

APRIL 8, 1975

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 3260 and H.R. 4075 - Budget authority rescissions:

Rescissions Requested (amounts in millions of dollars)

	<u>Proposed</u>	<u>Bill</u>	<u>Congressional Change</u>
<u>1975 Budget Authority:</u>			
As proposed by the President.....	1,782	260	1,522
Added as rescissions by Comptroller General.....	<u>415</u>	<u>--</u>	<u>415</u>
Total.....	2,197	260	1,937

Outlay Effect:

FY 1975: +407
FY 1976: +637

Highlights

- Legislative action has been completed on all proposed rescissions currently before Congress. The Congress considered 75 proposals and approved 19 in total and 15 in part.
- Included are four items proposed as deferrals but reclassified by the General Accounting Office as rescissions. These reclassified rescissions, totaling \$415 million, were all disapproved by Congress. One of the reclassifications is for the HUD section 235 program (Homeownership assistance, \$264 million). This impoundment was made prior to the effective date of the Impoundment Control Act, and according to the Attorney General's opinion, is not subject to the provisions of the Act (reference letter to the President from the Attorney General, October 10, 1974, attached). These HUD amounts will, therefore, not be made available for obligation with the other disapproved rescissions. GAO, disagreeing with our interpretation, has notified the Congress that GAO will bring action in court.
- Of the \$260 million of rescissions approved, \$184 million is for the Defense Department, mostly for rescission of funds for F-111 procurement (\$123M).
- The remaining rescissions of \$1,522 million rejected by Congress are mainly for Health, Education, and Welfare funds (\$1,197 million), and the Department of Agriculture (\$204 million).

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