, at the same time we are trying to keep faith with respect to actually doing something on inflation.

This body, in great sobriety and solemnity, met on May 9, when inflation was crashing about us, and we voted some 56 to 33 in favor of the amendment of the Senator from Wisconsin (Mr. PROXMIER) to cut back the total of the budget from \$305 billion to \$295 billion. That was some 3 months before the President of the United States finally recognized the problem on August 1. Again, even before the President gave his economic message, we cut back some \$5 billion; we had, on June 13, another vote on Mr. PROXMIER's amendment, and this one was 74 to 12.

I will never forget trying to listen to the President's economic message. I said—

That gentleman is going to cut us off at the pass; he is going to call our hand. He is going to say, "All right, you are over there, now, asking for a \$10 billion cut; sort of place your money where your mouth is, or

rather take your money away from where your mouth is, and cut it back \$10 billion."

But the President asked for only a \$5 billion cut.

We also have been trying to bring out the flaw in comparisons between the bill as reported and the budget request. Because we must get \$10 million below these requests, it is not enough for a bill to be "below the budget." We in Congress, particularly we in the Senate—the distinguished Presiding Officer, the Senator from Oklahoma (Mr. BARTLETT) has been a leader in this particular drive, with myself and others, including the Senator from Florida and the Senator from Virginia—are trying our best, in a logical, realistic way, to come down to this \$295 billion level.

We knew of no way other than across-the-board cuts after the bills get to the floor—not, of course, affecting the uncontrollables.

So, as these budgets came rolling forward, \$500 million over last year, \$620 million more than last year—you could just see that rather than cutting back to the \$295 billion level, that we were really going to be \$5 billion to \$10 billion above what the President requested. We got the leadership and cooperation of the Senator from West Virginia on his bill, and it is, indeed, a better situation with respect to these appropriations bills, to have the manager of the bill suggest the method of reduction, instead of those of us, who do not have expertise, trying to do the job. Instead of saying, "Do not cut off veterans, do not cut off uncontrollables" or trying to make disabling economies, the Senator from Wisconsin has gone down line for line to see where he can effectuate the so-called 3 percent economy and make a saving where it can be taken.

Whether that will completely balance us, and mean a \$10 billion cut at the end of the line, we do not know, but if we start now—as on this bill today, and on the Interior bill on Wednesday, and we did on Transportation last week—we will be able to reconcile, at the end of this year, as we did back in 1967, when we put in a joint resolution at the end of the year on the continuing resolution. At the end we can see where we did not make cuts and where we did, and we can put it all in order so we can come back out of chaos, say that the Senate is running the budget once again, with only 14 dissenters in the entire body: on a \$295 billion budget.

That is what the Senator from Wisconsin is leading toward, and that is what we, as a small group from both sides of the aisle, are trying to apply here today and again on Wednesday.

I think that the other leaders in the Senate with respect to the chairmen of the several committees should realize our dilemma when we get to the Budget Committee. I was not going to interject the Budget Committee because we had not met, but the distinguished Senator from Mississippi, on his bill, with a grand gesture to get authoritativeness, authenticity, credibility for what he was doing with the "pork barrel," said, "We will hear from the chairman of the Budget Committee." And, of course, the

Budget Committee chairman arose and said, "We are going to staff, we are going to consult, we are going to get room, we do not have all the wisdom, we are going to study."

Absolutely, I do not denigrate that. I am on that Budget Committee and I know we are not ready yet to act—the Republican members, for example, have not yet been appointed. But who in this body is going to stand in the well and say, "No, not this year, not at this time." It is at this time, in the month of August, that we are in this terrible dilemma of raging inflation—look, yesterday David Rockefeller said that we could have a panic—can we not have, as the Senator from Wisconsin on his bill, that posture of saying, "We do mean business. We will cut back now. This year."

On that score I commend the Senator from Wisconsin for his leadership.

Mr. NUNN. Will the Senator from Florida yield.

Mr. CHILES. I am delighted to yield.

Mr. NUNN. I would like to commend the Senator from Wisconsin also, and I would like to join the Senator from Florida and the Senator from South Carolina in expressing my sincere hope that the amendment of the Senator from Wisconsin will be agreed to.

The Senator from South Carolina, I think, went through the history of this movement by a bipartisan group of Senators consisting of the Senator from Oklahoma, who is now presiding; the Senator from New Mexico, who is not on the floor at the moment, the Senator from Kentucky, and the Senator from Florida, I would say the group started off as a very small group, but it has now grown, it is now growing, thanks in large measure to the leadership of the Senator from Wisconsin who earlier proposed and had passed the overall amendment of trying to hold down Federal expenditures to \$295 billion this fiscal year.

One of the regrets the Senator from Georgia has now is that we have already disposed of 6 appropriation measures in this body totaling \$30 billion, and the momentum was not strong enough to carry out significant cuts as those appropriation bills rolled through, even though we made every effort to do so.

So we have already reached a total of \$30 billion in appropriations, which, according to my calculations, is more than 15 percent of all the appropriations requested.

According to my further calculations, the net effect of efforts to cut the budget estimates so far has been minor. The net reduction I come up with is \$16.6 million out of a total of \$29.9 billion. This is a good deal less than one-half of 1 percent in reductions so far.

Everyone has his own estimates of controllable expenditures. One can get any kind of definition, and I understand that the current OMB definition is that we can control only about \$13 or \$14 billion of the entire budget.

Well, if that is the case, I think we might as well throw in the towel if we have a \$305 billion budget and we can control only about \$13.5 billion of it. I believe, as do many others, that we have a good deal more control than this. A

reasonable measure of our control is the total of the appropriations we must consider. I know the veterans appropriation is not in this case because most of that program is in fulfillment of a solemn obligation. We all want to do what we can for those young men who are veterans and who have given their best for this country, as did their fathers and grandfathers.

Mr. HOLLINGS. Mr. President, will the Senator yield right at that point?

Mr. NUNN. I am glad to yield to the Senator from South Carolina.

Mr. HOLLINGS. The distinguished Senator is aware, after working on this veterans' problem, that of the entire \$14 billion involved in this appropriation bill, the amount involved in this amendment is \$8.8 million. I think the exact dollar amounts in there are very appropriate in this part of the remarks of the Senator from Georgia, because what we are doing is just—in that \$8.8 million—really not effectuating a large economy, but letting the veterans themselves share in this drive which, I am convinced, he will support.

Mr. NUNN. I am glad the Senator from South Carolina has pointed out that it is an important part of the amendment. But of the total appropriating authority we have about \$195.9 billion out of a total of \$322 billion of new budget authority estimated, and if we had been able to get the momentum, which I believe is underway now, if we had been able to get it going from the very outset of this process, instead of scoring the first success on Friday, thanks largely to the Senator from South Carolina, the Senator from Florida, the Senator from Kansas, and the Senator from West Virginia, on his initiative, we would have saved a considerable amount of money already.

In order to come up with \$10 billion in cuts, as so many of us have urged, if we go back to the very beginning of the appropriation crisis, we would have to impose a 5 percent cut on all the appropriation measures. But now that we have passed approximately \$30 billion of those appropriation measures with little net reduction, that percentage has already moved past 6 percent. So we are losing ground every day that we do not make these cuts, and this failure is imposing more and more of a burden on the remaining appropriation bills.

I have further remarks I would like to make at an appropriate point later, Mr. President. But, at this point, I would like just to express my congratulations to the Senator from Wisconsin. He has been a real leader in this regard. It is not easy to cut the HUD budget; it is not easy to cut the space effort; it is not easy to cut the Department of Defense budget; but I think it is necessary.

I would like to point to one argument that has been made here, not today, but previously which I think represents the seriousness of the present situation. I hope that argument has faded away into the wind and we will not hear it any more because, to me, it is absolutely fallacious. The argument is, and it has been made very simply that if we do not spend this money now on construction, if we

do not spend this money now on other Government programs, that, my goodness, we are going to have to spend more next year because inflation is going up so high.

To me this is a laughable proposition. This is something that Art Buchwald ought to write an article about, that we better go ahead and spend it now because we have got such an inflationary rate that if we do not spend it now, next year it is going to cost more. What the argument overlooks is that we are the ones who are causing that inflation, in large part by the expenditures. I would like the people in HUD and the people in the Space Agency and the people in the Department of Defense to understand what we are doing to them every year when we see 10 and 12 percent inflation. This is the equivalent not of a 3 percent budget cut, if you have 10 or 12 percent inflation; this is the equivalent of a 10 or 12 percent budget cut. So if we can get a grip on excessive Federal spending, if we can indeed cut \$10 billion out of the budget this year on an equitable basis, we will not really be cutting the budget of anybody. We will be cutting inflation, and by cutting inflation we will be restoring the budgets that inflation has been eroding away.

So I might just summarize by saying to the Senator from Florida, who has been so kind to yield—I will state this in the form of a question for the purpose of discussion—if we are able to cut the inflation rate down from 10 percent, 11 percent, to 6 to 7 percent, will not the agencies that we are talking about now, and the recipients of Federal funds be better off even with a 3 or 4 percent budget cut?

Mr. CHILES. The Senator is absolutely correct. We are seeing now every day when we start working with the appropriation figures we have to add the factor in for inflation. It is an automatic thing, and we know it is different for different areas. If it is the military we know that we have got to add the salary factor for inflation, the weapons cost factor for inflation, the installation cost factor for inflation; and that is different depending upon whether you are talking about construction or you are talking about wages.

So if we reduce that automatically, the Senator is right. The same with a cut of dollars, they would be getting the same thing they are paying for. I think the Senator is so right, it is kind of like Pogo, who said, "We have discovered the enemy and they are us." That is kind of where we are now.

Thank goodness we are at that stage, or I hope we are, and I want to associate myself with the Senator's remarks. I think he has given us a very good scorecard of where we are today, and how many budgets we passed, and certainly we cannot really pat ourselves on the back and say we have done anything with, hopefully, the success of this amendment, and the success of the amendment the other day by the distinguished Senator from West Virginia who moved to cut his own appropriation, but at least we are starting a pattern.

At least we are getting a habit what may be a habit, to be able to vote on

this floor once to cut something. How many years it been since that habit has prevailed? The Senator from South Carolina gives us something about 1967. I was not here then, but maybe it has been that long since the Senate ever did anything, and Congress ever did anything to decide they could cut something.

The habit has been over all these years that on the floor you only add and, of course, many times we know—and I applaud the Committee on Appropriations—many times for saying, "We had better add something in this committee because if we turn it loose on the floor we know that that addition will be much higher."

So the Committee on Appropriations has only sort of reflected what has been the will of the Senate, and I think if they think the will of the Senate—I know the distinguished chairman of that committee, the Senator from Arkansas, if he knows the will of the Senate is to hold down, you watch and see what he will do with that committee. He will be a cutter as fast as anyone. He has been trying to fight a battle of delay in that committee because really it was trying to come out with a bill that would not get fattened up on the floor.

But maybe we are establishing some kind of a pattern with that last amendment we had on transportation, and with this one, and as we go forth until tomorrow, and the other bills that will come up, we are establishing a pattern where some of us can get into a habit of voting no, and get into a habit of getting to cut something.

When we can establish that pattern then we have got an ability to go back and look at this \$30 billion we have already passed, and see what we should do there.

Then I think we also have the ability of having the real experts, and the junior Senator from Georgia and the junior Senator from Florida readily acknowledge, I think, we are not experts. We do not know much about fiscal matters. We have got a gut reaction that we think is coming from our people that we ought to do something about this spending.

We do not know the best way to do it, so we come up here and stumble and blunder with a meat ax or whatever else you want to call it, just crying out to get the experts' attention so that they will do it in the proper way.

But I think if there has to be a pattern, and if the Senate does in a couple of these amendments, then the experts will be patterned to see what we need to do and what the will of the Senate is. I think they will come up with a better way of doing it than we are doing at present.

Mr. NUNN. I would agree with the Senator from Florida, if the Senator will yield for a minute. Talking about this pattern, I think it is interesting to note what happened last week when we started off on agriculture, environment, and consumer protection. Only 16 Senators voted against that measure even though it was 29 percent higher than last year and exceeded the President's estimate for this year. But I recall that in the next few days the vote swelled to 26 who voted

against the bill when it came back from conference.

I know the Senator from Florida, the Senator from South Carolina, and I, could not be more involved in any bill than with agriculture.

Mr. CHILES. It was not easy to vote against that measure.

Mr. NUNN. No; although I would say the farmers are getting a good deal less money out of that bill now—I think they get about \$2 out of every \$10 spent in that appropriations package—but I could not look my farmers in the eye in Georgia and say that I have done anything for them by increasing this bill if at the same time we are taking 10, 12, and 13 percent, out of their pockets with inflation.

Nobody, except possibly the consumer, has been hurt more than the agricultural community by inflation because fertilizer prices have gone up 100 percent and the gasoline prices and the propane prices that they have to pay for have gone up at a staggering amount.

Tracing this history again, as I said as we voted on the agriculture and environment and consumer protection appropriation, there were 26 negative votes.

We next had the Treasury and postal appropriations, and 42 Senators voted unsuccessfully to cut the amount of the bill. Then, on the next vote, 41 Senators voted for a 5-percent cut in the public works appropriation knowing it would affect all of us. It affects Georgia; it affects me. I have been to the chairman of the Committee on Public Works and other people and asked for projects in Georgia and I intend to go back, but I do not think there is anything in Georgia in that bill that would survive the 5-percent cut.

Nevertheless, 41 Senators voted against that, knowing it would affect us.

And our ranks rose to 44 on the next vote to cut that measure by 3 percent. So the handwriting was on the wall at point.

I think the Senator from West Virginia made a very notable achievement in leadership here on the floor of the Senate by next offering to cut his own bill, the transportation appropriation, by 3½ percent.

At that stage, 58 Senators joined in. I believe this demonstrates the build-up of a significant momentum. I believe the Senator from Wisconsin today is going to add to that.

I commend the Senator from Florida and the Senator from South Carolina as members of the Committee on Appropriations and, I believe, the Budget Committee, for the leadership they have displayed in this regard.

Mr. MOSS. Will the Senator yield?

Mr. NUNN. The Senator from Florida has the floor.

Mr. CHILES. I promised to yield to the Senator from Wyoming, and then I would be delighted to yield to the Senator from Utah.

Mr. HANSEN. I thank my colleague for his courtesy.

Mr. President, I ask unanimous consent that the name of the junior Senator from Wyoming (Mr. HANSEN), the senator from Kentucky (Mr. HUDDLES-

TON) and the junior Senator from Oklahoma (Mr. BARTLETT) may be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I am the ranking Republican on the Committee on Veterans' Affairs and I am certain many veterans will be wanting to know why it is I shall be supporting an amendment which, among other things, cuts certain items in this budget by 3½ percent.

It has already been pointed out that there is appropriated by the committee, of recommendations reported, in excess of \$14 billion to the Veterans' Administration. I call attention to the fact that only \$8.4 million is being cut by this amendment which means that the cut will be about one-twentieth of 1 percent.

I say that because we are all concerned about the veterans, for those young men and women who have served our country gallantly and who deserve the very best we can give them.

But I think the fact remains that by taking the action which I hope the Senate will take here today in approving this 3-percent cut it will not hurt the veteran or any other person in America, but rather will be of help to him.

I say that because I am convinced that if there is one thing that concerns the typical American today, it is runaway inflation. The only way, Mr. President, that we can get a handle on that is to do precisely what we propose here this afternoon to do, and that is, to take each and every one of these budgets and to cut them back so as to bring down the excess of expenditures over receipts to a reasonable, workable amount.

Unless we do that, despite the fact that we may propose to pay more to everyone in true purchasing power, they know as most Americans already know that it is a sham and a charade and money does not buy as much as it did last year.

The concern of Americans today is that we stop this erosion of their purchasing power. Unless we do that, there is serious concern in the minds of many leaders in America today, including those in the Finance Committee as well as in government and in business, that there is grave danger for this Republic.

The alternatives that we have to examine as we reflect upon ways of doing otherwise, or what would the effects be if we do not make the cut that has been proposed now, are frightening indeed.

I am very proud that there is the support that is evident here today to take this step. I wish that it might have started sooner. It has been recounted on the floor earlier that efforts were made, at first unsuccessful efforts, but I think that instead of people trying to impute any other one motive to what manifests itself here today, I must say in all candor that I believe that a majority of the Senate of the United States has become aware of the fact that this in the No. 1 problem, and unless we meet this problem, unless we overcome this deficit spending, then every other problem cannot be handled.

I thank my distinguished colleague

from Florida for giving me the opportunity to express these remarks.

Mr. CHILES. I thank the distinguished Senator from Wyoming. I would like to associate myself with his remarks and I think he has always been one who has tried to practice what he preaches and not only vote for a cut in spending and a ceiling of \$295 billion, the bill that was first introduced by the distinguished Senator from Wisconsin who is now the proposer of this amendment, but has also been willing to back up that vote with voting for specific cuts.

I think for too long too many of us, including the junior Senator from Florida, sometimes voted against the debt ceiling or voted for some kind of spending ceiling as a public relations gesture, but never really seriously thinking that we had to come up and pay off that vote by voting to cut some kind of project that might influence or affect us at all, like a vote on an agricultural appropriations bill, or a public works bill, or even this bill, because certainly this affects us all. We are all concerned with housing. Many of us are specifically concerned with space and the National Science Foundation and other portions of this bill.

But if we are going to talk about coming down to a balanced budget, if we are willing to vote and be one of those that voted \$295 billion, then that takes more than that vote.

It takes being willing to, in some way, scale that down.

As the distinguished junior Senator from Georgia has recited, regardless of whose kind of figure of controllables you come up with, that means that you have to make some serious cuts in a number of places if you are going to be able to get down to that figure.

Mr. HANSEN. If the Senator from Florida will yield for a further observation—and I know the Senator from Utah is anxious to speak—let me say this: There is not a single item in this whole budget that does not have a constituency. By that I mean there is not any place you can cut where a cut would be popular.

Mr. CHILES. It is over here because it had a constituency that put it here to start with.

Mr. HANSEN. Precisely. Every dollar in here had someone interested in that dollar. I know of no fairer way to try to reduce total expenditures than to proceed in the fashion indicated here this afternoon.

I thank my colleague.

Mr. CHILES. I yield to the Senator from Utah.

Mr. MOSS. I thank the Senator.

I commend him and the others who have spoken on this floor about fiscal restraint and the attempt to cut the budget. I, too, would like to be in that group. I voted to cut the Transportation budget. I was one who voted to have a ceiling on expenditures when that came up. But I am a little fearful of the way in which we are going about it.

In the first place, in listening to the debate, the ideas conveyed to me were that cutting the budget just automatically cuts out inflation, that that is the

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solution; that if we should cut the budget, if we bring it into balance, there would be no more inflation.

I wish that were so. If so, I would be glad to cut very deeply into all of the budgets across the board. But as a practical matter, it will not cut inflation any appreciable amount. It will cut it some; it will have some effect on it. But there are so many other factors which enter into our inflation now that the size of the Federal Budget is only one small factor.

In fact, in a meeting which we held with some of the top economists during the latter part of last week, their estimate was that if we cut \$10 billion from the budget, it would only affect the inflation rate by about one-half of 1 percent. At the rate it is galloping along now in two digit figures, that is not a very deep cut in the inflation. There are many, many other things that have to be done.

The other thing that concerned me a little is that the Senator from Florida was saying, in effect, that the Congress or the Senate always added on to the budget, that we always loaded it on, that we never did cut.

As a practical matter, Congress has cut the President's budget request every single year during the term of this President, and every year since I have been in the Congress, save possibly one.

I give great credit to the Appropriations Committee, on which the Senator serves, for doing that. As a matter of fact, this budget we are considering today is \$139.9 million below the budget request, if we should pass this without any change at all.

Mr. CHILES. I think the Senator is correct. If I gave him some false feeling of my attitude on that in my statement, I want to correct that. What I was saying is generally the Appropriations Committee was fighting a holding battle because any cuts that they were trying to make in the budget they had to be careful about because it was on the floor that we added to their budget. What I was saying was in my experience, in just the few years that I have been here, it is that I have never seen, before this year, any cut on the floor, on the floor of the Senate, that was successful. It was always an addition on the floor of the Senate to the appropriations bill.

The Appropriations Committee has, I think, cut the budget request.

There is one other thing that I want to add because I think it is something that Congress really fails to talk about. We like to talk about how we cut the President's budget request, and how we have done that over all these years. And I think we have. But it is really not fair for us to say that and not take any kind of a responsibility for the authorization bills that we pass, which are the bases in most instances for the budget request.

So where we continue to pass higher and higher authorization bills, whether it is this President, the past one, or the President before that, the President must submit a budget message to us based on the authorization bills, in most instances, that we pass.

Then if we say we cut that back, we cannot exactly automatically pat our-

selves on the back, because it is our authorization bills and the increase that we pass in those over the years which have added to these budget requests.

Mr. MOSS. I agree that any appropriation that is made is made in response to an authorization bill that is passed. The bill has to be passed in Congress, but it also has to be signed into law by the President. He has to ask for the size budget that he needs in order to carry out the terms of that legislation, or what he thinks he needs.

I do not want the impression to be given that the Congress never cuts. I appreciate the explanation of the Senator from Florida.

Most amendments that come on the floor are budget increasing amendments. It is the Appropriations Committee that has had the brunt of holding the budget down, which they have done in this instance. In this particular bill, which is rather a conglomerate of several agencies, the big increase comes in the veterans section of the bill. That is because of changing the formula as to what a veteran is entitled to by reason of his military service.

Judgments have been made that that is what is needed and that is what is fair.

Mr. PROXMIRE. If the Senator will yield, the biggest percentage increase in the bill is in NASA, not veterans. It is a \$207 million increase for NASA.

Mr. MOSS. No, that is not correct.

Mr. PROXMIRE. I am talking about the \$207 million increase over last year.

Mr. MOSS. That is right. It is an increase over last year of about 3.1 percent, which is less than the inflationary factor that has been plowed in this year over last year.

Mr. PROXMIRE. It is an increase of about 6 percent over last year, an increase of \$200 million over \$3 billion last year.

Mr. MOSS. No, it was \$96.7 million over last year.

Mr. PROXMIRE. I refer the Senator to page 50 of the report. The first column shows the obligational authority for 1974. The fifth column shows the appropriations increase, and is \$207 million on a \$3 billion base. That calculates out to more than 6 percent.

Mr. MOSS. But the Senator has ignored entirely that \$111 million of that is carryover from last year, which reduces the increase to \$97.7 million, which is 3.1 percent.

Mr. PROXMIRE. I am informed by the staff that there is no carryover here.

Mr. MOSS. It is \$111 million.

Mr. PROXMIRE. That is not included in the figures I gave. It was \$3 billion last year, and \$207 million more than that.

Mr. MOSS. But the Appropriations Committee had to add \$96.7 million or 3.1 percent, which is not even the inflationary figure. Therefore, it is less in real purchasing power.

The point I was going to make, is that this particular budget has been increased largely by the veterans amount, which is \$586 million over last year. This is about 70 percent of the amount it has been increased over last year's budget.

Mr. PROXMIRE. The veterans in-

crease is about 3 percent, and the NASA increase is 6 percent. It is true that the veterans budget is so much larger that it is a very, very large sum. When you are dealing with \$14 billion, of course, an increase of \$400 million is relatively a modest amount.

Mr. MOSS. Whether you put it in percentages or in dollars, over fiscal 1974 it is a \$662.8 million increase, and \$461.8 million of that is for veterans. Of course, in dealing with the total figure to be paid out to veterans, I am not arguing that right at the present time.

What I would like to return to is the discussion of NASA. NASA has been cut well below half of its peak period. There is no program in the Federal Government that has been cut more in the last few years than has NASA.

Two years ago, as the Senator will recall, we passed the constant level budget for NASA, and we have not lived up to that in one year since. We are far below that now. Consequently, we have abandoned that position already.

Mr. PROXMIRE. The Senator knows why the NASA program has been reduced. We were spending an overwhelming amount of the NASA budget on the Moon shots. We were going to the Moon, in a project that President Kennedy set for this country many years ago. It was given top priority. This encompassed a very large proportion of the NASA budget. That is over now. To say that the NASA budget has been cut is to say that we are no longer trying to go to the Moon.

Mr. MOSS. We are no longer going to the Moon, but we are doing a number of things that are carrying it on. After the Apollo project was out of the way, we set this constant level budget as to what we would do in NASA. We went from 35,000 to 25,000 employees in NASA. This cut would probably result in 2,500 more being dropped.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. GOLDWATER. To keep the record straight, the hardware and the material for the Moon shots have been bought and paid for many budgets ago. We still have vehicles that can go to the Moon, and the costs are not reflected in this budget.

I still maintain along with the chairman, under whom I serve, that NASA has taken as big cuts as any agency in this Government. When we cut an organization such as this, which is not only on the verge but also in the process of making greater material advances for our population than any other agency, we are making a mistake.

Before the Senator came into the Chamber, I implored the chairman of the committee, the Senator from Wisconsin, to vote on each one of these items. For example, I could cut the daylights out of HUD, not just by 3 percent; and there are others in which we really could make cuts. Instead of taking 3 percent from an agency that has been doing an exceptionally fine job, I suggest that we take these one at a time, and I will have a shotgun out for HUD. Three percent off that is sort of laughable.

Mr. CHILES. Mr. President, I would like to comment on that. Therein is the problem, the pattern that seems to have developed, since we started with Agriculture and went to Treasury and Public Works and Transportation, and now this. There is some constituency for each project, and each one feels as the distinguished Senator from Arizona does: I will cut the daylight out of everything, but do not cut mine.

The only problem with that is that so long as everyone is honored in that request, that is how we got to \$311 billion. That is how we get to the \$10 billion to \$12 billion over the amount of money we have. Each one of us is willing to do everything—except. The junior Senator from Florida has been one of the exceptions in that.

I think the only way we are going to get to this thing now is that there cannot be any exceptions. We will have to face up to the fact that if we are going to do something about it, we have to do it now.

I want to comment on the distinguished Senator from Utah's observations that many of the economists now say that when we make a \$10 billion cut, we are not going to affect inflation too much. I believe that we can get all kinds of experts to give us all kinds of answers on that. I do not know what it will do with respect to the percentage of inflation.

We are dealing with inflation on one hand and with a recession that possibly can be the start of a depression on the other hand.

I have a strong feeling that whether that happens or not, in large part, is going to depend upon the people panic. Right now, I think there is sort of a near panic occurring, and part of the reason for it is the feeling people have as to how in the world we can be running this kind of deficit budget. They see that over the years it has affected inflation. All the experts will agree to that, regardless of how they say a cut will affect inflation now. Congress is continuing to allow that to happen, and the Executive is continuing to allow that to happen. With interest rates what they are, with the recession gaining, with productivity coming down, still no one is doing anything about it.

I think the feeling people have that no one is minding the store is leading to the near panic. My feeling is that if we could show that we are going to do something about the one thing we can do something about, Government spending, it would help. We cannot pass a bill that will stop inflation. We cannot stop inflation throughout the world. We cannot do something immediately about the food shortages or the energy crisis and the like. But we can do something about Government spending.

I feel that if we were to give evidence to the people that we were going to do something about that, then we could do something psychologically for the people that would stop this near panic and perhaps reverse the whole situation. That could be more important than any two-tenths of 1 percent or any other figure in regard to the stopping of inflation. It could be the stimulus that could

lead to increased productivity and to increased spending, and that would stop inflation.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MOSS. Mr. President, I share the concern of the Senator from Florida about whether there may be a feeling approaching panic in the country. I do not think we are that close yet, but we may be. I ask the Senator if he does not think we are more likely to get that kind of panic out of a spurt in our unemployment rolls than from continuing inflation. They are both bad, but if we are going to have a panic, I think it is going to come when unemployment goes over 6 percent and keeps climbing.

Mr. CHILES. Unemployment is very bad, and I am not one of those who want to ring out inflation by just letting unemployment skyrocket. I think unemployment is skyrocketing now and is going up now, while inflation is continuing. It is doing so in my State, because much of my State is geared to construction, and that has come to a halt.

I had 20 or 30 calls last week from contractors or building suppliers or people in the building business who told me they are stopping, that they have to lay off people. They said, "You are going to see the largest form of unemployment in your State." That is occurring today, and I think that kind of employment is going to continue.

Perhaps there would be some kind of employment with what we are talking about in this cut, but I think it is small compared to what it is going to be in the present path we are traveling.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. NUNN. I say to the Senator from Utah that one thing that appears to be happening—although I am not an economic expert—is that the liquidity problem we have in this country has perhaps become even more severe than either the inflation problem or unemployment, although they are all interrelated and are all part of the same vicious circle.

What is happening with respect to the liquidity problem? One thing is that every day people—those who still have money—are refusing to put their money in higher yield securities, because they are beginning to feel that these securities are not safe. Banks are having difficulty in issuing certificates of deposit. Bond issues are not being funded. Each day, they have to come off the bond market. What is the reason? People are putting their money in Government bonds. Where do those bonds come from? They come from the necessity of having to finance the deficits that we pass here, that the President proposes each year. Does it mean that we should not issue Government bonds? I do not think it means that. But its does mean that if we can get the Government's \$7 billion, \$8 billion, or \$10 billion deficit out of the market, there will be that much more money to go into savings and loan as-

sociations, banks, commercial issues, and we will reduce that much competition for the American dollar. Liquidity will be up and the cost of credit will be down.

Much of the reduction in the civilian budget, in DOD, or space, can be handled by attrition. That cannot be done with small businesses, homebuilders, contractors going broke each day, because they simply cannot get the money they need to carry on.

I do not think we ought to forget when we are talking about which is the greater problem, unemployment or inflation, that the two go hand in hand. If we do not do something about inflation, we are going to have massive and growing unemployment. By the same token, if we do not do something about the liquidity crisis that is perhaps our most immediate problem—and I do not know any way of measuring the seriousness of these two things, as they are all serious. If we do not do something about it, we are not going to be able to come to grips with inflation or unemployment.

Mr. CHILES. Mr. President, the distinguished Senator from New Mexico had requested that I yield to him.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. MOSS. Mr. President, just by way of comment, it is very unusual to have unemployment and inflation going up at the same time. That does not fit the classic pattern. But I think that if we cut back too hard and too quickly on Federal expenditures, we will find unemployment spurting.

Mr. CHILES. I yield to the distinguished Senator from New Mexico (Mr. DOMENICI).

Mr. DOMENICI. I thank my distinguished friend from Florida.

At the outset I wish to state that it is with reluctance that I support this amendment. My reluctance is not based upon my firm commitment to cut the budget this year, but, rather, stems from the only way that I see that I can have any impact. That is to do precisely what we have been doing for the last 10 days to 2 weeks; that is, come to the floor of the Senate with as many people as we can gather around us, either in support of our own motion to recommit, or to cut, or to support amendments proposed by others.

As my distinguished friend from Florida said, and as my distinguished friend who is presiding, the Senator from Oklahoma (Mr. BARTLETT), has said a number of times, if we do not do it this way, what we have is just more and more of what we have had for the last 10 or 15 years. Everybody votes against programs that he does not want, and there are only a few programs that 15 or 20 Senators do not want. Then everybody votes for those that he wants. As a result, we have 20 Senators on every side of every issue, and the American people sit back there confused, because they think their Senator has voted the right way. But all of a sudden, as we add it up, nobody has voted for a budget cut because never are there enough Senators all on one side.

Therefore, I have no alternative, despite the fact that I agree with many of

the statements that the distinguished Senator from Arizona (Mr. GOLDWATER) made this morning about the tremendous relevancy of the space program, about its tremendous technological advances, about what it offers for the future of Americans in education, in health, in energy. Because I have been part of the space program, I am aware that in the last few years they have been the victim of cuts.

In another way, because their budget is almost always an annual budget, they suffer each year a cut and this year they have suffered another.

I submit to those who want to listen that one can get up and talk about all kinds of economic aspects of the inflationary period that we are in. They can hear the pros and cons of high interest; they can talk about unemployment and underemployment and all the others. But almost all economists now agree that an excessive Federal budget, excessive Federal deficit spending is the one ingredient that is common to all of their thinking. For that reason, today I am going to be consistent.

I want everyone to know that I am not picking on the Shuttle. I support it. I am not picking on NASA. I support it.

On the other hand, I started, 2 weeks ago, voting with 17 other Senators against the budget for agriculture and environmental protection. Those are important matters to me, to my State, and to my committee. But it was \$2.9 billion more than last year, and I wondered, when we add them all up, where will we be this year?

So that those who wonder why I voted against NASA will know that I am not picking on it, I voted for a 5-percent and then for a 3.5-percent cut in Public Works and AEC. To those who wonder whether I have some special interest that I pick on, I would like them to know that no budget that we vote for in the Senate has more impact on my State than the AEC. Indeed, the AEC budget had \$42 million for my State. I nevertheless voted to cut it 5 percent; that failed. I voted to cut it 3.5 percent, and it failed.

I supported the cut in the transportation budget. Yes, I know that it was rather meager when compared to others. And yes, I know that the budget committees are now trying to shave them down before they come to the floor.

Yes, I also know that the chairman of the Committee on Appropriations has a valid argument when he says we will not cut them down, in fact, we shall add to them and let the Senators take them off on the floor. I respect his advice, and I understand the problem that he has, but as I said the other day, it appears to me that the American people are looking for a signal, a signal that we are committed to the proposition of coming up with a budget that is as close to being balanced as possible.

I have just a few more comments. As a number of us—Senator BARTLETT, Senator CHILES, Senator NUNN, Senator Dole, and myself—as we get together and try to talk about how we can cut the budget, we are told by experts that we might be at a point in history where we cannot control the budget. I do not know

if that is true or not. We are being told by some experts that the uncontrollables are in such preponderance that we could only cut a few million dollars, realistically, out of a budget.

I say, here and now, that if that is where we are, then we ought to tell the American people that. If, in fact, this whole process we are going through is meaningless because we are going to spend \$30 billion because we cannot control the budget, then I think we ought to say, all in unison, we deplore it, we are going to change it, but it is a fact of life. I am not yet convinced that it is.

I am not yet convinced that we cannot cut 2.5 percent, 3 percent or 3.5 percent on every budget that hits the floor, let the conference iron out the inconsistencies, and give a clear, resounding signal to the American people that we are willing to bite the bullet on special projects for our States, for our constituents, for our kind of thinking about the country's future, so long as everyone is willing to bite the bullet to some extent, across the board, in an equitable manner.

I know none of us is expert enough to have the capacity that the Office of Management and Budget has and that other entities have that can be very precise on what we can and cannot do, on what would be prudent under these circumstances or under that. I am left in the posture that I am convinced that inflation is the most serious problem facing our land. It is creating anger, frustration; people are now giving up in small businesses. We wonder why productivity is down. It is because there is a fear about the future.

I want to do my share as a Senator to let the signal out that that aspect of this inflationary spiral is out for the budget of the United States, that I am willing, to the extent possible, to do what I can.

I am also aware, with regard to this budget, that perhaps HUD is not getting the benefit of the act, that they have been cut back for a few years, that their impoundments have been held legal, that they are now expected to use any initiatives and thus need new personnel. I am aware of that problem with reference to this budget. But I ask what budget is going to come before us—military, HEW, and the rest—that does not have that kind of situation where, if we look at it minutely, we can justify everything in it?

I have items in this budget that I have asked for that have been put in by the committee. Yes, indeed, I expect them to be cut 3 percent or 3.5 percent. And I do not say that I relish that. But I say I relish the opportunity to say, loud and clear, that we must get this budget somewhere between \$295 and \$300 billion, and if it cannot be done because of the past 20 years of backdoor and uncontrollable budget items, then I think we ought to call it what it is. We ought to commit to the American people that we are going to take it back within our control.

For those in this Congress who speak of giving away our authority to Presidents—there has been much talk about that in the past. I do not think there is any question that we have given away

our authority to handle the fiscal affairs of this Government through the processes I have described and which Senators far more eloquent and experienced than I, have described in the past 2 weeks.

To repeat, it is with reluctance that I vote for a cut in the space program and for some of HUD's programs, but I can commit that I will consistently do it in programs even more firmly tied to my State, to its economy, to its scientific community. I have done that. I do hope that in the long run, the message will get across that we want, in a bipartisan manner, once again to take control of this monstrous process which few of us can understand but which the American people, in their own way, understand tremendously today.

In fact, I am convinced that they blame Congress more for inflation than they blame business or labor, and I say they are right. I say that we ought to do something about it, even if it is only to speak up loud and clear for some kind of congressional control.

So I state with reluctance once again that I will support the reduction on this measure.

Mr. DOLE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Kansas?

Mr. CHILES. Mr. President, I yield to the Senator from Kansas, and then yield the floor.

Mr. DOLE. Mr. President, there are a number of approaches to cutting the budget, as I pointed out the other day. I commend, as previously, the Appropriations Committee and its leadership for their efforts to hold down spending. There is probably no other group of more fiscally responsible men in this Congress than the Appropriations Committee.

But it must be recognized that since the Appropriations Committee hearings started in January, there has been a significant change in the rate of inflation. Therefore a great number of us, Democrats and Republicans, are involved in trying to catch up with the American people. We feel it is necessary to provide leadership in the Senate to make a moderate cutback in each appropriation bill.

I believe that in this case 3 percent is a responsible cut and that it is responsive to holding down inflation. Certainly there may be other ways to approach it. Cutting the Federal budget is not the only cure for inflation, but it is one thing we can do. It is about the best thing we can do as Members of Congress, and it is something that can be done on a day-by-day basis.

So, as I indicated earlier, if the 3 percent cut offered by the distinguished Senator from Wisconsin is not acceptable, maybe there is some other way to give us a total spending cut. We have passed some bills without cuts. But there is a strong momentum now in the Senate, which started a little over a week ago. I believe there is a majority now in the Senate, of Democrats and Republicans, all concerned about inflation and fiscal responsibility, so that these cuts will be sustained in this appropriation bill and any future appropriation bills.

To the junior Senator from Kansas, that indicates a responsible attitude on the part of the Senate.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOMENICI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I wish to join with others in support of the amendment by the Senator from Wisconsin. It has been brought out in the debate that certain problems exist with this amendment, and certainly cutting back expenditures is not without problems. But if the basic problem were under-spending, we have solved that problem many, many times down through the years, because we have been over-spending for a long time.

Nonetheless, there is a problem, and we realize that we are on the horns of a dilemma; that we have, on the one hand, rising unemployment, and on the other runaway inflation. But certainly the economists, almost unanimously, are agreeing that inflation must be brought under control if we are going to have a strong, reasonable economy and one which will provide for the needs of the people of this Nation.

The momentum on the floor of the Senate has been mentioned as growing in favor of fiscal restraint, in favor of balancing the budget and cutting back the deficit spending. I believe that this momentum cannot help taking the momentum out of inflation. In fact, I cannot think of anything that would have greater psychological impact, because I do not believe that the people of this country believe that the U.S. Senate will vote for reductions in the budget, or vote for significant cutbacks. But I think this apparently is being done, and there is a growing number of Senators who are expressing themselves with votes to cut back on spending.

So I think this can have a tremendous psychological impact, and the American people are going to be saying, "If the Members of the Senate can do this, then certainly the bankers, the businessmen, and the union leaders can take the steps that they must take in order to strengthen the economy and bring it under control that will provide opportunities for the citizens of our country."

We are all concerned about the high interest rates. Certainly I do not think we can expect, on any kind of quid pro quo basis, that if we reduce expenditures there automatically will be a reduction of interest rates; but I do believe there is ample evidence from economists to indicate that control by the Senate would be a big step toward the possibility of an easing of interest rates. Certainly at this time the chairman of the Federal Reserve Board is pretty much fighting the battle singlehandedly. He has been getting little support from Congress and little support from the administration; and I think that this support that is grow-

ing in the Senate today is support that will help bring about fiscal restraint and help bring about a reduction in the rate of inflation.

Also, I think that here today we are also actually helping bring about control of spending on various budget items. Certainly this can improve efficiency as well as show the American people that there are a number of Senators who are willing to cut back. I might stress, as I look across the Chamber at my friend from Georgia, my friend from Florida, and my friend from New Mexico now in the chair, that they have expressed willingness to cut back programs that benefited their States, and programs of which they have a particular knowledge and interest, programs which they know are good programs and sound programs.

I am a member of the Committee on Aeronautics and Space Sciences, and am a strong supporter of the space effort and the various programs that have heretofore been financed. I am aware that NASA has been reduced rather sharply in the appropriations coming its way, and it has been stretching the dollar for several years. But nonetheless, I think it is only proper that if we make adjustments in spending downward, that they be made on a basis that covers as many of the various areas of spending as is possible.

To do this, and do it by just tightening someone else's belt, I found a long time ago, is impossible. We must agree that we are going to tighten our own belts. In voting to cut the budget of the Department of Agriculture, for example, it was a vote in my case and I know in the case of many other Senators against programs that are strongly desired and popular in our States. But if we are going to get the job done, we are going to have to be willing to tighten our belts as well as see them tightened on the other 49 States.

When I was Governor I had the constitutional duty to present a budget, and it was sort of an interesting exercise in dividing up a piece of pie and, as this was finally divided, presenting that to the members of the legislature for their consideration and their approval. I was required to divide up the pie.

Unfortunately, the Members of Congress in the past have not been required to divide up the pie but merely to create the pieces, and then look around for a pie pan big enough to put it all in, and then raise the debt ceiling limit, exercising little restraint and exercising poor economic judgment in many years. But with people today who know banking, who are familiar with economic trends, international and national, saying that we may be looking toward a panic, this could have the consequences that we could be in real trouble, that we may not be able to control the economy and then, I think, it is time for us to take steps to put the brakes on and look around for many other areas that can be improved.

Certainly as we have looked at the budgets recently, I, as a neophyte, as an economist—I am not one at all—but I have learned a lot, and I have learned a lot about the difficulties of reducing the expenditures of the Federal Government.

Nonetheless, it occurs to me there is all the more reason why we should look forward to adopting some changes in the future that would make it easier to adjust the outflow of money to the inflow, and we have passed a very important bill earlier this year toward that end.

Nonetheless, there are other changes that need to be made, changes in the structure of our bills and in the manner in which we approach spending in Congress.

It was my pleasure several weeks ago to join with the Senators from Georgia, Florida, Kentucky, and New Mexico, and Senators from South Carolina, Nebraska, Kansas, and many others, on a bipartisan basis echoing the feeling of the Senator from Virginia, the Senator from Wisconsin, and their concern about spending.

I am glad that there has been a momentum created, a real concern. I compliment the Senator from Wisconsin for his leadership not only today, but particularly today, when he is the floor manager of the bill and sponsoring an amendment to not make an across-the-board cut but to make a specific cut of the various items. Certainly this is a preferable way of operating.

I know that in the steps that have been taken they have not always been the prudent manner in which to operate, sometimes because of time, sometimes because of lack of ability and knowledge on my part, perhaps that of others, but certainly there has been a desire to accomplish a goal and, I believe, that it is possible today to see that we are making some progress, and I am hoping that this momentum will increase, and more and more people will join, particularly those who have the ability to really do the job properly, so that in our eagerness to accomplish a goal we will do it in the proper way, in the best way, in a responsible way.

On many occasions this year the members of this body have expressed their concern about spending, concern about inflation, and concern about the economy.

Today they have an opportunity of expressing themselves again on an appropriation bill, a very important one and, as I said, one which I strongly support.

So, in my vote I will be voting to reduce expenditures in areas that I strongly believe in, in areas that I know are deserving of an ample appropriation. But I believe that if we are to accomplish the purpose of reducing the deficit, we must be willing to cut out a number of areas, a number of programs that are valid, a number of programs that are desired by the American people, a number of programs that are good but to do this in the overall interest of ridding ourselves of runaway inflation that could just eat up this country, doing it with a recognition that inflation hits hardest at those of modest means, those of fixed incomes, the poor, and that it destroys the real strength and fabric of a nation.

We seem to have gotten away from a saving economy to one of a borrowing or spending economy, and I cannot help but believe—not that I am opposed to borrowing, which I have done on many oc-

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usions—that savings should be accentuated, and that the old idea that a penny saved is a penny earned is still a good thing and something we should support.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield to the distinguished Senator from Florida.

Mr. CHILES. I want to compliment the Senator from Oklahoma on his remarks and also on his actions which, I think, indicate our desire to try to do something about the fiscal situation of the country.

I had the pleasure of being a cosponsor, along with the Presiding Officer, the junior Senator from Georgia, and the junior Senator from Kentucky, of a resolution that was trying to call attention to the plight, trying to get a domestic summit meeting which would bring together all the parties as sort of parts to this puzzle, labor, management, the President, the Chairman of the Federal Reserve Board, together with a bipartisan membership of the leadership of Congress from both sides of the aisle and both ends of the capitol, and to try to get something working toward a plan of doing something about the economy.

I am delighted with the response that we received in this body by the overwhelming passage of that resolution, and I know that it is working in the House, and it has a number of different resolutions, similar or identical, which have been introduced in the House, but to date it has not come up for a vote there, and I know the Senator from Oklahoma wishes that we could initiate that kind of meeting.

But I agree with him that, barring that, we have got to try to do something here to signal to the American people that we are going to be willing to do our part and that that cannot happen by just voting for a spending cut or even the provision of \$295 billion unless we are willing to make cuts that hurt and, of course, across all of the areas.

We are not going to be successful—and I want to associate myself with his remarks and his leadership which he has displayed in this regard.

Mr. BARTLETT. I thank the junior Senator from Florida. I am very happy to work with him and the junior Senator from Georgia and the Senator from New Mexico and the Senator from Kentucky in trying to expand this unofficial group.

Mr. NUNN. Will the Senator yield?

Mr. BARTLETT. Yes.

Mr. NUNN. I know the Senator from Oklahoma has done a great deal of work on the overall problem of the economy today. I know he has had a lot of discussions on the problem—I have had a lot with him. I know he is concerned with the overall situation. I also heard him mention that he serves on the Aeronautics and Space Committee. The junior Senator from Georgia serves on the Armed Services Committee. One of the things that has happened here in the past, I think, is that when it gets around to the Space budget and when it gets around to the Armed Services budget, nearly everybody wants to get the bulk of the savings out of those two budgets

because they involve more of a long-range projection, because the question of national security is an intangible question, and we cannot clearly say what good the military budget has done, as long as we prevent war, except it is a deterrent and it is essential.

I would just like to ask the Senator if he does not think the way we are going about this now in terms of trying to take something out of every budget, will mean that when we get to the later budgets, and when we get to the Department of Defense budget, that we will have set a standard that we can apply equitably across the board, and we will not be jeopardizing the national security, by placing the burden of a balanced budget solely on our defense effort. Instead we will be in a consistent posture of trying to save across the board so that everybody who is a beneficiary of Federal programs sacrifices to some extent, but equitably, with the exception, of course, of completely uncontrollable items. I believe this is a lot more sensible than getting down to the DOD budget and Space budget and saying, "Look, here is a great big hunk, let us take it all out of that." I would just like to ask the Senator's reaction to that proposition.

Mr. BARTLETT. Yes, I concur with the Senator.

Mr. NUNN. I know the Senator who is Chairman of the Armed Services Committee would be interested in this as he faces this situation every year, I would suggest that the Senator from Mississippi listen to the colloquy here, and give the Senator's response.

Mr. BARTLETT. I agree with the Senator from Georgia.

I know there are those who would look to the defense and space budgets, and others, for cuts, also those who look to the social programs for cuts and retain the items in the President's budget on the military, but it is obviously going to affect us and it must be done on a very broad-based method as much as possible, cutting everywhere we possibly can, recognizing, unfortunately, that there are many uncontrollables that cannot be cut.

So I think the proposed cuts which have been advanced by the floor manager and the chairman of the Appropriations Subcommittee are cuts that make sense, that are spread around, and as I said earlier, are cutting out good items. But the more we can cut the spending which leads to more and greater deficits, if we can reduce that spending a little here and there, then it is better than when the deficit is financed by new money, when there is a rapid growth in the money supply, as there has been, which produces serious inflation.

So if we can reduce that need for rapid growth in new money supply by the actions taken here, this will certainly be a big step in the right direction.

I heartily concur with the Senator from Georgia that the more it can be spread around, the smaller the decrease will have to be, but I do believe that there is the opportunity of bringing about some restraint in spending, bringing about some reduction in deficits and bringing about some stability in our economy.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President—
The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. I would ask unanimous consent that I may request and suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

Mr. PERCY. Mr. President—

Mr. McCLELLAN. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Arkansas is correct.

Mr. McCLELLAN. How much time does the Senator want?

Mr. PERCY. Five minutes.

Mr. McCLELLAN. I yield 5 minutes to the Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I would like to express my deep appreciation for the work of the Appropriations Committee, particularly as it has dealt with a very difficult bill before us. I speak with particular reference to the Housing and Urban Development appropriations.

Mr. President, on pages 6, 7, and 8 of the report that is before us, the committee deals with title I, the Department of Housing and Urban Development appropriations. Particularly reference is made to sections 235 and 236, programs which were enacted in the Housing Act of 1968. At that time we set out a housing goal of 2.6 million housing units a year for 10 years, of which 600,000 were to be for low- and moderate-income families.

A portion of that program addressed itself to offering housing opportunities to families who, instead of moving into public housing or rental housing, would be given the opportunity to own their own home. This is an opportunity that the Federal Government has offered to GI's and has offered to families of middle income America for many, many years through VA-guaranteed and FHA-insured mortgages.

The program that was developed in the Housing Act of 1968 was a direct result of a bill entitled "The National Homeownership Foundation Act" that I introduced on April 20, 1967.

That bill was sponsored by the following Senators:

Mr. Aiken, Mr. Allott, Mr. Baker, Mr. Bennett, Mr. Boggs, Mr. Brooke, Mr. Carlson, Mr. Case, Mr. Cooper, Mr. Cotton, Mr. Curtis, Mr. Dirksen, Mr. Dominick, Mr. Fannin, Mr. Fong, Mr. Griffin, Mr. Hansen, Mr. Hatfield, Mr. Hickenlooper, Mr. Hruska, Mr. Javits, Mr. Jordan of Idaho, Mr. Kuchel, Mr. Magnuson, Mr. Miller, Mr. Morton, Mr. Mundt, Mr. Murphy, Mr. Pearson, Mr. Prouty, Mr. Scott of Pennsylvania, Mrs. Smith, Mr. Thurmond, Mr. Tower, Mr. Williams of Delaware, and Mr. Young of North Dakota.

Identical legislation was introduced in the House of Representatives by Con-

gressman WILLIAM B. WIDNALL, the ranking minority member of the Banking and Currency Committee, and was cosponsored by 111 Members of that body, 66 of whom are still in the House.

I ask unanimous consent that the names of the 66 House Members who are in the House of Representatives today, and who introduced legislation to provide homeownership opportunities for low-income people, be inserted in the RECORD at this point.

There being no objection, the listing of Members was ordered to be printed in the RECORD, as follows:

*H.R. 8822. Mr. Anderson; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8823. Mr. Arends; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8824. Mr. Bell; April 30, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8825. Mr. Betts; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8826. Mr. Biester; April 20, 1967, (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8829. Mr. Broomfield; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8830. Mr. Brotzman; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8831. Mr. Brown of Michigan; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8832. Mr. Brown of Ohio; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8833. Mr. Broyhill of North Carolina; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8838. Mr. Carter; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8839. Mr. Cederberg; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8840. Mr. Chamberlain; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8841. Mr. Don H. Clausen; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8842. Mr. Conable; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8443. Mr. Conte; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8847. Mr. Dellenback; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8848. Mr. Derwinski; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8851. Mr. Erlenborn; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8852. Mr. Esch; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8853. Mr. Eshleman; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8854. Mr. Findley; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8855. Mr. Frelinghuysen; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.

*H.R. 8859. Mr. Hammerschmidt; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8860. Mr. Hansen of Idaho; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8862. Mrs. Heckler of Massachusetts; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8863. Mr. Horton; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8864. Mr. Hunt; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8866. Mr. King of New York; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8868. Mr. Laird; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8869. Mr. Latta; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8871. Mr. McClory; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8873. Mr. McDade; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8876. Mr. Mathias of California; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8878. Mr. Mayne; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8880. Mr. Michel; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8881. Mr. Minshall; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8884. Mr. Neisen; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8885. Mr. Pelly; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8888. Mr. Quie; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8889. Mr. Quillen; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8890. Mr. Railsback; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8891. Mr. Reid of New York; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8893. Mr. Riegle; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8895. Mr. Rhodes of Arizona; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8896. Mr. Robison; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8897. Mr. Ruppe; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8898. Mr. Sandman; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8900. Mr. Smith of New York; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8901. Mr. Snyder; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8904. Mr. Steiger of Wisconsin; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8906. Mr. Vander Jagt; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8907. Mr. Wampler; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.

*H.R. 8908. Mr. Whalen; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8909. Mr. Williams of Pennsylvania; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8910. Mr. Wyatt; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 8911. Mr. Wydler; April 20, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9134. Mr. Andrews of North Dakota; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9135. Mr. Blackburn; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9136. Mr. Cleveland; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9139. Mr. Gude; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9140. Mr. Johnson of Pennsylvania; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9124. Mr. Mosher; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9144. Mr. Schneebeli; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9145. Mr. Stanton; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.
*H.R. 9147. Mr. Wylie; April 25, 1967 (Banking and Currency).
See Digest of H.R. 8820.

Mr. PERCY. As I have noted with regret on previous occasions, section 107 of the Housing and Urban Development Act of 1968, authorizing a National Homeownership Foundation, was never implemented. In retrospect I think it can be said that a great deal of the mismanagement which has plagued the 235 program could have been avoided if the Board of the Foundation had been appointed in timely fashion and if the Foundation's oversight function, as specified in the law, had been fully implemented.

I think it would not be inappropriate at this point, Mr. President, to indicate that the Senator from Illinois inquired of the White House a few years back why this particular portion of the law had not been implemented, why the board had not been appointed after a number of calls had been made by the then Vice President of the United States to people to get them to accept membership and after the Senator from Illinois had been asked to approach certain people who had indicated a reluctance to take on added responsibilities, and was urged to get them to accept membership on the board. Mr. Ehrlichman advised me, first through my own staff and then directly notified me, that the reason this board was not being appointed and that that particular provision of law was not being implemented was because of the vote of the Senator from Illinois on the ABM.

The Senator from Illinois was stunned at this kind of a response, so much so that I not only wrote a letter confirming this action to Mr. Ehrlichman, but also asked for an immediate meeting with him.

I went to the White House and asked why any appointee of the President would fail to implement a law of Congress and

act to appoint a board for oversight of homeownership opportunities for low-income people because of a totally unrelated vote on an ABM system that the Senator from Illinois felt ill-advised, and which subsequent events have certainly indicated to be ill-advised.

It was said to the Senator from Illinois that this was the way the ballgame was played. I was left with only one conclusion: that no matter how you phrased it, that it was the vote on an ABM system that was being taken out of the hide of the poor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. May I have 2 additional minutes?

The PRESIDING OFFICER. The Senator is recognized for 2 more minutes.

Mr. PERCY. As we know, there have been scores and scores of indictments growing out of grand jury investigations of FHA programs.

As the Appropriations Committee aptly points out in its report, a great deal of the fraud that was involved in this program was not as a result of the type of program that was designed by Congress, but by the mismanagement of the program, the lack of oversight, the lack of responsibility, and the lack of administrative care taken in implementing a program which has otherwise proven highly successful.

Mr. President, my further remarks will support fully the success the program has had despite the fact that its implementation has been dreadful and its management has been chaotic in many respects. Despite those facts, the program and the quality of the program was such that, as is pointed out on pages 6, 7, and 8 in the report before us, better than 350,000 families, incorporating well over 1 million people, are today regularly paying monthly payments to own their own home.

Some 50,000 families originally subsidized under section 235 so that they could become homeowners, have actually gone off the subsidy altogether.

That was the intent and purpose of it, to give people incentive to say that, "Here is a start in life so that you can own something, be a somebody and have something. But our whole purpose is to use this as a carrot so that you can be weaned away from the subsidies, so that you can upgrade yourself, and have the incentive to do so."

Even in the face of this conspicuous failure in implementing the law, the 235 program has been highly successful. Because the future of this program now is a matter for decision in a conference between the Senate and the House on the terms of the Housing and Community Development Act of 1974, I think it would be helpful to my colleagues—especially to the 27 present Members of the Senate and the 66 present Members of the House who cosponsored the National Homeownership Foundation Act—to provide them at this time with an up-to-date report on the benefits of this program.

The program provided homeownership opportunities to 434,000 families to June 1973 since its inception in 1968.

With a median income of about \$6,500, few of these families could otherwise have enjoyed the benefits of homeownership.

According to HUD's statistics for 1971, the average monthly income of 235 families was \$432; the family's share of the monthly mortgage payment was \$95 while the average monthly subsidy was \$79.

Initial experience with the program indicates, as I noted a moment ago, that a significant percentage of households which start receiving these subsidies earn their way out of them through higher incomes. In one recertification of income for 235 families, 8 percent stopped receiving any subsidy, 65.8 percent received a reduced subsidy, 13.4 percent had no change, and 20.8 percent received a larger subsidy.

"Housing in the Seventies," the comprehensive study commissioned by the Department of Housing and Urban Development attempting to justify the suspension of several housing programs, including section 235, reached the following conclusions about that program:

First. The program enabled a number of low-to-moderate income families who desired to own homes to achieve that objective;

Second. Only a third of all homeowners nationally have incomes below \$7,000, but close to two-thirds of all 235 beneficiaries had incomes below that level;

Third. The 235 program provided substantial benefits to recipients. Housing quality, the study estimated, improved by 35 percent and nonhousing expenditures increased by 8 percent.

Fourth. The study did not demonstrate that section 235 housing cost more than comparable privately built units.

The 235 program has also received high marks in other studies. Dr. Anthony Downs, vice-president of the real Estate Research Corp., came to the following conclusion:

On balance, we believe that both the Section 235 and Section 236 programs are effective instruments for meeting the key objectives of housing subsidies. . . . We believe their basic designs are sound, although some modifications can improve them. The major inadequacies so far encountered in the execution of these programs stemmed mainly from either poor administration by HUD or the inherently higher risks of investing capital in housing for relatively low-income households in relatively deteriorating areas.

During the last 2 or 3 years newspapers and magazines have from time to time given prominent coverage to the real but nonetheless limited cases of fraud and other abuses which have been associated with the 235 program. Seldom did stories of the program's successes find their way into print.

I want to tell you about one successful effort from the city of Chicago.

The Bickerdike Redevelopment Corp. is a nonprofit community housing corporation on the near-northwest side of the city. The corporation was responsible for the building of new single family homes and their sale to the community. These were the first new single family

homes built in the community in over 50 years. Most homes were sold to families who qualified for interest subsidies under the 235 program.

From 1970 to 1973, Bickerdike, along with two general contractors, built 65 single family homes. Sixty-three of these were sold under section 235 and two were sold under the 203(b) program.

Seventy percent of the buyers were Latin American. The majority of the families were in the \$7,000 to \$9,000 income range and most of them had two, three, or four children. Three families have now lived in their homes for over 3 years; 24 families 2 to 3 years, 32 families 1 to 2 years, and 5 families for about a year.

As of February 1974, two of the homes had been turned back to HUD. One was owned by a single woman with adopted children who simply walked away from the property. The other was turned back because the divorced mother of five children died. Two families in danger of foreclosure survived the crisis because of counseling from Bickerdike.

Beside coordinating the development of the homes, arranging financing, and selling them, Bickerdike worked with the buyers so as to help them become knowledgeable homeowners. Meetings were held on insurance, maintenance, and budgeting for home improvements. A homeowners' association was formed to work on common problems, such as high taxes.

I submit, Mr. President, that success stories like this one exist in every part of the Nation. We should not allow ourselves to be swept away by a few reports of failures. I believe the bill we passed here in the Senate in March, S. 3066, amended the program so that we can be confident of even more and greater successes in the future.

I believe the homeownership program for low- and moderate-income families must be retained in the bill currently being worked out in conference.

Mr. President, I ask unanimous consent that a table indicating the distribution of 235 units by States be included in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

State and number insured:	
Alabama	12,994
Alaska	688
Arizona	7,521
Arkansas	6,398
California	31,439
Colorado	6,719
Connecticut	1,019
Delaware	434
District of Columbia	759
Florida	31,361
Georgia	20,397
Hawaii	1,746
Idaho	2,210
Illinois	16,911
Indiana	9,340
Iowa	7,232
Kansas	3,309
Kentucky	9,258
Louisiana	23,010
Maine	927
Maryland	1,655
Massachusetts	4,360
Michigan	20,082
Minnesota	3,220

Mississippi	11,026
Missouri	6,096
Montana	1,652
Nebraska	4,543
Nevada	5,980
New Hampshire	1,098
New Jersey	3,293
New Mexico	5,176
New York	4,364
North Carolina	7,244
North Dakota	811
Ohio	16,676
Oklahoma	11,455
Oregon	6,326
Pennsylvania	5,880
Rhode Island	744
South Carolina	16,571
South Dakota	1,498
Tennessee	17,227
Texas	37,755
Utah	6,689
Vermont	340
Virginia	3,777
Washington	13,751
West Virginia	711
Wisconsin	10,440
Wyoming	921
Puerto Rico	9,661
Virgin Islands	0
Guam	129
U.S. Total	434,814

Mr. PERCY. Mr. President, I ask unanimous consent to have printed in the RECORD the section of the Appropriations Committee's report to which I have referred, because I concur with every statement made in that section.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

TITLE I. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

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

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

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

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

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

The Committee feels that the Administration has justified its actions for a variety of unsupported reasons. Among other things, it has claimed that the programs were not achieving the goals set by the Congress, but

by no stretch of the imagination is that correct.

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

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

Over 10 percent of the total defaults in the Section 235 program were in two cities, Seattle and Dallas where there was serious unemployment stemming from cutbacks in the air and space industries. In the State of Wisconsin, 97 percent of those assisted have been successful.

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

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

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

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

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

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

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

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

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

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

Mr. McCLELLAN. Mr. President, I rise to discuss briefly the pending amendment, which I understand is the amendment of the distinguished Senator from Wisconsin. Is my understanding correct? The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. It is an amendment that contains, I believe, some 23 separate and distinct proposals with respect to cuts in the pending bill.

Mr. President, I may state at the beginning of my remarks that I am not primarily concerned about the amount of the cuts that would result, the amount of reduction that would occur, if this amendment were adopted. I think I have been fairly consistent throughout the years in advocating economy in Government. I have repeatedly stood on the floor of the Senate and pointed out that one of the causes—the prime cause, really—for deficit budgets and for increased spending originates and stems from authorization legislation. Appropriations cannot be made unless Congress has authorized the expenditure.

One of our problems—it is a problem to all of us—in trying to meet our responsibilities here is that once a program is authorized, once Congress says this is something that should be done and we authorize it to be done and we authorize the expenditure of such moneys as may be necessary to carry out the program, or we authorize so many million dollars or billion dollars to get the program carried out, then Congress, itself, has put in motion the expenditure when it makes the appropriation.

The issue that comes before the Appropriations Committee, notwithstanding that Congress has directed that this be done, is, shall we refuse to make the appropriation? That is what it often amounts to. Especially is that true if a budget request comes down for it.

I know that we are all concerned, and rightly so. The country is concerned. We are distressed about the fiscal situation that pertains in our Government. We agonize about the economic situation that prevails in this country. Therefore, it does behoove this Congress, as it did the last and the one before, to try to bring down expenditures, certainly within the amount of revenue our Government will take in. In other words, it is our duty to try to achieve a balanced budget; and as to that objective and on that score, I yield to no Senator and to no Representative. I will continue to strive to do that.

As chairman of the Appropriations Committee, I have set in motion and have made an effort to bring about a reduction in expenditures, last year and this year.

Last year, particularly—we can speak

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about that, because we got a response—I suggested that each subcommittee weigh the budget, analyze it, particularly the part that that subcommittee had jurisdiction over, and suggest a target, a ceiling, within which it would submit its appropriation request or make approval of the appropriations. In other words, we undertook to set a target in the beginning, each subcommittee, and then we tried to meet that target. We did that, with some measure of success.

The greatest success achieved in that effort was by the defense appropriation subcommittee. The greatest cuts were made there. Some of those savings were lost because other functions of government were appropriated far in excess of the budget, and thus we lost that advantage to some extent. We were not able to reduce as much as we targeted because some appropriations exceeded the budget.

In a way, we are trying again this year, Mr. President. Just what measure of success we will have ultimately, I do not know.

We have a committee system in Congress. Perhaps it is failing. Perhaps the committee system should be abolished. Perhaps we do not need it any more. Perhaps the way to handle these matters is just on the floor of the Senate.

I want to say for the record that I regard myself as a servant, an agent of the Senate, as I serve on the Appropriations Committee, particularly because I serve as chairman of that committee. If I can ascertain what the policy of the Senate is, how it wants to proceed on these appropriation bills, if I can get instruction along that line, I will try to conform. If it were the policy of the Senate to proceed in a way that I simply could not follow, then I would yield my position on that matter—at least temporarily—to someone else, who could defend and undertake to sustain whatever the policy is.

Mr. President, the Appropriations Committee this year, as in the past, has functioned in good faith. The subcommittees have held long hearings. They have marked up the bills and have brought them to the full committee.

Almost without exception, I have deferred to the judgment and recommendations of the subcommittees. Perhaps there have been one or two exceptions, but I do not recall one at the moment. I have generally supported the Appropriations Committee on the floor of the Senate. Perhaps in one or two exceptions I did not.

I do that not because necessarily I always fully agree with what the Appropriations Committee has recommended. But again I point out that unless it is so adverse and so greatly violates my conviction that I simply cannot compromise. I still try to go along, in the interest of orderly procedure, because we do have the committee system, and I do it in an effort to make this system work.

We have a bill before us today. We went through the due process, the procedures that are established by the rules of the Senate, which were followed and adhered to. This bill came before the full commit-

tee on recommendation of the subcommittee.

I supported the recommendations of the committee. In fact, there is one item in the bill that I would not have supported that has been called to my attention. But again, I as chairman of the full committee, and the members of that committee are undertaking to cooperate with our leadership to the end that we may, if we can—and we are making every effort to do it—get these appropriations bills finished before the Senate becomes preoccupied with another problem, another issue that will command its continuing attention and occupy its full time until that matter shall have been disposed of.

When we do these things hastily, we do not do as efficient a job as we would like to, with the Government as big as it is and these appropriations as large as they are, with as many items in them as there are. In fact, as I recall, there are some 16 or 18 thousand items in research and development alone—each one of them could stand some examination. All of the items for which we make appropriations run into the hundreds of thousands. It is absolutely impossible to give attention to each one of them.

In the limited time that we have, and in an effort to expedite this matter, one section of the bill was overlooked. It did not come to our attention and was not called to our attention when the matter came to the full committee. Notice only came that morning, when the committee met that afternoon. That is the item to prohibit funds for the CIA.

I mention at this time, Mr. President, that there are no funds in the appropriation bill for the CIA. Only one bill has funds for the CIA. That is the defense appropriations bill.

I do not know if people want to discontinue the CIA. If we want to cast aspersions on it, we can do it in a bill like this. That is our right, if that is the way we want to do it. But I do not think that is necessarily to our credit.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. McCLELLAN. I am glad to yield.

Mr. PROXMIRE. This was put into the committee report, on page 6, and, of course, it is included in the bill. The reason why it was included is that there was information which this Senator received that a number of appropriations bills might have funds for the CIA.

As chairman of the subcommittee, I thought I had a duty to make sure of what was in the appropriations bill on which I was acting. Furthermore, I asked the agency heads under HUD, Space, and Science, when they appeared before the subcommittee, whether they would mind if I put in this provision, and they said they would not.

I have a letter from Mr. Ash of the Office of Management and Budget, in which he states that there are no CIA funds in the bill. It was my very strong feeling that I had a responsibility to the Senate and to the full committee to find out what was in the bill and to make sure that if there were funds for the CIA, those funds would be identified. I felt

that the only way I could be certain of that was to make provision in the bill, which the subcommittee approved, and which I regret was not called to the specific attention of the chairman. But, as I say, it appears at two different places in the report, and appears also in the bill itself.

Mr. McCLELLAN. It is not just the chairman; it is the committee. I just represent a committee as its chairman and its agent. It is nothing personal with me and it is nothing personal against me.

Mr. PROXMIRE. I realize that.

Mr. McCLELLAN. I am talking about proper procedures in the Senate—the integrity of the committee system. If there is no money in the bill and the Senator feels that, notwithstanding that fact, provision ought to be made, I am perfectly willing for the committee to pass on it, to decide whether it should be in or not. I am not arguing about that. Had I known that it was in the bill I would certainly have sought to have it discussed and considered—and I apologize for not knowing, but I make no explanation further than the fact that we are so busy and so occupied with these bills—trying to process them, trying to get them out. I would assume that when a chairman of a subcommittee presents his bill, if there is anything in there that he can conceive might be controversial, we would take it up in the full committee and discuss it.

Maybe that is my responsibility, to have these bills checked and scrutinized most carefully before we ever bring them to the full committee for consideration. If that is correct, I must do that. I shall do my best to do it. But I do feel that in a circumstance where we are operating under such stress of pressure and haste to try to meet the conditions that we have daily here, it would have been well for the Senator to mention this to the full committee so that we might consider it.

At any rate, those things happen, and I am not trying to cast any aspersion on the Senator. I am talking now about the integrity of the committee system and what we need to do. That is the purpose, primarily, of my concern at the moment, although I thought I would mention it, Mr. President, before we went into this other aspect.

Mr. President, I wish to talk now about the pending amendment. There is an amendment pending that has been offered by the distinguished Senator from Wisconsin, who is chairman of the subcommittee which handles the bill, and who is also the manager of the bill on the floor. I have a copy of this amendment. I believe this is a correct copy. It contains some 23 separate amendments to items in the bill, striking the items and reducing the amount.

I am advised by the distinguished Senator from Wisconsin that the total, the aggregate of these amounts is about \$160 million in round numbers.

Mr. President, I do not quarrel with a further reduction in this bill of that amount, if we are given the opportunity in committee to examine these proposed cuts and take committee action on them. If the committee then does not recommend the cuts, when the bill comes to the

floor, of course, the Senate can work its will. But if there are amendments that the committee feels are meritorious, the committee should not be bypassed. It should have an opportunity to consider them.

Mr. President, I ask the distinguished Senator from Wisconsin if these amendments which are offered here today were presented by him to his subcommittee.

Mr. PROXMIRE. I say to the chairman that the amendments I offered to the subcommittee were far deeper than the amendments here. I offered amendments in total of \$1.4 billion.

I offered a number of other amendments. We had considerable discussion in the subcommittee meeting.

Mr. McCLELLAN. Were they accepted?

Mr. PROXMIRE. Some of the recommendations of the chairman and the ranking member were accepted and some were rejected. Some of these amendments were offered in the subcommittee. Many of them were not offered in the subcommittee.

Mr. McCLELLAN. If they were accepted in the subcommittee, why did they not appear in the Senator's report on the bill?

Mr. PROXMIRE. I say to the Senator that some of the amendments that I brought up in the subcommittee were rejected, and those amendments that were rejected, in some cases, are offered here. I am not saying that any of the amendments that were accepted are here.

Mr. McCLELLAN. Will the Senator identify them for the record when he has the floor directly? I would like to know which ones were considered there.

I ask the Senator, were any of these particular amendments presented to the full committee?

Mr. PROXMIRE. The NSF, HUD, NASA—we are going to identify the ones that were presented to the subcommittee.

In the full committee, we had some eight or nine specific amendments that were offered. I think the Senator will remember that. They were voted on en bloc. We had two or three series of two or three amendments each referring to NASA voted en bloc; some of them are included here. We had one referring to the National Science Foundation, and then three, I think, referring to HUD. We will be happy to identify those at a later time.

Mr. McCLELLAN. Were they presented just as they are presented here?

Mr. PROXMIRE. No, they were presented in somewhat different form.

Mr. McCLELLAN. They were presented in different form.

Mr. President, this is the point I want to make, and I do not want to belabor it. If the committee system is to function with integrity and efficiency, it must have the opportunity—and the Senate, I think, should want it to have the opportunity—to screen proposed cuts or proposed amendments—not only cuts, but amendments that offer to increase the amount of the bill. We have that experience, too, Mr. President; we come to the floor sometimes, without the evidence having been presented to the Appropriations Committee for considera-

tion, and often without having any evidence presented, with offers to increase by a large amount.

Every Senator has the right, on this floor, to offer any amendment he wants to. I concede that right. I defend that right. I would do it myself if I felt a strong enough conviction. But I think I would undertake, especially before the Appropriations Committee—and I am the chairman of that committee—to have the issue clearly presented to the committee, and give them an opportunity to reject it on its merits, or for some other reason, if there was reason for rejecting it, or to approve it, as the case may be.

Mr. President, I compliment the Senator to this extent: This amendment is a marked improvement, in my judgment, over the one offered, I believe last Friday, to the Department of Transportation bill, with a 3.5 percent cut across the board. This, in my judgment, is the way to do it.

And I might say, Mr. President, that I have no doubt that upon these amendments being presented and discussed, I will find some of them that I shall want to support; because I want to cut, if we can, this budget and appropriation in every way we can do so consistently and where it represents the best interests of our country.

I do not like, as I said the other day, the meat-ax approach which is presented across the board. Someone suggested a while ago that maybe we ought to establish that precedent here, so we will all know that we are going to cut them percentagewise across the board.

But what would that do to the committee system, Mr. President? If that is what we are establishing here, we need to know it; but what does it do to the committee system?

If I were handling a committee and I did not want my projects cut much, I would not do any cutting on them in the committee; I would wait and let them get their 3-percent cut up here, if they were going to get it. And some could well increase their amounts, Mr. President, anticipating that they would get a 3-percent cut.

I do not think a 3-percent cut, as such, as a firm and fixed formula, is necessarily the best way to do it. But if we are going to do that, let us take, for example, the Defense bill. It is yet to come up. My distinguished friend here is a member of the Armed Services Committee.

We hear demands here on the floor sometimes, "Cut it \$10 billion." Maybe it can stand that; maybe it cannot. But whatever percentage it would be—8½ percent would cut it \$10 billion, or 12 percent, or whatever it is that would make a cut of \$10 billion—I think it ought to be considered before we slash that way. I do not know what it would come out of.

I do not think that is the way to do it. Let me point this out: I think I can say without any qualification—though I cannot absolutely guarantee it, as everyone knows—speaking of what I think the attitude and disposition of the subcommittee handling the defense bill is, I think it will be cut, if we are left to the selective

cutting process, by more than 3½ percent. We did a pretty good job last year of cutting beyond that. I think we can do it again. We are going to try, and I think we will succeed.

But I might say, if this practice is going to be established, to do away with the committee consideration of these things on their merits and let the bill come to the floor, as they work it, and take items that seem to be too much and reduce them, or items that seem to be not enough and increase them, I hope we do not establish a precedent where every time a bill comes up here, we are going to cut it 3½ percent, because anyone who wanted to be sure he got about what he wanted could increase his appropriation, and then come to the floor, receive the cut, and he would have lost practically nothing; whereas another subcommittee, working faithfully and diligently, and examining the items and making reductions on the basis of merit and on the basis of priorities as they see them, would be terribly penalized. So would the function of the department or agency, and so would the service to be performed, and those who benefit from it, if we are to follow that procedure.

I do not think the emergency is such today that we cannot make reductions to bring these appropriations within the revenues, and thus avoid a deficit. I do not believe there is a situation where we cannot function responsibly in that fashion. Maybe we have lost that ability. Maybe we will not face our responsibilities, but I believe we will. I do not believe the process of a 3-percent cut, as such, is really facing up to the issue.

I hope that we will get some order and some orderly process established here, or reestablished, so that we will know what to do when we try to work on appropriation bills, and we will be able to feel that the efforts of the subcommittees and the full committees are going to be respected, and then weighed and examined, rather than just, in effect, discarding the committee's work and saying, "We are going to cut across the board."

Mr. President, in view of the situation, I want to find out, and I think this will give us a pretty good idea, about how the Senate wants to proceed. I intend to move—others may have discussed it—to recommit the bill to the Appropriations Committee so that we will have the opportunity to discuss these proposed amendments, weigh them, and again report the bill out with the recommendations of the committee.

I yield to the distinguished Senator.

Mr. PROXMIRE. The Senator from Nevada.

Mr. BIBLE. I want to make a brief statement.

Mr. McCLELLAN. I yield.

Mr. BIBLE. I just wanted to make a brief observation. I want to associate myself with what the distinguished chairman of our committee is saying, and I shall support him right down the line.

I hope the motion to recommit it to the committee is agreed to so that we can study these new amendments. They are new to me, and they may be well taken. I have not had the opportunity of looking at them.

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I am privileged to handle the Interior Appropriation bill, and that is supposed to be calendared for action on the floor on Wednesday afternoon.

We heard from I do not know how many Senators, but they had 182 amendments. Every one of them was an amendment to add dollars. There was not a single amendment to take any dollars away.

I hope the proponents and leaders in this effort to cut back—and I am sure they are going to make an attack on the Interior bill as well, I do not know why but I think they might do it—will be specific and designate whose projects we take the money out of. That is what I would like to have them do, whether they come from Florida or Georgia or wherever, Wisconsin or Kansas, wherever they might come from, and I would hope they would specify which projects we should take it out of, whichever State they want to take it out of, and I will be happy to oblige. But I hope they are specific when we come to consider this problem on Wednesday, I believe. I think that is the day the leader is attempting to calendar it.

I thank the Senator for yielding. I have a very important appointment this afternoon and I must keep it.

Mr. McCLELLAN. I wish to observe, as chairman of the Appropriations Committee, nearly all of the letters—it is unusual when we get one wanting us to cut one, although we do get some of them—most of them are to increase, and the Senators who write and ask us to increase sometimes are the ones who are voting for these across-the-board cuts, and so forth. It is difficult for us to operate, as I say, intelligently, efficiently, and conscientiously where we do not know and we are not privileged to know what the rules are going to be and how, when, they are going to change and be changed.

I want to say this before I conclude: I said in the beginning this is not personal, and it is not, that every Senator is entitled to vote his conscience and his conviction, and I am not pleading today for myself as chairman of the Appropriations Committee; I am pleading for each Senator here, for the people he represents, to maintain and to make operate a system that has been tried and tested and proven over 190 years that we have had this Government. Sure, it is not perfect. But amend the rules if changes must be made.

I hope we will understand that it makes no personal difference to me if we cut this bill 3 percent or 30 percent except insofar as what is best for our country. I will feel the same way when we have the defense appropriation bill up here. Do what is best for the country, and if it takes a 3-percent cut or a 5-percent cut, if the Senators will single out the items where they ought to be cut, keep those that have a priority, that deserve the full financing and reduce the others. I will be satisfied.

I am not insisting on budget appropriations. I am not only willing to cut, but I am cutting. But we need cooperation, we need the Senate's understanding, and if we are not going to recognize the work

of our committees then, of course, the only alternative is to do it here on the floor. I know that the great masses of the American people want this budget cut, and they want a balanced budget, and I am willing to work with my colleagues to that end, and if we do not get it the first round—that is where we have this Budget Committee, and I hope it works; I have some doubt about it—we will make some further cuts until we do get it. We can pass a resolution after these bills are all in, weigh it, and make certain then that we treat everything alike, treat them all fairly, and let them take their reductions where they may, if we do not achieve it by the due process long established and long practiced and now followed, undertaken to be followed by those to whom we have entrusted the responsibility as our representatives and as our agents.

I yield to the distinguished Senator from North Dakota (Mr. Young).

Mr. YOUNG. I am in favor of this new economy move in the Senate. For years now for every amendment offered to cut an appropriation bill on the Senate floor that have been 10 offered to increase it. This is with the exception of Defense appropriation bills. I have seen amendment after amendment offered on the Labor HEW bill that raised the bill by as much as one-half billion dollars. This increasing appropriation bill has been going on for years, so I welcome this new economy move.

I am willing to cut \$160 million or more if the subcommittee chairman recommends it. In fact, I voted in the committee to—there was only one motion offered, as I recall to cut \$43.3 million.

I would like to have this inserted in the Record, Mr. President.

There being no objection, the statement was ordered to be printed in the Record, as follows:

RECOMMENDED CUTS BY SENATOR PROXMIER IN SUBCOMMITTEE	
NASA	
(In millions)	
Research and Development.....	\$12.8
Construction of Facilities.....	5.0
Research and Program Management..	1.0
Total	18.8
NSF	8.2
HUD	
Comprehensive Planning Grants....	10.0
Research and Technology.....	5.0
Salaries—Research and Technology..	1.320
Total	16.320
Grand total.....	43.3

Mr. YOUNG. Mr. President, I am for this bigger cut. I am willing to make a bigger cut, \$200 million, if necessary. But I believe it should be on an item-by-item basis.

This business of going to conference with the House with a "meat-ax" cut of 3 percent or 5 percent causes the Senate to lose all of its bargaining power with the House. The Senate usually accepts most of the House add-ons, particularly on projects, if they are meritorious, and we add on some of our own and make other sizable cuts.

On a "meat-ax" approach, a percentage cut, we lose practically all bargain-

ing power with the House because, first, either we have to persuade them to accept our percentage cut or else subject ourselves to other cuts, mostly imposed by the House.

It is difficult to explain this conference procedure unless a Senator has served on a conference committee with the House at one time or another.

I know there are many of these programs that can be cut, but it would be a serious mistake if we followed this percentage cut route. On Defense Appropriations we will probably cut over \$4 billion this year. If another 5 or 10 percent were made on the floor of the Senate it would cripple the Defense Department. For those who have not listened to the hearings—and most of the Senators have not listened to the hearings, we could do serious harm not only to the Defense Department but most other departments of Government.

The committee chairman and the ranking member, oftentimes many of the other committee members, sit for months listening to the testimony of the various departments.

We know better where cuts can be made and where they cannot be made. If more amendments had been offered in the full committee to cut this budget or this bill further I would have voted for it. As I said before, I am willing to cut \$160 million or more, but it should be by the Appropriations Committee item by item, or if there are those who want to do it item by item on the Senate floor there is nothing wrong about that. But this percentage cut business is just not the right way of doing things.

It reduces respectability, and even the effectiveness, of the Senate Appropriations Committee to handle bills in this way. At least Members supporting this kind of move ought to tell the Senate Appropriations Committee how much they want to cut, and offer some suggestion as to where to cut.

Mr. McCLELLAN. Will the Senator yield at that point?

Mr. YOUNG. Yes.

Mr. McCLELLAN. Every Senator was invited to come before the Appropriations Committee and make suggestions where he thought it could be cut, every one. This was done twice, once before the Defense Appropriations Subcommittee and once before the full committee, and we set aside days for it, so no one can say he was denied an opportunity to present his views.

Mr. YOUNG. May I say, in closing, I will support the motion by the distinguished chairman of the committee. I would say once again I welcome the economy move. I wish it had happened several years ago because we, in the Senate Appropriations Committee, have been defeated on the floor year after year in almost every appropriation bill except defense. But they always bring them up, and I do not know of a single bill—very few, at least—that were not raised by the Senate itself.

I yield the floor.

Mr. STENNIS. Mr. President, I will be quite brief in what I have to say.

I think we have reached a point already, Mr. President, where our committee system is being seriously jeopardized.

Now I think every major appropriation bill should be examined by those who are familiar with the staff and the Members of this body, that are familiar with the subject matter, and then a bill brought back to the membership with definite recommendations. That is a part of the Senate committee system.

As a whole, it has worked most admirably. The committee must have a chairman, we will not have any effective committee unless we have a chairman that is effective and really works on it and comes here prepared; also a minority member, so-called ranking minority member, who has the same qualifications and the willingness to work; then come here and every member of that full committee, especially if he had a chance to get into the bill, generally ought to back that committee or get off it.

If he cannot take the heat, just get out of the kitchen on that particular assignment, because to be effective, and as a whole the appropriations committees have been effective in holding things down, they have to work together, and then they have to stand together.

There are exceptions to that from time to time, legitimate, but as a whole if we do not have a system that is positive and definite and willing to fight and the membership filled in, we are not going to be very effective here.

I remember in my very earliest days here, these two men that are now our senior members of this committee, both of them, spent long hours of hard work. Some of my earliest recollections of the Senate when I was just an ex officio member of one subcommittee was the Senator from Arkansas bearing down and talking about a dollar in value for every dollar spent. He did not say some dollars, every dollar. He was very effective in committee on this floor, as has been the Senator from North Dakota.

Now, let us not let this matter fall apart.

I am not making an odious comparison. The Senator from Wisconsin is one of the most working men we have in this body and he is effective, too. He knows that I believe that about him, I have told him many times. We are often on opposite sides, but we can do business with each other and have done it many times over, so I am not trying to give him any lecture, nothing except compliments. I think there are some errors in judgment here, but in good faith about this great number of amendments.

I have the privilege of being on this subcommittee. My plea here is if the chairman makes this motion to send this bill back to the committee, I hope the body will just rise up and say, we welcome this, we welcome the disposition of that kind, and I hope the chairman of the subcommittee would agree to it and let us see if we cannot get together, a little better understanding, much better understanding. We are wandering off, splitting up, and we are going to hurt the Senate and hurt the questions we represent as a whole.

I welcome a fight over these bills. I have been in trouble ever since I became chairman of the Armed Services Com-

mittee. It is hard, long work to get a bill through here with reference to the authorization. I do not run from it, but I try to be patient and then come back with appropriations. Tackle them, tackle them again. That is what I call a sound legislative process.

I hope we will not have to pass on amendments here that we have not had a chance to really weigh the impact of, some 32 different items in one amendment here.

The Senator from Wisconsin knows all about what it means. I know some of them because I was in part of the markup, but my plea here is for the committee system and the committee work that has been done this year.

All this work now has been going on since January and if we are going to drop the idea of having the committee, there is no end to it. To just come up and vote for a figure or a percentage reduction, that is another way, but let us utilize the work that has been done on these bills this year and further let the committee have a chance to take a look at this bill.

I have taken too much time already, Mr. President. I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. McCLELLAN. Mr. President, if the Senator suggests it, would like to have me submit the motion to recommit before he speaks, I send the motion to the desk and ask the clerk to report it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

I move to recommit H.R. 15572, together with the pending amendment thereto and any proposed amendments thereto at the desk, for further consideration by the committee.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Will this motion to recommit permit the committee in reconsidering the bill to consider all aspects of it, including amendments that were reported out in the bill by the subcommittee and by the full committee, together with all amendments now pending at the desk?

The PRESIDING OFFICER. That would all be before the committee.

Mr. McCLELLAN. Then what I am asking is just to send it all to the committee and let us try to work it out.

Mr. PROXMIRE. Mr. President, I think we have had a very useful debate here, and I think, as the Senator from Arkansas, the distinguished chairman of the Appropriations Committee, pointed out, all of us are anxious to reduce this burden on the taxpayer, this inflationary Federal spending.

There is very little difference in the attitude of the people in the country or in the Senate on this. It is simply a matter of how we proceed.

I think the Senator from Mississippi, as well as the Senator from Arkansas, made some very proper and appropriate points about how the committees are to function.

I realize how disappointed they are

when the subcommittee chairman comes to the floor and proposes an amendment affecting his own appropriation.

Mr. President, this is not the first time this has been done. I recall a very fine Senator from Louisiana (Mr. ELLENDER) who used to do that frequently on foreign aid, and I would support him.

I do not know what a Senator is supposed to do when he, as a subcommittee chairman, is likely to be well informed on what is in the bill. I was the only Senator who sat through every single minute of the hearings, I heard the entire record, and I think I am in a strong position to suggest changes that should be made. I made a fight in the subcommittee, and I lost. I wanted to cut \$1.4 billion of the relatively small amount here, \$1.4 billion out, and I missed. I was defeated. A fight was made by Senator HOLLINGS in the full committee. I co-sponsored his amendments.

I send to the desk a copy of the various amendments. There were three motions made by Senator HOLLINGS affecting seven items.

It is true all these amendments were not offered. Every one of them was defeated. Under those circumstances, I felt it was futile to suggest further cuts in the full committee.

Mr. President, I think that we have a situation in the subcommittee, let us face it, and in the full committee, in which members, for example, of NASA of the Space Committee, are ex officio members of the subcommittee and the full committee for the purposes of voting on this.

Under those circumstances, it is just impossible to cut the space budget in the committee. You cannot do it. I think you might be able to do it on the floor, to a very limited or modest extent, and that is what I am trying to do. What I have done, as the Senator from Arkansas has conceded, is not to make an across-the-board cut in every single item. We have exempted a number of items. We have exempted veterans' benefits; we have exempted the medical care for veterans; we have exempted all the uncontrollable and fixed expenses that we obviously cannot cut and in most cases should not try to cut.

What we have done is, we have specified a series, as the Senator from Mississippi said, of 31 separate amendments. Now the full committee has indicated that they want to consider these amendments, and I believe they are right. I believe this bill should be recommitted, and I will support its recommitment.

Mr. President, I send to the desk an amendment which modifies the motion of the Senator from Arkansas, and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment modifying the motion of the Senator from Arkansas will be stated.

The legislative clerk read as follows:

At the end of the motion of Mr. McCLELLAN, insert the following: "and to make reductions in the amount of at least \$3,000,000,000."

Mr. PROXMIRE. Mr. President, the reason I make that \$300 million is I think there has been a great deal of sentiment expressed by Senators on the floor on

August 5, 1974

both sides of the aisle that there should be a cut of \$160 million below the Appropriations Committee figure. There is already a reduction below the House bill of \$140 million. This additional \$160 million, which many Senators support, with a large number of cosponsors on it, would make it a \$300 million reduction below the House. This would leave the Appropriations Committee free to make those reductions wherever they choose to make them. I think the sentiment of the Senate is to make a cut.

I think also the sentiment of the Senate may very well be to leave where that cut is made to the Appropriations Committee. It seems to me that this should be an amendment which the Senate would support. I would hope that the distinguished chairman of the Appropriations Committee, who has made the motion to recommit, can find his way clear to support this amendment.

Mr. McCLELLAN. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. McCLELLAN. The \$300 million reduction that the Senator's amendment proposes, is that in addition to the bill as it was reported out?

Mr. PROXMIRE. No. There is a \$140 million reduction in the bill as reported out. This would add \$160 million to that. So it would be in accordance with the amount suggested by the Senator from Wisconsin, but the committee would be free to make those cuts anywhere they wish to and further cuts if they wanted to do so.

Mr. McCLELLAN. Mr. President I have no serious objection to it, if it is the will of the Senate that they want the bill cut this much. I think there may be some items that may get cut that Senators will have to make some adjustments about when the bill gets back up here.

I may say to the Senator that he may recall one of these amendments. There were three amendments offered in the full committee. One of them totaled \$18.8 million. I voted against that one.

Another one was for \$8.2 million. I voted against that one.

Another one was for \$16,320,000, and I voted for that one.

I am willing to vote for some of these amendments. All I am fighting for here today is the opportunity for the committee established by this Congress to look at these things, weigh them, evaluate them, and make its recommendations. Then you may take it or leave it, according to your judgment and discretion. That is all we are asking for.

If the Senate wants to put a limit of \$300 million, or make that the minimum, that it has to be reduced that much, that is your privilege. I am not here making a fight against it, if that is what you want to do.

I have fought for the principle of letting the committee look at these proposed amendments so that we can keep an orderly system of procedure and observe rules that make for an orderly procedure in the handling of these bills.

I am not going to argue one way or the other about the \$300 million if the Senate wants to do it. I may vote against it, but I am not voting against it on the basis of making it a vital issue.

I think the committee may very well weight them. I do not know whether the committee will come up with that much or not. That is how much of the Senator's amendment that he has offered here today?

Mr. PROXMIRE. That would be precisely the amount.

Mr. McCLELLAN. Precisely the amount?

Mr. PROXMIRE. Yes, that is right. The committee can go higher than that if it wishes to do so, of course.

Mr. McCLELLAN. I think there ought to be some discretion left. I do not think we have gotten to the point yet where we have to put a limit on this. If we are going to put a limit on this, we ought to put one on every bill.

Mr. PROXMIRE. May I explain to the Senator why I wanted to do that? Otherwise, we come back to the floor and we go through the same problem again. The Senator from Wisconsin will feel once again, and I feel very strongly, that we should recommend a bill that is in accordance with the actions taken by the Senate to make a \$10 billion reduction in the overall budget. I think this kind of a cut would be consistent with that. Otherwise we come back to the floor.

Say the Appropriations Committee, instead of cutting \$160 million, cuts \$100 million. I would be constrained to support, perhaps to offer, an amendment to cut another \$60 million. We would be right back saying that on the floor the Senators do not have the information, the Senators are not well informed. So this tells the committee that the feeling of the Senate is that we should make this kind of reduction, and then leave it to the committee to be specific as to where it should be done.

Mr. McCLELLAN. I may say this: I am not going to make a committal here to bind the committee. I cannot speak for the committee on that. I will vote against the Senator's amendment. I will do everything in my power, and I think in this way I can speak for the committee, to see that every member of the committee gives every consideration to each proposal and weighs it and, consistent with its purpose, to try to reach a balanced budget and will then vote accordingly. I think it will do that. I have confidence in the committee. I do not believe just arbitrarily it will disregard its responsibility.

But are you going to put a ceiling on here and make this committee proceed? I have the Defense Appropriations, and you might want to do the same thing there; you may want to do the same thing on the bill coming up Wednesday, the Interior Department appropriations, and others. Let us get a system here and follow it. Do not just single out one bill and do something to it that you do not do to all of them.

Mr. PROXMIRE. May I say what I am proposing is that the committee has to cut at least \$160 million. It can be higher than that.

Mr. STENNIS. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. STENNIS. What was the total amount of all the different clauses and page changes in the Senator's amendment which he has already offered?

Mr. PROXMIRE. \$160 million.

Mr. STENNIS. In the two sheets of paper?

Mr. PROXMIRE. That is right. The 31 items add up to \$160 million.

Mr. STENNIS. The 31 items add up to \$160 million?

Mr. PROXMIRE. That is correct.

Mr. STENNIS. And if this bill is referred back to the committee, of course, the Senator from Wisconsin will be chairman of the subcommittee that will continue to represent the bill before the full committee.

To that extent he will be the No. 1 man and have charge of it.

That is the way we want it to be, and that will be true, of course.

Does the Senator not think that with that position of advantage and, in part, control, and in view of the debate that we have had here if we could have a unanimous action in the Senate to send it back, that that will give the Senator from Wisconsin a chance, and every other member of the committee a chance, to handle the situation in such a way that they can come back here and represent a good, hard judgment of that committee? That is what the committee is for.

This is just another way of making an across-the-board cut, before we have looked into it further. It seems to me, with all due deference, to mandate this amount as a minimum.

Give the committee a little more respect for discretion and consideration, particularly when you are going to be the No. 1 man of action when the bill comes up again. Then if you feel like you should move further in this direction, for one I will have nothing to say.

In mandating this matter at this point, can you not see a disposition in the committee to reconsider the bill?

I respectfully urge that it would be a sound move for the Senate to reconsider and not put a mandate on it. We will all go down together, lock-step here, trying to work out something that is nearer your ideas.

Mr. PROXMIRE. The Senator from Mississippi has always presented a very thoughtful and reasonable position. I think the committee would be guided, and should be guided, by the view of the whole Senate.

We are just an agent of the Senate. That is what the committee is. Otherwise, we are going to come back, it seems to me, if we come back with less than a \$160 million cut, and there will be efforts on the floor to make that cut.

I think the committee is in a better position to inform the full Senate as to how we can cut that much. If the Senate decides that it does not want to cut \$160 million, that it wants to leave it open to the committee to cut more or less and leave that discretion, it is free to do it.

Under the circumstances, Mr. President, I ask for the yeas and nays on my motion to instruct.

The yeas and nays were ordered.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. McCLELLAN. Mr. President, I ask

for the yeas and nays on my motion to recommit.

The yeas and nays were ordered.
Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. What is the first vote?
The PRESIDING OFFICER. On the amendment of the Senator from Wisconsin to the motion of the Senator from Arkansas.

Mr. DOMENICI. I thank the Chair.
The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON) would vote "yea."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. FANNIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 27, nays 49, as follows:

[No. 351 Leg.]

YEAS—27

Bartlett	Dole	Metzenbaum
Bentsen	Fulbright	Nelson
Biden	Goldwater	Nunn
Brock	Hollings	Proxmire
Byrd,	Hughes	Randolph
Harry F., Jr.	Johnston	Schweiker
Byrd, Robert C.	Kennedy	Scott,
Cannon	McClure	William L.
Chiles	McGovern	Symington
Clark	McIntyre	

NAYS—49

Abouzeck	Griffin	Percy
Allen	Gurney	Ribicoff
Beall	Hansen	Roth
Bennett	Hatfield	Scott, Hugh
Bible	Hathaway	Sparkman
Brooke	Helms	Stafford
Buckley	Hruska	Stennis
Burdick	Inouye	Stevenson
Case	Jackson	Taft
Cotton	Magnuson	Talmadge
Cranston	Mansfield	Thurmond
Curtis	McClellan	Tower
Domenici	McGee	Weicker
Dominick	Montoya	Williams
Eastland	Moss	Young
Ervin	Pastore	
Fong	Pearson	

NOT VOTING—24

Aiken	Gravel	Mathias
Baker	Hart	Metcalf
Bayh	Hartke	Mondale
Bellmon	Haskell	Muskie
Church	Huddleston	Packwood
Cook	Humphrey	Pell
Eagleton	Javits	Stevens
Fannin	Long	Tunney

So Mr. PROXMIRE's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, the Senate has made it clear that it does not want to instruct the Committee on Appropriations. I have served in the Appropriations Committee now for 10 years. I shall be very, very surprised if the Committee on Appropriations, under these circumstances, comes back with anything like the 3-percent cut which I think is the sentiment of the Senate.

I want to make it absolutely clear that when the appropriations bill comes back with a lesser cut than that, I intend to fight and fight to the very best of my ability for at least a \$160 million deduction.

Mr. PASTORE. Will the Senator yield?
Mr. PROXMIRE. I will not yield for a minute.

I wish to make it clear that under those circumstances, Mr. President, I shall be willing to step aside and let the Senator from Rhode Island (Mr. PASTORE) or any other member of the committee handle the bill if he wishes to do it, or if that is the way the committee wants to do it.

But I will not do it simply because the Senator from Rhode Island alone asks me to do it, but if a majority of the Committee on Appropriations votes to require me to step aside I would do so. I sat in on every minute of hearings before this subcommittee. The Senator from Rhode Island has not heard any of the record at all. I know he can read fast; perhaps he will read it.

But I think I am in the best position, Mr. President, to discuss this particular bill. I have heard the hearings in detail. I hope the Committee on Appropriations will give me an opportunity to handle the bill when it comes back.

If they do not I will assume they do not want me to handle the bill because

they are not interested in cutting it deeply.

Mr. PASTORE. Mr. President, I want the Senate to understand that I am as much of a budget-cutter as anybody else, but I am not a headline-grabber and I do not want to be a tinhorn hero, either.

We stayed on that committee and we marked up this bill. The fact of the matter is that, after the committee had made a decision, we came out on the floor and the manager of the bill has his own idea about where he is going to cut some more money. All we are asking is that we go back to the committee. That is the purpose of the motion to recommit. And we will study these cuts as they should be studied, by the full committee and not by one man, who is going to dictate what the Committee on Appropriations is going to do.

I am ready to vote.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the motion to recommit of the Senator from Arkansas (Mr. McCLELLAN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Rhode Island (Mr. PELL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. FANNIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 74, nays 2, as follows:

[No. 352 Leg.]

YEAS—74

Allen	Fong	Nunn
Bartlett	Goldwater	Pastore
Beall	Griffin	Pearson
Bennett	Gurney	Percy
Bentsen	Hansen	Proxmire
Bible	Hatfield	Randolph
Biden	Hathaway	Ribicoff
Brock	Helms	Roth
Brooke	Hollings	Schweiker
Buckley	Hruska	Scott, Hugh
Burdick	Hughes	Scott,
Byrd,	Inouye	William L.
Harry F., Jr.	Jackson	Sparkman
Byrd, Robert C.	Johnson	Stafford
Cannon	Kennedy	Stennis
Case	Magnuson	Stevenson
Chiles	Mansfield	Symington
Clark	McClellan	Taft
Cotton	McClure	Talmadge
Cranston	McGee	Thurmond
Curtis	McGovern	Tower
Dole	McIntyre	Welcker
Domenici	Metzenbaum	Williams
Dominick	Montoya	Young
Eastland	Moss	
Ervin	Nelson	

NAYS—2

Abourezk Fulbright

NOT VOTING—24

Aiken	Gravel	Mathias
Baker	Hart	Metcalf
Bayh	Hartke	Mondale
Bellmon	Haskell	Muskie
Church	Huddleston	Packwood
Cook	Humphrey	Pell
Eagleton	Javits	Stevens
Fannin	Long	Tunney

So the motion to recommit was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

ADJOURNMENT TO 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS MCGOVERN, BENTSEN, MANSFIELD, AND ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, the following Senators be recognized for not to exceed 15 minutes, and in the order stated: Mr. MCGOVERN, Mr. BENTSEN, Mr. MANSFIELD, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Senators on tomorrow, under the order previously entered, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CALL UP H.R. 14715—WHITE HOUSE EMPLOYMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, after the conclusion of routine morning business, the conference report on H.R. 14715, White House employment, be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I understand following the consent order previously entered concerning the conference report which was to be taken up tomorrow, that the papers accompanying the conference report are not in the Senate, and that there is a question as to whether or not the House will have acted first by the time tomorrow that the Senate was to have proceeded to the consideration of that conference report.

I therefore ask unanimous consent that following the routine morning business on tomorrow, the Senator from Wyoming (Mr. MCGEE) be recognized to call up that conference report, and that in the event he is not prepared to do so at that time, the Senate resume consideration of the unfinished business, S. 707, the consumer protection bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with statements limited to 15 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

INFLATION: THE BURDEN AND THE CHALLENGE

Mr. HARRY F. BYRD, Jr. Mr. President, the United States has had its first year of double-digit inflation, and no relief is in sight.

Consumer prices are rising at an annual rate of 10 percent.

Personal income rose \$97 billion in paper dollars during the year ending April 30, but in real income, the American worker is 4.6 percent worse off than a year ago.

These are staggering figures, but inflation is not a new concern for the Senator from Virginia.

On January 8, 1970, in a speech before

the Richmond Chamber of Commerce, I said:

My concern with government fiscal affairs is dictated not so much by a book-keeper's wish for a neat set of figures as by a concern about what Government spending means to the average American citizen.

Vast, unchecked spending programs feed the inflation that deducts from the paycheck of every American worker.

Today, 4½ years later, my concern about inflation has turned to alarm.

In recent weeks I have had the opportunity to discuss the inflation problem with a number of distinguished economists, and I have made it a point to study the observations of other experts.

While of course several points of view have been expressed, I find that a number of the economists are coming to agree with me on at least a few key points:

First, massive deficits in the Federal budget are the chief cause of inflation.

Second, pious rhetoric will not shelve a single point from the Consumer Price Index.

Third, given the key role of the Federal budget, and the urgent need for action, it is imperative that Congress and the President work together to cut Government spending.

I have long been convinced that we will make no significant progress in conquering inflation in the economy as a whole until we get Government spending under control.

Not only does Government spending play a major part in the strictly economic side of inflation, but it also has a tremendous impact on the thinking of the people—what has been called "inflationary psychology."

Put it this way:

It is not realistic to ask the people to pinch pennies while the Government plays Diamond Jim Brady.

And the Government must act soon. The principal reason why this is so essential is that inflation has rooted itself so deeply.

Inflation has come to feed on itself; the expectation that prices will continue to rise artificially spurs demand, strains capacity and forces prices still higher.

Every American knows prices are soaring. But not everyone understands how widespread are the ravages of inflation.

Let us look at what is happening in the money market. To do that, we have to look first at the national debt.

The huge deficits which the Government has been running have pushed the national debt up to \$475 billion. It will pass the half-trillion-dollar mark in less than a year.

The interest on the debt during the fiscal year that ended June 30 was \$29 billion. It took 17 cents of every individual and corporate income tax dollar just to pay the interest on the public debt.

In this situation, the Government must go into the money market—massively and frequently. In fact, 52 percent of all funds available for lending is borrowed by the Federal Government.

During the 8-month period from November 1, 1973, to June 30, 1974, for example, the Treasury issued securities totaling \$42 billion. Government agencies

about that, because we got a response—I suggested that each subcommittee weigh the budget, analyze it, particularly the part that that subcommittee had jurisdiction over, and suggest a target, a ceiling, within which it would submit its appropriation request or make approval of the appropriations. In other words, we undertook to set a target in the beginning, each subcommittee, and then we tried to meet that target. We did that, with some measure of success.

The greatest success achieved in that effort was by the defense appropriation subcommittee. The greatest cuts were made there. Some of those savings were lost because other functions of government were appropriated far in excess of the budget, and thus we lost that advantage to some extent. We were not able to reduce as much as we targeted because some appropriations exceeded the budget.

In a way, we are trying again this year, Mr. President. Just what measure of success we will have ultimately, I do not know.

We have a committee system in Congress. Perhaps it is failing. Perhaps the committee system should be abolished. Perhaps we do not need it any more. Perhaps the way to handle these matters is just on the floor of the Senate.

I want to say for the record that I regard myself as a servant, an agent of the Senate, as I serve on the Appropriations Committee, particularly because I serve as chairman of that committee. If I can ascertain what the policy of the Senate is, how it wants to proceed on these appropriation bills, if I can get instruction along that line, I will try to conform. If it were the policy of the Senate to proceed in a way that I simply could not follow, then I would yield my position on that matter—at least temporarily—to someone else, who could defend and undertake to sustain whatever the policy is.

Mr. President, the Appropriations Committee this year, as in the past, has functioned in good faith. The subcommittees have held long hearings. They have marked up the bills and have brought them to the full committee.

Almost without exception, I have deferred to the judgment and recommendations of the subcommittees. Perhaps there have been one or two exceptions, but I do not recall one at the moment. I have generally supported the Appropriations Committee on the floor of the Senate. Perhaps in one or two exceptions I did not.

I do that not because necessarily I always fully agree with what the Appropriations Committee has recommended. But again I point out that unless it is so adverse and so greatly violates my conviction that I simply cannot compromise, I still try to go along, in the interest of orderly procedure, because we do have the committee system, and I do it in an effort to make this system work.

We have a bill before us today. We went through the due process, the procedures that are established by the rules of the Senate, which were followed and adhered to. This bill came before the full commit-

tee on recommendation of the subcommittee. **MC CLELLAN:**

I supported the recommendations of the committee. In fact, there is one item in the bill that I would not have supported that has been called to my attention. But again, I as chairman of the full committee, and the members of that committee are undertaking to cooperate with our leadership to the end that we may, if we can—and we are making every effort to do it—get these appropriations bills finished before the Senate becomes preoccupied with another problem, another issue that will command its continuing attention and occupy its full time until that matter shall have been disposed of.

When we do these things hastily, we do not do as eminent a job as we would like to, with the Government as big as it is and these appropriations as large as they are, with as many items in them as there are. In fact, as I recall, there are some 16 or 18 thousand items in research and development alone—each one of them could stand some examination. All of the items for which we make appropriations run into the hundreds of thousands. It is absolutely impossible to give attention to each one of them.

In the limited time that we have, and in an effort to expedite this matter, one section of the bill was overlooked. It did not come to our attention and was not called to our attention when the matter came to the full committee. Notice only came that morning, when the committee met that afternoon. That is the item to prohibit funds for the CIA.

I mention at this time, Mr. President, that there are no funds in the appropriation bill for the CIA. Only one bill has funds for the CIA. That is the defense appropriations bill.

I do not know if people want to discontinue the CIA. If we want to cast aspersions on it, we can do it in a bill like this. That is our right. If that is the way we want to do it, but I do not think that is necessarily to our credit.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. McCLELLAN. I am glad to yield.

Mr. PROXMIRE. This was put into the committee report, on page 6, and, of course, it is included in the bill. The reason why it was included is that there was information which this Senator received that a number of appropriations bills might have funds for the CIA.

As chairman of the subcommittee, I thought I had a duty to make sure of what was in the appropriations bill on which I was acting. Furthermore, I asked the agency heads under HUD, Space, and Science, when they appeared before the subcommittee, whether they would mind if I put in this provision, and they said they would not.

I have a letter from Mr. Ash of the Office of Management and Budget, in which he states that there are no CIA funds in the bill. It was my very strong feeling that I had a responsibility to the Senate and to the full committee to find out what was in the bill and to make sure that if there were funds for the CIA, those funds would be identified. I felt

that the only way I could be certain of that was to make provision in the bill, which the subcommittee approved, and which I regret was not called to the specific attention of the chairman. But, as I say, it appears at two different places in the report, and appears also in the bill itself.

Mr. McCLELLAN. It is not just the chairman; it is the committee. I just represent a committee as its chairman and its agent. It is nothing personal with me and it is nothing personal against me.

Mr. PROXMIRE. I realize that.

Mr. McCLELLAN. I am talking about proper procedure in the Senate, the integrity of the committee system. If there is no money in the bill and the Senator feels that, notwithstanding that fact, provision ought to be made, I am perfectly willing for the committee to pass on it, to decide whether it should be in or not. I am not arguing about that. Had I known that it was in the bill, I would certainly have sought to have it discussed and considered—and I apologize for not knowing, but I make no explanation further than the fact that we are so busy and so occupied with these bills—trying to process them, trying to get them out. I would assume that when a chairman of a subcommittee presents his bill, if there is anything in there that he can conceive might be controversial, we would take it up in the full committee and discuss it.

Maybe that is my responsibility, to have these bills checked and scrutinized most carefully before we ever bring them to the full committee for consideration: If that is correct, I must do that. I shall do my best to do it. But I do feel that in a circumstance where we are operating under such stress of pressure and haste to try to meet the conditions that we have daily here, it would have been well for the Senator to mention this to the full committee so that we might consider it.

At any rate, those things happen, and I am not trying to cast any aspersion on the Senator. I am talking now about the integrity of the committee system and what we need to do. That is the purpose, primarily, of my concern at the moment, although I thought I would mention it, Mr. President, before we went into this other aspect.

Mr. President, I wish to talk now about the pending amendment. There is an amendment pending that has been offered by the distinguished Senator from Wisconsin, who is chairman of the subcommittee which handles the bill, and who is also the manager of the bill on the floor. I have a copy of this amendment. I believe this is a correct copy. It contains some 23 separate amendments to items in the bill, striking the items and reducing the amount.

I am advised by the distinguished Senator from Wisconsin that the total, the aggregate of these amounts is about \$160 million in round numbers.

Mr. President, I do not quarrel with a further reduction in this bill of that amount, if we are given the opportunity in committee to examine these proposed cuts and take committee action on them. If the committee then does not recommend the cuts, when the bill comes to the

Mississippi	11,026
Missouri	6,096
Montana	1,652
Nebraska	4,543
Nevada	5,980
New Hampshire	1,098
New Jersey	3,293
New Mexico	5,176
New York	4,364
North Carolina	7,244
North Dakota	811
Ohio	16,676
Oklahoma	11,455
Oregon	6,326
Pennsylvania	5,880
Rhode Island	744
South Carolina	16,571
South Dakota	1,498
Tennessee	17,227
Texas	27,755
Utah	6,689
Vermont	340
Virginia	3,777
Washington	13,751
West Virginia	711
Wisconsin	10,440
Wyoming	921
Puerto Rico	9,661
Virgin Islands	0
Guam	129
U.S. Total	434,814

Mr. PERCY. Mr. President, I ask unanimous consent to have printed in the RECORD the section of the Appropriations Committee's report to which I have referred, because I concur with every statement made in that section.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

TITLE I. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

In 1968, Congress set a housing goal of 2.6 million housing units a year for 10 years of which 800,000 were to be for low and moderate income families.

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

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

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

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

The Committee feels that the Administration has justified its actions for a variety of unsupported reasons. Among other things, it has claimed that the programs were not achieving the goals set by the Congress, but

by no stretch of the imagination is that correct.

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

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

Over 10 percent of the total defaults in the Section 235 program were in two cities, Seattle and Dallas where there was serious unemployment stemming from cutbacks in the air and space industries. In the State of Wisconsin, 97 percent of those assisted have been successful.

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

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

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

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

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

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

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

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

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

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

Mr. McCLELLAN. Mr. President, I rise to discuss briefly the pending amendment, which I understand is the amendment of the distinguished Senator from Wisconsin. Is my understanding correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. It is an amendment that contains, I believe, some 23 separate and distinct proposals with respect to cuts in the pending bill.

Mr. President, I may state at the beginning of my remarks that I am not primarily concerned about the amount of the cuts that would result, the amount of reduction that would occur, if this amendment were adopted. I think I have been fairly consistent throughout the years in advocating economy in Government. I have repeatedly stood on the floor of the Senate and pointed out that one of the causes—the prime cause, really—for deficit budgets and for increased spending originates and stems from authorization legislation. Appropriations cannot be made unless Congress has authorized the expenditure.

One of our problems—it is a problem to all of us—in trying to meet our responsibilities here is that once a program is authorized, once Congress says this is something that should be done and we authorize it to be done and we authorize the expenditure of such moneys as may be necessary to carry out the program, or we authorize so many million dollars or billion dollars to get the program carried out, then Congress, itself, has put in motion the expenditure when it makes the appropriation.

The issue that comes before the Appropriations Committee, notwithstanding that Congress has directed that this be done, is, shall we refuse to make the appropriation? That is what it often amounts to. Especially is that true if a budget request comes down for it.

I know that we are all concerned, and rightly so. The country is concerned. We are distressed about the fiscal situation that pertains in our Government. We agonize about the economic situation that prevails in this country. Therefore, it does behoove this Congress, as it did the last and the one before, to try to bring down expenditures, certainly within the amount of revenue our Government will take in. In other words, it is our duty to try to achieve a balanced budget; and as to that objective and on that score, I yield to no Senator and to no Representative. I will continue to strive to do that.

As chairman of the Appropriations Committee, I have set in motion and have made an effort to bring about a reduction in expenditures, last year and this year.

Last year, particularly—we can speak

floor, of course, the Senate can work its will. But if there are amendments that the committee feels are meritorious, the committee should not be bypassed. It should have an opportunity to consider them.

Mr. President, I ask the distinguished Senator from Wisconsin if these amendments which are offered here today were presented by him to his subcommittee.

Mr. PROXMIRE. I say to the chairman that the amendments I offered to the subcommittee were far deeper than the amendments here. I offered amendments in total of \$1.4 billion.

I offered a number of other amendments. We had considerable discussion in the subcommittee meeting.

Mr. McCLELLAN. Were they accepted?

Mr. PROXMIRE. Some of the recommendations of the chairman and the ranking member were accepted and some were rejected. Some of these amendments were offered in the subcommittee. Many of them were not offered in the subcommittee.

Mr. McCLELLAN. If they were accepted in the subcommittee, why did they not appear in the Senator's report on the bill?

Mr. PROXMIRE. I say to the Senator that some of the amendments that I brought up in the subcommittee were rejected, and those amendments that were rejected, in some cases, are offered here. I am not saying that any of the amendments that were accepted are here.

Mr. McCLELLAN. Will the Senator identify them for the record when he has the floor directly? I would like to know which ones were considered there.

I ask the Senator, were any of these particular amendments presented to the full committee?

Mr. PROXMIRE. The NSF, HUD, NASA—we are going to identify the ones that were presented to the subcommittee.

In the full committee, we had some eight or nine specific amendments that were offered. I think the Senator will remember that. They were voted on en bloc. We had two or three series of two or three amendments each referring to NASA voted en bloc; some of them are included here. We had one referring to the National Science Foundation, and then three, I think, referring to HUD. We will be happy to identify those at a later time.

Mr. McCLELLAN. Were they presented just as they are presented here?

Mr. PROXMIRE. No, they were presented in somewhat different form.

Mr. McCLELLAN. They were presented in different form.

Mr. President, this is the point I want to make, and I do not want to belabor it. If the committee system is to function with integrity and efficiency, it must have the opportunity—and the Senate, I think, should want it to have the opportunity—to screen proposed cuts or proposed amendments—not only cuts, but amendments that offer to increase the amount of the bill. We have that experience, too, Mr. President; we come to the floor sometimes, without the evidence having been presented to the Appropriations Committee for considera-

tion, and often without having any evidence presented, with offers to increase by a large amount.

Every Senator has the right, on this floor, to offer any amendment he wants to. I concede that right. I defend that right. I would do it myself if I felt a strong enough conviction. But I think I would undertake, especially before the Appropriations Committee—and I am the chairman of that committee—to have the issue clearly presented to the committee, and give them an opportunity to reject it on its merits, or for some other reason, if there was reason for rejecting it, or to approve it, as the case may be.

Mr. President, I compliment the Senator to this extent: This amendment is a marked improvement, in my judgment, over the one offered, I believe last Friday, to the Department of Transportation bill, with a 3.5 percent cut across the board. This, in my judgment, is the way to do it.

And I might say, Mr. President, that I have no doubt that upon these amendments being presented and discussed, I will find some of them that I shall want to support; because I want to cut, if we can, this budget and appropriation in every way we can do so consistently and where it represents the best interests of our country.

I do not like, as I said the other day, the meat-ax approach which is presented across the board. Someone suggested a while ago that maybe we ought to establish that precedent here, so we will all know that we are going to cut them percentagewise across the board.

But what would that do to the committee system, Mr. President? If that is what we are establishing here, we need to know it; but what does it do to the committee system?

If I were handling a committee and I did not want my projects cut much, I would not do any cutting on them in the committee; I would wait and let them get their 3-percent cut up here, if they were going to get it. And some could well increase their amounts, Mr. President, anticipating that they would get a 3-percent cut.

I do not think a 3-percent cut, as such, as a firm and fixed formula, is necessarily the best way to do it. But if we are going to do that, let us take, for example, the Defense bill. It is yet to come up. My distinguished friend here is a member of the Armed Services Committee.

We hear demands here on the floor sometimes, "Cut it \$10 billion." Maybe it can stand that; maybe it cannot. But whatever percentage it would be—8½ percent would cut it \$10 billion, or 12 percent, or whatever it is that would make a cut of \$10 billion—I think it ought to be considered before we slash that way. I do not know what it would come out of.

I do not think that is the way to do it. Let me point this out: I think I can say without any qualification—though I cannot absolutely guarantee it, as everyone knows—speaking of what I think the attitude and disposition of the subcommittee handling the defense bill is, I think it will be cut, if we are left to the selective

cutting process, by more than 3½ percent. We did a pretty good job last year of cutting beyond that. I think we can do it again. We are going to try, and I think we will succeed.

But I might say, if this practice is going to be established, to do away with the committee consideration of these things on their merits and let the bill come to the floor, as they work it, and take items that seem to be too much and reduce them, or items that seem to be not enough and increase them, I hope we do not establish a precedent where every time a bill comes up here, we are going to cut it 3½ percent, because anyone who wanted to be sure he got about what he wanted could increase his appropriation, and then come to the floor, receive the cut, and he would have lost practically nothing; whereas another subcommittee, working faithfully and diligently, and examining the items and making reductions on the basis of merit and on the basis of priorities as they see them, would be terribly penalized. So would the function of the department or agency, and so would the service to be performed, and those who benefit from it, if we are to follow that procedure.

I do not think the emergency is such today that we cannot make reductions to bring these appropriations within the revenues, and thus avoid a deficit. I do not believe there is a situation where we cannot function responsibly in that fashion. Maybe we have lost that ability. Maybe we will not face our responsibilities, but I believe we will. I do not believe the process of a 3-percent cut, as such, is really facing up to the issue.

I hope that we will get some order and some orderly process established here, or reestablished, so that we will know what to do when we try to work on appropriation bills, and we will be able to feel that the efforts of the subcommittees and the full committees are going to be respected, and then weighed and examined, rather than just, in effect, discarding the committee's work and saying, "We are going to cut across the board."

Mr. President, in view of the situation, I want to find out, and I think this will give us a pretty good idea, about how the Senate wants to proceed. I intend to move—others may have discussed it—to recommit the bill to the Appropriations Committee so that we will have the opportunity to discuss these proposed amendments, weigh them, and again report the bill out with the recommendations of the committee.

I yield to the distinguished Senator.

Mr. PROXMIRE. The Senator from Nevada.

Mr. BIBLE. I want to make a brief statement.

Mr. McCLELLAN. I yield.

Mr. BIBLE. I just wanted to make a brief observation. I want to associate myself with what the distinguished chairman of our committee is saying, and I shall support him right down the line.

I hope the motion to recommit it to the committee is agreed to so that we can study these new amendments. They are new to me, and they may be well taken. I have not had the opportunity of looking at them.

I am privileged to handle the Interior Appropriation bill, and that is supposed to be calendared for action on the floor on Wednesday afternoon.

We heard from I do not know how many Senators, but they had 182 amendments. Every one of them was an amendment to add dollars. There was not a single amendment to take any dollars away.

I hope the proponents and leaders in this effort to cut back—and I am sure they are going to make an attack on the interior bill as well, I do not know why but I think they might do it—will be specific and designate whose projects we take the money out of. That is what I would like to have them do, whether they come from Florida or Georgia or wherever, Wisconsin or Kansas, wherever they might come from, and I would hope they would specify which projects we should take it out of, whichever State they want to take it out of, and I will be happy to oblige. But I hope they are specific when we come to consider this problem on Wednesday, I believe. I think that is the day the leader is attempting to calendar it.

I thank the Senator for yielding. I have a very important appointment this afternoon and I must keep it.

Mr. McCLELLAN. I wish to observe, as chairman of the Appropriations Committee, nearly all of the letters—it is unusual when we get one wanting us to cut one, although we do get some of them—most of them are to increase, and the Senators who write and ask us to increase sometimes are the ones who are voting for these across-the-board cuts, and so forth. It is difficult for us to operate, as I say, intelligently, efficiently, and conscientiously where we do not know and we are not privileged to know what the rules are going to be and how, when, they are going to change and be changed.

I want to say this before I conclude: I said in the beginning this is not personal, and it is not, that every Senator is entitled to vote his conscience and his conviction, and I am not pleading today for myself as chairman of the Appropriations Committee; I am pleading for each Senator here, for the people he represents, to maintain and to make operate a system that has been tried and tested and proven over 190 years that we have had this Government. Sure, it is not perfect. But amend the rules if changes must be made.

I hope we will understand that it makes no personal difference to me if we cut this bill 3 percent or 30 percent except insofar as what is best for our country. I will feel the same way when we have the defense appropriation bill up here. Do what is best for the country, and if it takes a 3-percent cut or a 5-percent cut, if the Senators will single out the items where they ought to be cut, keep those that have a priority, that deserve the full financing and reduce the others, I will be satisfied.

I am not insisting on budget appropriations. I am not only willing to cut, but I am cutting. But we need cooperation, we need the Senate's understanding, and if we are not going to recognize the work

of our committees then, of course, the only alternative is to do it here on the floor. I know that the great masses of the American people want this budget cut, and they want a balanced budget, and I am willing to work with my colleagues to that end, and if we do not get it the first round—that is where we have this Budget Committee, and I hope it works; I have some doubt about it—we will make some further cuts until we do get it. We can pass a resolution after these bills are all in, weigh it, and make certain then that we treat everything alike, treat them all fairly, and let them take their reductions where they may, if we do not achieve it by the due process long established and long practiced and now followed, undertaken to be followed by those to whom we have entrusted the responsibility as our representatives and as our agents.

I yield to the distinguished Senator from North Dakota (Mr. Young).

Mr. YOUNG. I am in favor of this new economy move in the Senate. For years now for every amendment offered to cut an appropriation bill on the Senate floor that have been 10 offered to increase it. This is with the exception of Defense appropriation bills. I have seen amendment after amendment offered on the Labor HEW bill that raised the bill by as much as one-half billion dollars. This increasing appropriation bill has been going on for years, so I welcome this new economy move.

I am willing to cut \$160 million or more if the subcommittee chairman recommends it. In fact, I voted in the committee to—there was only one motion offered, as I recall to cut \$43.3 million.

I would like to have this inserted in the RECORD, Mr. President.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RECOMMENDED CUTS BY SENATOR PROXIMATE IN SUBCOMMITTEE	
NASA	
(In millions)	
Research and Development.....	\$12.8
Construction of Facilities.....	5.0
Research and Program Management..	1.0
Total	18.8
NSF	8.2
HUD	
Comprehensive Planning Grants....	10.0
Research and Technology.....	5.0
Salaries—Research and Technology..	1.320
Total	16.320
Grand total.....	43.3

Mr. YOUNG. Mr. President, I am for this bigger cut. I am willing to make a bigger cut, \$200 million, if necessary. But I believe it should be on an item-by-item basis.

This business of going to conference with the House with a "meat-ax" cut of 3 percent or 5 percent causes the Senate to lose all of its bargaining power with the House. The Senate usually accepts most of the House add-ons, particularly on projects, if they are meritorious, and we add on some of our own and make other sizable cuts.

On a "meat-ax" approach, a percentage cut, we lose practically all bargain-

ing power with the House because, first, either we have to persuade them to accept our percentage cut or else subject ourselves to other cuts, mostly imposed by the House.

It is difficult to explain this conference procedure unless a Senator has served on a conference committee with the House at one time or another.

I know there are many of these programs that can be cut, but it would be a serious mistake if we followed this percentage cut route. On Defense Appropriations we will probably cut over \$4 billion this year. If another 5 or 10 percent were made on the floor of the Senate it would cripple the Defense Department. For those who have not listened to the hearings—and most of the Senators have not listened to the hearings, we could do serious harm not only to the Defense Department but most other departments of Government.

The committee chairman and the ranking member, oftentimes many of the other committee members, sit for months listening to the testimony of the various departments.

We know better where cuts can be made and where they cannot be made. If more amendments had been offered in the full committee to cut this budget or this bill further I would have voted for it. As I said before, I am willing to cut \$160 million or more, but it should be by the Appropriations Committee item by item, or if there are those who want to do it item by item on the Senate floor there is nothing wrong about that. But this percentage cut business is just not the right way of doing things.

It reduces respectability, and even the effectiveness, of the Senate Appropriations Committee to handle bills in this way. At least Members supporting this kind of move ought to tell the Senate Appropriations Committee how much they want to cut, and offer some suggestion as to where to cut.

Mr. McCLELLAN. Will the Senator yield at that point?

Mr. YOUNG. Yes.

Mr. McCLELLAN. Every Senator was invited to come before the Appropriations Committee and make suggestions where he thought it could be cut, every one. This was done twice, once before the Defense Appropriations Subcommittee and once before the full committee, and we set aside days for it, so no one can say he was denied an opportunity to present his views.

Mr. YOUNG. May I say, in closing, I will support the motion by the distinguished chairman of the committee. I would say once again I welcome the economy move. I wish it had happened several years ago because we, in the Senate Appropriations Committee, have been defeated on the floor year after year in almost every appropriation bill except defense. But they always bring them up, and I do not know of a single bill—very few, at least—that were not raised by the Senate itself.

I yield the floor.

Mr. STENNIS. Mr. President, I will be quite brief in what I have to say.

I think we have reached a point already, Mr. President, where our committee system is being seriously jeopardized.

Now I think every major appropriation bill should be examined by those who are familiar with the staff and the Members of this body, that are familiar with the subject matter, and then a bill brought back to the membership with definite recommendations. That is a part of the Senate committee system.

As a whole, it has worked most admirably. The committee must have a chairman, we will not have any effective committee unless we have a chairman that is effective and really works on it and comes here prepared; also a minority member, so-called ranking minority member, who has the same qualifications and the willingness to work; then come here and every member of that full committee, especially if he had a chance to get into the bill, generally ought to back that committee or get off it.

If he cannot take the heat, just get out of the kitchen on that particular assignment, because to be effective, and as a whole the appropriations committees have been effective in holding things down, they have to work together, and then they have to stand together.

There are exceptions to that from time to time, legitimate, but as a whole if we do not have a system that is positive and definite and willing to fight and the membership filled in, we are not going to be very effective here.

I remember in my very earliest days here, these two men that are now our senior members of this committee, both of them, spent long hours of hard work. Some of my earliest recollections of the Senate when I was just an ex officio member of one subcommittee was the Senator from Arkansas bearing down and talking about a dollar in value for every dollar spent. He did not say some dollars, every dollar. He was very effective in committee on this floor, as has been the Senator from North Dakota.

Now, let us not let this matter fall apart.

I am not making an odious comparison. The Senator from Wisconsin is one of the most working men we have in this body and he is effective, too. He knows that I believe that about him, I have told him many times. We are often on opposite sides, but we can do business with each other and have done it many times over, so I am not trying to give him any lecture, nothing except compliments. I think there are some errors in judgment here, but in good faith about this great number of amendments.

I have the privilege of being on this subcommittee. My plea here is if the chairman makes this motion to send this bill back to the committee, I hope the body will just rise up and say, we welcome this, we welcome the disposition of that kind, and I hope the chairman of the subcommittee would agree to it and let us see if we cannot get together, a little better understanding, much better understanding. We are wandering off, splitting up, and we are going to hurt the Senate and hurt the questions we represent as a whole.

I welcome a fight over these bills. I have been in trouble ever since I became chairman of the Armed Services Com-

mittee. It is hard, long work to get a bill through here with reference to the authorization. I do not run from it, but I try to be patient and then come back with appropriations. Tackle them, tackle them again. That is what I call a sound legislative process.

I hope we will not have to pass on amendments here that we have not had a chance to really weigh the impact of, some 32 different items in one amendment here.

The Senator from Wisconsin knows all about what it means. I know some of them because I was in part of the markup, but my plea here is for the committee system and the committee work that has been done this year.

All this work now has been going on since January and if we are going to drop the idea of having the committee, there is no end to it. To just come up and vote for a figure or a percentage reduction, that is another way, but let us utilize the work that has been done on these bills this year and further let the committee have a chance to take a look at this bill.

I have taken too much time already, Mr. President. I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. McCLELLAN. Mr. President, if the Senator suggests it, would like to have me submit the motion to recommit before he speaks, I send the motion to the desk and ask the clerk to report it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: I move to recommit H.R. 15572, together with the pending amendment thereto and any proposed amendments thereto at the desk, for further consideration by the committee.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Will this motion to recommit permit the committee in reconsidering the bill to consider all aspects of it, including amendments that were reported out in the bill by the subcommittee and by the full committee, together with all amendments now pending at the desk?

The PRESIDING OFFICER. That would all be before the committee.

Mr. McCLELLAN. Then what I am asking is just to send it all to the committee and let us try to work it out.

Mr. PROXMIRE. Mr. President, I think we have had a very useful debate here, and I think, as the Senator from Arkansas, the distinguished chairman of the Appropriations Committee, pointed out, all of us are anxious to reduce this burden on the taxpayer, this inflationary Federal spending.

There is very little difference in the attitude of the people in the country or in the Senate on this. It is simply a matter of how we proceed.

I think the Senator from Mississippi, as well as the Senator from Arkansas, made some very proper and appropriate points about how the committees are to function.

I realize how disappointed they are

when the subcommittee chairman comes to the floor and proposes an amendment affecting his own appropriation.

Mr. President, this is not the first time this has been done. I recall a very fine Senator from Louisiana (Mr. ELLENDER) who used to do that frequently on foreign aid, and I would support him.

I do not know what a Senator is supposed to do when he, as a subcommittee chairman, is likely to be well informed on what is in the bill. I was the only Senator who sat through every single minute of the hearings, I heard the entire record, and I think I am in a strong position to suggest changes that should be made. I made a fight in the subcommittee, and I lost. I wanted to cut \$1.4 billion of the relatively small amount here, \$1.4 billion out, and I missed. I was defeated. A fight was made by Senator HOLLINGS in the full committee. I co-sponsored his amendments.

I send to the desk a copy of the various amendments. There were three motions made by Senator HOLLINGS affecting seven items.

It is true all these amendments were not offered. Every one of them was defeated. Under those circumstances, I felt it was futile to suggest further cuts in the full committee.

Mr. President, I think that we have a situation in the subcommittee, let us face it, and in the full committee, in which members, for example, of NASA of the Space Committee, are ex officio members of the subcommittee and the full committee for the purposes of voting on this.

Under those circumstances, it is just impossible to cut the space budget in the committee. You cannot do it. I think you might be able to do it on the floor, to a very limited or modest extent, and that is what I am trying to do. What I have done, as the Senator from Arkansas has conceded, is not to make an across-the-board cut in every single item. We have exempted a number of items. We have exempted veterans' benefits; we have exempted the medical care for veterans; we have exempted all the uncontrollable and fixed expenses that we obviously cannot cut and in most cases should not try to cut.

What we have done is, we have specified a series, as the Senator from Mississippi said, of 31 separate amendments. Now the full committee has indicated that they want to consider these amendments, and I believe they are right. I believe this bill should be recommitted, and I will support its recommitment.

Mr. President, I send to the desk an amendment which modifies the motion of the Senator from Arkansas, and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment modifying the motion of the Senator from Arkansas will be stated.

The legislative clerk read as follows: At the end of the motion of Mr. McCLELLAN, insert the following: "and to make reductions in the amount of at least \$3,000,000,000."

Mr. PROXMIRE. Mr. President, the reason I make that \$300 million is I think there has been a great deal of sentiment expressed by Senators on the floor on

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both sides of the aisle that there should be a cut of \$160 million below the Appropriations Committee figure. There is already a reduction below the House bill of \$140 million. This additional \$160 million, which many Senators support, with a large number of cosponsors on it, would make it a \$300 million reduction below the House. This would leave the Appropriations Committee free to make those reductions wherever they choose to make them. I think the sentiment of the Senate is to make a cut.

I think also the sentiment of the Senate may very well be to leave where that cut is made to the Appropriations Committee. It seems to me that this should be an amendment which the Senate would support. I would hope that the distinguished chairman of the Appropriations Committee, who has made the motion to recommit, can find his way clear to support this amendment.

Mr. McCLELLAN. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. McCLELLAN. The \$300 million reduction that the Senator's amendment proposes, is that in addition to the bill as it was reported out?

Mr. PROXMIRE. No. There is a \$140 million reduction in the bill as reported out. This would add \$160 million to that. So it would be in accordance with the amount suggested by the Senator from Wisconsin, but the committee would be free to make those cuts anywhere they wish to and further cuts if they wanted to do so.

Mr. McCLELLAN. Mr. President I have no serious objection to it, if it is the will of the Senate that they want the bill cut this much. I think there may be some items that may get cut that Senators will have to make some adjustments about when the bill gets back up here.

I may say to the Senator that he may recall one of these amendments. There were three amendments offered in the full committee. One of them totaled \$18.8 million. I voted against that one.

Another one was for \$8.2 million. I voted against that one.

Another one was for \$16,320,000, and I voted for that one.

I am willing to vote for some of these amendments. All I am fighting for here today is the opportunity for the committee established by this Congress to look at these things, weigh them, evaluate them, and make its recommendations. When you may take it or leave it, according to your judgment and discretion. That is all we are asking for.

If the Senate wants to put a limit of \$300 million, or make that the minimum, that it has to be reduced that much, that is your privilege. I am not here making a fight against it, if that is what you want to do.

I have fought for the principle of letting the committee look at these proposed amendments so that we can keep an orderly system of procedure and observe rules that make for an orderly procedure in the handling of these bills.

I am not going to argue one way or the other about the \$300 million if the Senate wants to do it. I may vote against it, but I am not voting against it on the basis of making it a vital issue.

I think the committee may very well weight them. I do not know whether the committee will come up with that much or not. That is how much of the Senator's amendment that he has offered here today?

Mr. PROXMIRE. That would be precisely the amount.

Mr. McCLELLAN. Precisely the amount?

Mr. PROXMIRE. Yes, that is right. The committee can go higher than that if it wishes to do so, of course.

Mr. McCLELLAN. I think there ought to be some discretion left. I do not think we have gotten to the point yet where we have to put a limit on this. If we are going to put a limit on this, we ought to put one on every bill.

Mr. PROXMIRE. May I explain to the Senator why I wanted to do that? Otherwise, we come back to the floor and we go through the same problem again. The Senator from Wisconsin will feel once again, and I feel very strongly, that we should recommend a bill that is in accordance with the actions taken by the Senate to make a \$10 billion reduction in the overall budget. I think this kind of a cut would be consistent with that. Otherwise we come back to the floor.

Say the Appropriations Committee, instead of cutting \$160 million, cuts \$100 million. I would be constrained to support, perhaps to offer, an amendment to cut another \$60 million. We would be right back saying that on the floor the Senators do not have the information, the Senators are not well informed. So this tells the committee that the feeling of the Senate is that we should make this kind of reduction, and then leave it to the committee to be specific as to where it should be done.

Mr. McCLELLAN. I may say this: I am not going to make a committal here to bind the committee. I cannot speak for the committee on that. I will vote against the Senator's amendment. I will do everything in my power, and I think in this way I can speak for the committee, to see that every member of the committee gives every consideration to each proposal and weighs it and, consistent with its purpose, to try to reach a balanced budget and will then vote accordingly. I think it will do that. I have confidence in the committee. I do not believe just arbitrarily it will disregard its responsibility.

But are you going to put a ceiling on here and make this committee proceed? I have the Defense Appropriations, and you might want to do the same thing there; you may want to do the same thing on the bill coming up Wednesday, the Interior Department appropriations, and others. Let us get a system here and follow it. Do not just single out one bill and do something to it that you do not do to all of them.

Mr. PROXMIRE. May I say what I am proposing is that the committee has to cut at least \$160 million. It can be higher than that.

Mr. STENNIS. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. STENNIS. What was the total amount of all the different clauses and page changes in the Senator's amendment which he has already offered?

Mr. PROXMIRE. \$160 million.

Mr. STEVENS. In the two sheets of paper?

Mr. PROXMIRE. That is right. The 31 items add up to \$160 million.

Mr. STENNIS. The 31 items add up to \$160 million?

Mr. PROXMIRE. That is correct.

Mr. STENNIS. And if this bill is referred back to the committee, of course, the Senator from Wisconsin will be chairman of the subcommittee that will continue to represent the bill before the full committee.

To that extent he will be the No. 1 man and have charge of it.

That is the way we want it to be, and that will be true, of course.

Does the Senator not think that with that position of advantage and, in part, control, and in view of the debate that we have had here if we could have a unanimous action in the Senate to send it back, that that will give the Senator from Wisconsin a chance, and every other member of the committee a chance, to handle the situation in such a way that they can come back here and represent a good, hard judgment of that committee? That is what the committee is for.

This is just another way of making an across-the-board cut, before we have looked into it further. It seems to me, with all due deference, to mandate this amount as a minimum.

Give the committee a little more respect for discretion and consideration, particularly when you are going to be the No. 1 man of action when the bill comes up again. Then if you feel like you should move further in this direction, for one I will have nothing to say.

In mandating this matter at this point, can you not see a disposition in the committee to reconsider the bill?

I respectfully urge that it would be a sound move for the Senate to reconsider and not put a mandate on it. We will all go down together, lock-step here, trying to work out something that is nearer your ideas.

Mr. PROXMIRE. The Senator from Mississippi has always presented a very thoughtful and reasonable position. I think the committee would be guided, and should be guided, by the view of the whole Senate.

We are just an agent of the Senate. That is what the committee is. Otherwise, we are going to come back, it seems to me, if we come back with less than a \$160 million cut, and there will be efforts on the floor to make that cut.

I think the committee is in a better position to inform the full Senate as to how we can cut that much. If the Senate decides that it does not want to cut \$160 million, that it wants to leave it open to the committee to cut more or less and leave that discretion, it is free to do it.

Under the circumstances, Mr. President, I ask for the yeas and nays on my motion to instruct.

The yeas and nays were ordered.

SEVERAL SENATORS. Vote! Vote!

THE PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. McCLELLAN. Mr. President, I ask

for the yeas and nays on my motion to recommit.

The yeas and nays were ordered. Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. What is the first vote? The PRESIDING OFFICER. On the amendment of the Senator from Wisconsin to the motion of the Senator from Arkansas.

Mr. DOMENICI. I thank the Chair. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll. The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON) would vote "yea."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. FANNIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 27, nays 49, as follows:

[No. 351 Leg.]

YEAS—27

- | | | |
|-----------------|-----------|------------|
| Bartlett | Dole | Metzenbaum |
| Bentsen | Fulbright | Nelson |
| Biden | Goldwater | Nunn |
| Brock | Hollings | Proxmire |
| Byrd | Hughes | Randolph |
| Harry F., Jr. | Johnston | Schweiker |
| Byrd, Robert C. | Kennedy | Scott |
| Cannon | McClure | William L. |
| Chiles | McGovern | Symington |
| Clark | McIntyre | |

NAYS—49

- | | | |
|----------|-----------|-------------|
| Abourezk | Griffin | Percy |
| Allen | Gurney | Ribicoff |
| Beall | Hansen | Roth |
| Bennett | Hatfield | Scott, Hugh |
| Bible | Hathaway | Sparkman |
| Brooke | Helms | Stafford |
| Buckley | Hruska | Stennis |
| Burdick | Inouye | Stevenson |
| Case | Jackson | Taft |
| Cotton | Magnuson | Talmadge |
| Cranston | Mansfield | Thurmond |
| Curtis | McClellan | Tower |
| Domenici | McGee | Weicker |
| Dominick | Montoya | Williams |
| Eastland | Moss | Young |
| Ervin | Pastore | |
| Fong | Pearson | |

NOT VOTING—24

- | | | |
|----------|------------|----------|
| Aiken | Gravel | Mathias |
| Baker | Hart | Metcalf |
| Bayh | Hartke | Mondale |
| Bellmon | Haskell | Muskie |
| Church | Huddleston | Packwood |
| Cook | Humphrey | Pell |
| Eagleton | Javits | Stevens |
| Fannin | Long | Tunney |

So Mr. PROXMIRE's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, the Senate has made it clear that it does not want to instruct the Committee on Appropriations. I have served in the Appropriations Committee now for 10 years. I shall be very, very surprised if the Committee on Appropriations, under these circumstances, comes back with anything like the 3-percent cut which I think is the sentiment of the Senate.

I want to make it absolutely clear that when the appropriations bill comes back with a lesser cut than that, I intend to fight and fight to the very best of my ability for at least a \$160 million deduction.

Mr. PASTORE. Will the Senator yield? Mr. PROXMIRE. I will not yield for a minute.

I wish to make it clear that under those circumstances, Mr. President, I shall be willing to step aside and let the Senator from Rhode Island (Mr. PASTORE) or any other member of the committee handle the bill if he wishes to do it, or if that is the way the committee wants to do it.

But I will not do it simply because the Senator from Rhode Island alone asks me to do it, but if a majority of the Committee on Appropriations votes to require me to step aside I would do so. I sat in on every minute of hearings before this subcommittee. The Senator from Rhode Island has not heard any of the record at all. I know he can read fast; perhaps he will read it.

But I think I am in the best position, Mr. President, to discuss this particular bill. I have heard the hearings in detail. I hope the Committee on Appropriations will give me an opportunity to handle the bill when it comes back.

If they do not I will assume they do not want me to handle the bill because

they are not interested in cutting it deeply.

Mr. PASTORE. Mr. President, I want the Senate to understand that I am as much of a budget-cutter as anybody else but I am not a headline-grabber and I do not want to be a tinhorn hero, either.

We stayed on that committee and we marked up this bill. The fact of the matter is that, after the committee had made a decision, we came out on the floor and the manager of the bill has his own idea about where he is going to cut some more money. All we are asking is that we go back to the committee. That is the purpose of the motion to recommit. And we will study these cuts as they should be studied by the full committee and not by one man, who is going to dictate what the Committee on Appropriations is going to do.

I am ready to vote.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the motion to recommit of the Senator from Arkansas (Mr. McCLELLAN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Rhode Island (Mr. PELL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. FANNIN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 27, nays 49, as follows:

[No. 351 Leg.]

YEAS—27

- | | | |
|-----------------|-----------|------------|
| Bartlett | Dole | Metzenbaum |
| Bentsen | Fulbright | Nelson |
| Biden | Goldwater | Nunn |
| Brock | Hollings | Proxmire |
| Byrd | Hughes | Randolph |
| Harry F., Jr. | Johnston | Schweiker |
| Byrd, Robert C. | Kennedy | Scott |
| Cannon | McClure | William L. |
| Chiles | McGovern | Symington |
| Clark | McIntyre | |

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The result was announced—yeas 74, nays 2, as follows:

[No. 352 Leg.]
YEAS—74

Allen	Fong	Nunn
Bartlett	Goldwater	Pastore
Beall	Griffin	Pearson
Bennett	Gurney	Percy
Bennusen	Hansen	Proxmire
Bible	Hatfield	Randolph
Biden	Hathaway	Ribicoff
Block	Helms	Rohr
Brooke	Hollings	Schweiker
Buckley	Hruska	Scott, Hugh
Burdick	Hughes	Scott,
Byrd,	Inouye	William L.
Harry F., Jr.	Jackson	Sparkman
Byrd, Robert C.	Johnston	Stafford
Cannon	Kennedy	Stennis
Case	Magnuson	Stevenson
Chiles	Mansfield	Symington
Clark	McClellan	Taft
Cotton	McClure	Talmadge
Cranston	McGee	Thurmond
Curtis	McGovern	Tower
Dole	McIntyre	Weicker
Domenick	Metzenbaum	Williams
Dominick	Montoya	Young
Eastland	Moss	
Ervin	Nelson	

NAYS—2

Abourezk Fulbright

NOT VOTING—24

Alken	Gravel	Mathias
Baker	Hart	Metcalf
Bayh	Hartke	Mondale
Bellmon	Haskell	Muskie
Church	Huddleston	Packwood
Cook	Humphrey	Fell
Eagleton	Javits	Stevens
Fannin	Long	Tunney

So the motion to recommit was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

ADJOURNMENT TO 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS MCGOVERN, BENTSEN, MANSFIELD, AND ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, the following Senators be recognized for not to exceed 15 minutes, and in the order stated: Mr. MCGOVERN, Mr. BENTSEN, Mr. MANSFIELD, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Senators on tomorrow, under the order previously entered, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CALL UP H.R. 14715-- WHITE HOUSE EMPLOYMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, after the conclusion of routine morning business, the conference report on H.R. 14715, White House employment, be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I understand following the consent order previously entered concerning the conference report which was to be taken up tomorrow, that the papers accompanying the conference report are not in the Senate, and that there is a question as to whether or not the House will have acted first by the time tomorrow that the Senate was to have proceeded to the consideration of that conference report.

I therefore ask unanimous consent that following the routine morning business on tomorrow, the Senator from Wyoming (Mr. MCGEE) be recognized to call up that conference report, and that in the event he is not prepared to do so at that time, the Senate resume consideration of the unfinished business, S. 707 the consumer protection bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with statements limited to 15 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

INFLATION: THE BURDEN AND THE CHALLENGE

Mr. HARRY F. BYRD, Jr. Mr. President, the United States has had its first year of double-digit inflation, and no relief is in sight.

Consumer prices are rising at an annual rate of 10 percent.

Personal income rose \$97 billion in paper dollars during the year ending April 30, but in real income, the American worker is 4.6 percent worse off than a year ago.

These are staggering figures, but inflation is not a new concern for the Senator from Virginia.

On January 8, 1970, in a speech before

the Richmond Chamber of Commerce, I said:

My concern with government fiscal affairs is dictated not so much by a book-keeper's wish for a neat set of figures as by a concern about what Government spending means to the average American citizen.

Vast, unchecked spending programs feed the inflation that deducts from the paycheck of every American worker.

Today, 4½ years later, my concern about inflation has turned to alarm.

In recent weeks I have had the opportunity to discuss the inflation problem with a number of distinguished economists, and I have made it a point to study the observations of other experts.

While of course several points of view have been expressed, I find that a number of the economists are coming to agree with me on at least a few key points:

First, massive deficits in the Federal budget are the chief cause of inflation.

Second, pious rhetoric will not shave a single point from the Consumer Price Index.

Third, given the key role of the Federal budget, and the urgent need for action, it is imperative that Congress and the President work together to cut Government spending.

I have long been convinced that we will make no significant progress in conquering inflation in the economy as a whole until we get Government spending under control.

Not only does Government spending play a major part in the strictly economic side of inflation, but it also has a tremendous impact on the thinking of the people—what has been called "inflationary psychology."

Put it this way:

It is not realistic to ask the people to pinch pennies while the Government plays Diamond Jim Brady.

And the Government must act soon. The principal reason why this is so essential is that inflation has rooted itself so deeply.

Inflation has come to feed on itself: the expectation that prices will continue to rise artificially spurs demand, strains capacity and forces prices still higher.

Every American knows prices are soaring. But not everyone understands how widespread are the ravages of inflation.

Let us look at what is happening in the money market. To do that, we have to look first at the national debt.

The huge deficits which the Government has been running have pushed the national debt up to \$475 billion. It will pass the half-trillion-dollar mark in less than a year.

The interest on the debt during the fiscal year that ended June 30 was \$29 billion. It took 17 cents of every individual and corporate income tax dollar just to pay the interest on the public debt.

In this situation, the Government must go into the money market—massively and frequently. In fact, 62 percent of all funds available for lending is borrowed by the Federal Government.

During the 8-month period from November 1, 1973, to June 30, 1974, for example, the Treasury issued securities totaling \$42 billion. Government agencies