

FIRST CONCURRENT RESOLUTION ON THE BUDGET—
FISCAL YEAR 1976

MAY 9 (legislative day, APRIL 21), 1975.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H. Con. Res. 218]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) *the appropriate level of total budget outlays is \$367,000,000,000;*

(2) *the appropriate level of total new budget authority is \$395,800,000,000;*

(3) *the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is \$68,820,000,000;*

(4) *the recommended level of Federal revenues is \$298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is \$3,400,000,000; and*

(5) *the appropriate level of the public debt is \$617,600,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is \$86,600,000,000.*

And the Senate agree to the same.

EDMUND S. MUSKIE,
 WARREN MAGNUSON,
 FRANK MOSS,
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 ERNEST F. HOLLINGS,
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 ROBERT DOLE,
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Managers on the Part of the Senate.

BROCK ADAMS,
 JIM WRIGHT,
 TOM ASHLEY,
 ROBERT N. GIAIMO,
 NEAL SMITH,
 JAMES G. O'HARA,
 SAM M. GIBBONS,
 PARREN J. MITCHELL,
 BUTLER DERRICK,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

OUTLAYS

The House resolution provided for total outlays in the amount of \$368.213 billion. The Senate amendment provided for outlays in the amount of \$365.0 billion. The conference report provides for total outlays in the amount of \$367.0 billion.

BUDGET AUTHORITY

The House resolution provided for total new budget authority in the amount of \$395.938 billion. The Senate amendment provided for new budget authority in the amount of \$388.6 billion. The conference report provides for total new budget authority in the amount of \$395.8 billion.

DEFICIT

The House resolution provided for a budget deficit in the amount of \$70.032 billion. The Senate amendment provided for a deficit in the amount of \$67.2 billion. The conference report provides for a budget deficit in the amount of \$68.82 billion.

REVENUES

The House resolution provided for Federal revenues in the amount of \$298.181 billion; and achieve that level, it provided that revenues should be decreased by \$4.4 billion. The Senate amendment provided for Federal revenues in the amount of \$297.8 billion. The conference report provides for Federal revenues in the amount of \$298.180 billion; and, to achieve that level, provides that revenues should be decreased by \$3.4 billion.

The conference substitute (1) accepts the House assumption that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975, will be extended by the Congress, lowering revenues by \$4.4 billion; (2) accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from \$3 billion to \$1 billion the amount to be realized in Fiscal

Year 1976; and (3) assumes that, as a result of recent tax collection experience, an additional \$2 billion in revenues will be received during Fiscal Year 1976.

PUBLIC DEBT

The House resolution provided for a public debt level of \$619.9 billion; and to achieve that level, provided that the temporary statutory limit on the public debt should be increased by \$88.9 billion. The Senate amendment provided for a public debt level of \$617.6 billion. The conference report provides for a public debt level of \$617.6 billion; and that, to achieve that level, the temporary statutory limit on the public debt should be increased by \$86.6 billion.

FUNCTIONAL CATEGORIES

The aggregate budget figures in the report represent the best judgment of the managers as to the appropriate levels of spending and income for fiscal 1976. That judgment could change if economic conditions change significantly between May and September, when the Senate and House Budget Committees will submit a Second Concurrent Resolution to set aggregate ceilings for fiscal 1976.

The functional category figures in this report are intended to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution. The estimates of the managers for budget authority and outlays in each functional category are as follows:

NATIONAL DEFENSE (050)

The House Resolution assumes budget authority of \$100.5 billion and outlays of \$90.2 billion.

The Senate amendment assumes budget authority of \$101.0 billion and outlays of \$91.2 billion.

The Conference substitute assumes \$100.7 billion in budget authority and \$90.7 billion in outlays. This is an increase of \$0.2 billion in budget authority and \$0.5 billion in outlays above the House amounts and a decrease of \$0.3 billion in budget authority and \$0.5 billion in outlays below the Senate amounts. In arriving at these amounts, the managers considered and agreed to the following:

- (a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.
- (b) All funds requested for military assistance to South Vietnam and Cambodia were deleted from fiscal 1976 estimates, including the outlay effect of the 1975 supplemental requests.
- (c) The balance of the reductions are the result of revised inflation estimates, reductions in program growth, and financial adjustments.

INTERNATIONAL AFFAIRS (150)

The House Resolution assumes budget authority of \$4.7 billion and outlays of \$5.0 billion.

The Senate Resolution assumes budget authority of \$6.0 billion and outlays of \$4.9 billion.

The Conference substitute assumes \$4.9 billion in budget authority and \$4.9 billion in outlays.

The Conference substitute allows \$0.2 billion in budget authority for the Special Financing Facility and assumes that the estimate for foreign economic assistance will be reduced by \$0.9 billion in budget authority and \$0.4 billion in outlays below the budget as submitted.

The managers agreed to the House level for foreign economic assistance, assuming major reductions in Indochina Postwar Reconstruction. The managers also agreed that token budget authority should be provided for the Special Financing Facility to indicate the Congress anticipates a legislative proposal for this purpose.

GENERAL SCIENCE, SPACE AND TECHNOLOGY (250)

The House Resolution assumes budget authority of \$4.708 billion and outlays of \$4.599 billion.

The Senate amendment assumes budget authority of \$4.7 billion and outlays of \$4.6 billion.

The House and Senate estimates were substantially the same. The managers agreed to the Senate's figures.

NATURAL RESOURCES, ENVIRONMENT AND ENERGY (300)

The House Resolution assumes budget authority of \$14.1 billion and outlays of \$11.5 billion.

The Senate amendment assumes budget authority of \$13.4 billion and outlays of \$11.7 billion.

The Conference agreed to budget authority of \$13.8 billion and outlays of \$11.6 billion.

AGRICULTURE (350)

The House Resolution assumes budget authority of \$4.3 billion and outlays of \$1.8 billion.

The Senate amendment assumes budget authority of \$4.3 billion and outlays of \$2.0 billion.

The Conference agreed to the House estimates. By this action the Conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

COMMERCE AND TRANSPORTATION (400)

The House resolution assumes budget authority of \$11.0 billion and outlays of \$18.5 billion.

The Senate amendment assumes budget authority of \$9.5 billion and outlays of \$16.6 billion.

The conference substitute assumes \$11.3 billion in budget authority and \$17.5 billion in outlays. The estimates include a total of \$0.8 billion in outlays for small business, postal service and rail rehabilitation projects now being considered by the House-Senate conference on the

Emergency Employment Appropriations Act of 1975. The estimates also contain \$3.3 billion in budget authority to continue advance highway apportionments and \$6.3 billion in highway outlays. Outlays of \$0.4 billion are provided for housing legislation expected to pass in fiscal 1975. Funding for other rail improvement projects recommended by the Senate is included, with \$600 million in budget authority and outlays. Other items include additions to the Administration's budget of \$0.2 billion in budget authority and outlays for the Washington Metro; \$0.2 billion in budget authority and outlays for Postal Service subsidies; and \$0.3 billion in budget authority and \$0.2 billion in outlays for additional small business loans.

COMMUNITY AND REGIONAL DEVELOPMENT (450)

The House resolution assumes budget authority of \$10.8 billion and outlays of \$9.0 billion.

The Senate amendment assumes budget authority of \$6.0 billion and outlays of \$6.6 billion.

The Conference substitute assumes \$11.0 billion in budget authority and \$8.65 billion in outlays.

The House resolution assumes \$5.0 billion in budget authority and \$2.5 billion in outlays for accelerated public works programs. The Senate amendment did not include this assumption. Since the accelerated public works program is intended to provide economic stimulus, the Conference agreed to retain the House budget authority stimulus, and an outlay estimate of approximately \$2.1 billion to be available either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emergency financial assistance to State and local governments.

EDUCATION, MANPOWER AND SOCIAL SERVICES (500)

The House resolution assumes budget authority of \$19.0 billion and outlays of \$20.4 billion.

The Senate amendment assumes budget authority of \$20.7 billion and outlays of \$19.4 billion.

The conferees agree to budget authority of \$19.0 billion and outlays of \$19.85 billion in this function. These figures assume that all programs in this function can be funded at least at their fiscal year 1975 funding level, that regular on-going programs be increased, and that the number of public service employment jobs also be increased. The conferees reached their decision with regard to public service employment in this function, which involves a reduction in the House estimate, in view of the job-creating effect of the \$0.6 billion assumed in function 400 for rail assistance.

HEALTH (550)

The House Resolution assumes budget authority of \$33.1 billion and outlays of \$30.7 billion.

The Senate amendment assumes budget authority of \$32.6 billion and outlays of \$31.0 billion.

The conferees agreed to the House figures.

INCOME SECURITY (600)

The House resolution assumes budget authority of \$141.3 billion and outlays of \$124.9 billion.

The Senate amendment assumes budget authority of \$138.5 billion and outlays of \$126.1 billion.

The conferees agreed to budget authority of \$140.9 billion and outlays of \$125.3 billion in this function.

This total includes \$0.8 billion for the extension of emergency benefits for the insured unemployed for an additional 13 weeks. It also assumes savings in fiscal year 1976 through legislative and administrative improvements in programs such as food stamps, aid to families with dependent children, and social security.

The managers intend that there be no cap on benefit increases as proposed in the President's budget. The managers intend that the resolution provide sufficient funds to extend both emergency benefits for the insured unemployed and also special unemployment assistance for the uninsured unemployed.

VETERANS BENEFITS AND SERVICES (700)

The House Resolution assumes budget authority of \$18.0 billion and outlays of \$17.5 billion.

The Senate amendment assumes budget authority of \$17.6 billion and outlays of \$16.9 billion.

The Conference agreed to the House assumptions of \$18.0 billion in budget authority and \$17.5 billion in outlays for this function. The managers on the part of the Senate agreed to these figures because of the probability that Congress will reject Administration proposals to reduce the eligibility period for veterans' readjustment benefits and to require reimbursement from private health insurers for VA health care. The Senate amendment did not assume increases in budget authority and outlays for either. The House assumed \$0.7 billion in budget authority and outlays for these probable expenditures, to which the conferees agreed.

LAW ENFORCEMENT AND JUSTICE (750)

The House resolution assumes budget authority of \$3.291 billion and outlays of \$3.363 billion.

The Senate amendment assumes budget authority of \$3.3 billion and outlays of \$3.4 billion.

The Conference agreed to the House figures, rounded to the nearest tenth of a billion dollars.

GENERAL GOVERNMENT (800)

The House resolution assumes budget authority of \$3.3 billion and outlays of \$3.35 billion.

The Senate amendment assumes budget authority of \$3.3 billion and outlays of \$3.2 billion.

The conference committee agreed to \$3.3 billion in budget authority, the same as the House and Senate estimates, but to \$3.3 billion in out-

lays, \$50 million below the House assumption and \$100 million above the Senate assumption.

REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE (850)

The House resolution assumes budget authority of \$7.305 billion and outlays of \$7.249 billion.

The Senate amendment assumes budget authority of \$7.3 billion and outlays of \$7.2 billion.

Essentially, the assumptions of both Houses were the same for this function, but the conference committee agreed to round out the House estimate to the nearest tenth of a billion dollars.

INTEREST (900)

The House resolution assumes budget authority of \$35.0 billion and outlays of \$35.0 billion.

The Senate amendment assumes budget authority of \$35.3 billion and outlays of \$35.3 billion.

The Conference substitute provides \$35.0 billion in budget authority and outlays, the same as the House estimate and \$0.3 billion lower than the Senate estimate. If interest payments are lower due to changes in the economy, the conferees agreed, up to \$100 million in outlays could be made available for Education, Manpower, and Social Services and for Community and Regional Development, to be divided equally between the two functions.

ALLOWANCES

The House resolution assumes budget authority of \$1.7 billion and outlays of \$1.5 billion.

The Senate amendment assumes budget authority of \$1.3 billion and outlays of \$1.1 billion.

The Conference agreed to \$1.4 billion in budget authority and \$1.2 billion in outlays.

The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law and outlays that may be required for humanitarian assistance for Indochina refugees, as well as other contingencies.

UNDISTRIBUTED OFFSETTING RECEIPTS (950)

The House resolution assumes budget authority of -\$16.193 billion and outlays of -\$16.193 billion. The Senate amendment assumes -\$16.2 billion in each case.

The Senate amendment assumes identical amounts.

The conference substitute accepts the Senate estimate.

Both the House resolution and the Senate amendment assumed \$4.0 billion in receipts from leases of mineral rights on the Outer Continental Shelf, rather than \$8.0 billion estimated by the Administration.

BUDGET AUTHORITY AND OUTLAYS: FISCAL YEAR 1976

[In billions of dollars]

Function	Budget Authority			Outlays		
	Senate	House	Conference	Senate	House	Conference
050—National Defense.....	101.0	100.5	100.7	91.2	90.2	90.7
150—International Affairs.....	6.0	4.7	4.9	4.9	5.0	4.9
250—General Science, Space, and Technology.....	4.7	4.7	4.7	4.6	4.6	4.6
300—Natural Resources, Environment, and Energy.....	13.4	14.1	13.8	11.7	11.5	11.6
350—Agriculture.....	4.3	4.3	4.3	2.0	1.8	1.8
400—Commerce and Transportation.....	9.5	11.0	11.3	16.6	18.5	17.5
450—Community and Regional Development.....	6.0	10.8	11.0	6.6	9.0	8.65
500—Education, Manpower and Social Services.....	20.7	19.0	19.0	19.4	20.4	19.85
550—Health.....	32.6	33.1	33.1	31.0	30.7	30.7
600—Income Security.....	138.5	141.3	140.9	126.1	124.9	125.3
700—Veterans Benefits and Services.....	17.6	18.0	18.0	16.9	17.5	17.5
750—Law Enforcement and Justice.....	3.3	3.3	3.3	3.4	3.4	3.4
800—General Government.....	3.3	3.3	3.3	3.2	3.4	3.3
850—Revenue Sharing and General Purpose Fiscal Assistance.....	7.3	7.3	7.3	7.2	7.2	7.2
900—Interest.....	35.3	35.0	35.0	35.3	35.0	35.0
—Allowances.....	1.3	1.7	1.4	1.1	1.5	1.2
950—Undistributed Offsetting Receipts.....	-16.2	-16.2	-16.2	-16.2	-16.2	-16.2
Total.....	388.6	395.9	395.8	365.0	368.2	367.0

Details may not add to totals due to rounding.

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Managers on the Part of the House.