

Senator JAVITS. But there is a difference there.

Mr. ZWICK. Yes.

Senator JAVITS. It is fair to say there is a substantive difference between the money held back and the money we fail to appropriate.

Mr. ZWICK. That is correct.

Senator JAVITS. In the main, subject to this question of adjustment.

Mr. ZWICK. After the \$10 billion cutback is reached.

Senator JAVITS. Yes.

Mr. ZWICK. You are correct.

Senator JAVITS. I think that is important, and I am very grateful to you for exposing it so that we may all understand it.

Thank you.

Chairman PROXMIRE. Along that very line I wonder if you could tell us this this morning. You say that because of the increases in public assistance you are going to have to make substantial reductions in other programs of HEW.

Mr. ZWICK. Yes.

Chairman PROXMIRE. Of Health, Education, and Welfare. These are areas in which Senator Percy, Senator Javits, and I have an interest as well as other Members of Congress. Can you tell us what programs of HEW are under study and what might be cut back sharply in this area?

Mr. ZWICK. This is one of our most difficult problems, because of our set of priorities which was to protect key social programs. I think one area that is already a matter of public record is the impacted school aid appropriation.

As you know, in July we withheld the expenditure of \$91 million of fiscal 1968 entitlements. The Senate, as you know, reappropriated this money and exempted it from the Antideficiency Act. As I read the legislative history, this means that these funds are placed in the uncontrollable exempted area, so the increase in the total exceptions would go up to \$4.5 billion and the net reduction in the overall budget down to \$1.6 billion if in fact this provision becomes law.

But Congress said nothing about either the original impacted school aid request of \$395 million that was in the bill, nor the \$110 million that Congress added for impacted school aid for fiscal 1969 entitlements.

Chairman PROXMIRE. Yes; but I am asking you about these other areas.

Mr. ZWICK. So one area we would look to is impacted school aid in fiscal 1969.

Chairman PROXMIRE. That can't help you, though, can it? I voted against that.

Mr. ZWICK. No; the action on Friday was only for the \$91 million of 1968 entitlements.

Chairman PROXMIRE. Yes.

Mr. ZWICK. The Ribicoff amendment, which did not pass, would have exempted both fiscal 1968 and 1969 expenditures.

Chairman PROXMIRE. I see.

Mr. ZWICK. What actually passed was just the \$91 million of 1968 entitlements.

Chairman PROXMIRE. Then what else do you have under study in HEW?