

Mr. HUGHES. Mr. Cleveland, if I could talk to that point. The statute says that the contracts entered into in value during the year that is the total contracts entered into during that year, cannot exceed the difference between the cash grant figure and the total authorization. The authorization figure in the legislation is an overall ceiling.

We could enter into contracts the annual payments for which would make up that difference.

Do I make myself clear?

Mr. CLEVELAND. If what you say, if I understand what you say then the authorization that this committee has passed remains in effect not only as to interest and principal payments, but as to total contractual—

Mr. HUGHES. That is correct. The combination of the cash grant.

Mr. CLEVELAND. Would you call my attention to where that is in the bill, please?

Secretary UDALL. Page 9.

Mr. HUGHES. I refer you, Mr. Cleveland, to page 9, section 3. I think perhaps the think to do is read the language from H.R. 15907.

For the purpose of making grants under subsection (b) of this section, there is authorized to be appropriated \$700 million for the fiscal year ending June 30, 1969; \$1 billion for the fiscal year ending June 30, 1970; and \$1.25 billion for the fiscal year ending June 30, 1971. For the purpose of liquidating contracts entered into under subsection (f) of this section, there is authorized to be appropriated such sums as may be necessary for those fiscal years and for each fiscal year thereafter. Sums appropriated pursuant to this subsection shall remain available until expended.

Mr. CLEVELAND. Are you sure that that language puts your total authorization under that ceiling of \$700 million? It does not read exactly that way.

Mr. HUGHES. It does not, Mr. Cleveland. I may be misinformed, but I thought it did.

I am sorry. I misinformed you. I thought the language was in the bill. It is rather in the accompanying documents. It is in the form of an expression of intent. And the intent would be to authorize contracts equivalent to the difference between the cash and the total authorization.

I am sorry for the misinformation.

Mr. CLEVELAND. In other words, as far as you people are concerned this can be amended in that respect, because that is your intention.

Mr. HUGHES. Our intention was to provide a total program level equivalent to the authorization each year.

Mr. CLEVELAND. The language that has been supplied to me is that the authorization will serve only as a guide to determine the principal sums available for determining the limitations in the appropriation act.

This is going to be one of the questions I am sure the committee will want to know.

Mr. HUGHES. That is quite right.

Mr. CLEVELAND. You must admit that if we were to enact this legislation, that under this legislation you could go into these contracts up to an amount of the annual payments to meet the authorization. That is a different kettle of fish than if you treat the whole amount of the contract over the 30-year period as part of the authorization.