

The CHAIRMAN. What can you say, Mr. Schultze, about reductions?

Mr. SCHULTZE. Let me mention one I forgot, if I might. The Atomic Energy Commission is down \$240 million.

The CHAIRMAN. What can you say about reductions in existing programs accompanying increases that the Congress has voted through establishing the new programs that you have enumerated?

Mr. SCHULTZE. May I list about eight or nine items?

The CHAIRMAN. All right.

Mr. SCHULTZE. First, in the Department of Agriculture within the Commodity Credit Corporation, quite apart from changes in crop yields, there is a reduction in the transportation and storage costs of commodities, both because of a reduction in unit cost through rationalization of the program and because of lower stocks, particularly with the voluntary programs we have had. This has reduced expenditures by approximately \$400 million over the period.

Secondly, again in the case of the Department of Agriculture, approximately \$150 million was saved by converting the direct farm housing loan program to a guarantee program.

Next, in the public facilities program of HUD, because of the increase in new programs, that public facility loan program has been reduced from \$73 million to \$30 million. Again, because of additional funds available for metropolitan planning, the public works planning advances of the Department of Housing and Urban Development have been reduced from \$20 million to \$9 million. We have reduced, particularly during the period of Vietnam, the ship construction program in the maritime agency from 17 ships to 13 ships. The expenditure implications of that action are spread out over 3 or 4 years, but they amount to somewhere between \$6 and \$10 million per ship and we reduced the level from 17 to 13.

Next, the Coast Guard, another case in point, has reduced its requirements by some \$15 million because of changes in search and rescue operations. The Atomic Energy Commission, as I noted, has some increases but these are more than offset by decreases, so that the AEC is down in total by \$240 million over the period.

In addition, there were about eight other items that we proposed reductions on last year and we were not successful in convincing the Congress to give them to us. I list in particular the impacted school-aid program, amounting to some \$200 million; the agricultural conservation program, involving some \$130 million; and a reduction for agricultural research stations of a small amount for construction. We also proposed reductions of \$70-some million through user charges which come into the budget to finance meat inspection and other agriculture programs, and some \$70 million for the special milk program, some \$30 million for the school lunch program, and some \$11 million for the land-grant colleges.

These we proposed. None of them did we get, but they are in addition to the items I have mentioned.

And, finally, these figures do not include explicitly the cost reduction efforts in the Department of Defense, nor in the civilian agencies, which essentially simply reduce budgetary requirements as you go along through the years.

What I am saying is that all of the figures are basically netted out. Expenditures would have been a good bit higher had it not been—