

Where does the bill say you are limited to that \$475 million?

Mr. HUGHES. Could I respond to that?

I took a run at it when Mr. Cleveland raised the question.

The bill itself does not limit the total commitments. The Secretary's letter, the transmittal letter, does indicate that it is our intent to establish a program level equal to the authorization that was established by the Congress—

Mr. CRAMER. If you have a new administration and decide it has a different intent, then there is no limit.

Mr. HUGHES. In any event, Mr. Cramer, the budget proposal in the proposed program level will be subject to congressional review through the Appropriations Committee.

Mr. CRAMER. By the Appropriations Committee? We do not have anything to say about it, the authorizing committee?

Mr. HUGHES. Congress has something to say about it.

Mr. CRAMER. We do not have anything to say about the authorizing aspect of it, setting the limits by authorization for long-range planning and so forth? We have established the point that there is really no limit—

Mr. HUGHES. There is no statutory limit.

Mr. CRAMER (continuing). If the executive branch does not want to exercise limit and the Congress itself does not want to by appropriation exercise limit.

Mr. HUGHES. There is no statutory limit in the bill itself.

Mr. CRAMER. Why is there no limit?

Mr. HUGHES. I think there could be, Mr. Cramer. We struggled with the problem of wisdom of statutory limitation, versus an expression of intent, and we came out in the fashion that I have indicated.

Mr. CRAMER. Well, can you tell me how much money this bill is suggesting the Government be committed to guarantee in the future?

Mr. HUGHES. The bill and the accompanying letter suggests a program level equivalent to the authorized level established in the basic Water Pollution Control Act.

Mr. CRAMER. I want to know how this is going to balloon. How much is the Federal Government obligated and how much could it obligate itself as a guarantor, moneywise, to—what figure? This includes the local share, too.

Mr. HUGHES. That is correct. Its contingent liability through the guarantee would include the local share as well as the Federal share.

Mr. CRAMER. How much are we talking about? You are talking about under your letter suggesting a limitation, which is not binding, of course, \$700 million, for 1969; you have \$475 million surplus, which is just one year amortization, right, of a 30-year contract?

Mr. HUGHES. \$475 million is the program level which we have proposed be supported through this contract procedure. We have not proposed amortization payments of \$475 million in 1969.

Mr. CRAMER. How can you start entering in contracts in 1969 if you do not have an appropriation limitation of some sort? You do not know what it is going to be in 1970. But you will be encouraging the local municipalities to enter under contracts and bond issues in 1969?

Mr. HUGHES. The starting point, of course, would be the authorization for the program, and the appropriation actions would have to