

the public to participate in location development and express their views on the location development of proposed projects.

This is a complicating factor. There is absolutely no question about it. A two-hearing procedure is going to be more complicated than a single-hearing procedure. And I do not know what to say other than we think this is a very worthwhile thing from the standpoint of the general public and the general public is pretty much today the same as the automobile owning and operating population of this country.

My own personal view is that there are many compliants, objections to highways, which could be mollified, explained, and understood if there were a better hearing procedure. And I am concerned to see that in the Department we undertake the development of those policies which will help make it possible to continue to build and improve the highway system in this country. And we cannot do that if we run into revolt.

Mr. KLUCZYNSKI. Thank you, Mr. Secretary.

The Chair recognizes the gentleman from Maryland, Mr. Fallon.

Mr. FALLON. Mr. Secretary, I have one question.

I understand that you have been quoted as saying that if the \$6 billion cut in expenditures on the Federal budget is coupled with the 10 percent surtax, if that is adopted and becomes law, it will be necessary to make further drastic cuts in highway spending. Is that true?

Secretary BOYD. Yes, sir.

Mr. FALLON. Well, Mr. Secretary, will you tell me what effect that has in the deficit spending of our budget?

Secretary BOYD. Well, let me respond this way, Mr. Chairman. As I understand, the proposals which have tied together the tax bill and the expenditure cuts of \$6 billion, the trust funds are not exempted.

Mr. FALLON. Well, do you mean to say that the way that this will be drafted —

Secretary BOYD. Sir?

Mr. FALLON. If the legislation that is necessary to make these cuts as drafted will specifically state in there that there will be no exemption on trust funds?

Secretary BOYD. There are exemptions, I believe, for social security. And of course we have interest on the national debt and we have veterans payments. I think whether or not they are exempted—and I do not recall—as a practical matter, they are not going to be invaded.

Mr. FALLON. What effect will this have on the budget and the deficit spending? What effect will it have if we have stopped spending money out of the trust fund that cannot be used for any other purpose?

Secretary BOYD. I can only answer that in the sense that I did before, that highway trust funds are not exempted from the \$6 billion which the Congress—which has been expressed as the desire of Congress to have cut.

Mr. FALLON. It still does not affect the deficit spending of the budget; is that true?

Secretary BOYD. Well, sure it does, because the revenues in the trust fund appear in the administrative budget, Mr. Chairman.

Mr. FALLON. But has no effect on the tax rate as such?