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Budget Committee would report to its parent body a concurrent resolution which would:

First. Estimate total revenues for the ensuing fiscal year.

Second. Recommend a relationship between total spending and revenues which is appropriate to the maximum growth and stability of the national economy, and an appropriate level for the public debt.

Third. Establish a limit on total budget outlays and budget authority which is consistent with such relationship between spending and revenues.

Fourth. Establish a limit budget authority and outlays by major category of expenditures as designated by the budget committees, and a limit on tax cuts.

Fifth. Defend in the report the rationale for its recommendations.

To implement Joint Study Committee interim recommendation 1, the concurrent resolutions would be considered in each House under rules of limited debate. But once adopted after conference committee reconciliation and congressional enactment, before March 30 of each year, any measure affecting totals would have to be offset by provision for changes in revenue or spending levels or the public debt limit. This takes into account Joint Study Committee interim recommendation 5.

In the light of changing economic circumstances, such limits would be subject to a midyear review in September of each year and altered if appropriate. This would be consistent with the Joint Study Committee's interim recommendation 3.

Joint Study Committee interm recommendation 4 calls for "allocating the appropriate portions of expenditures and budget authority ceilings to various committees having jurisdiction over the legislation affecting the budget." Such allocations would be designated by the budget committees and included in the concurrent resolution.

During the course of the congressional session, the Congressional Office of the Budget would provide reports on how new legislation would affect spending and tax levels.

To further implement Joint Study Committee interim recommendation 2 and get a better grip on "back door" spending, the act provides Congress with a second look at new budget authority which, under current rules, escapes meaningful review by the Appropriation Committees. Normally, a new program must, first, be authorized by legislation, and, second, be reviewed by the Appropriations Committees before spending can take place. The same double look would be provided in the case of backdoor spending. After legislation has been reported by a standing legislative committee and enacted by Congress, spending could not take place until the budget committees report a bill or bills authorizing the exercise of budget authority provided in the "back door" spending measure. Such additional legislation would also be required before tax cuts could take place.

Thus backdoor spending which permits expenditures to be made without review by the appropriations committees, would get a review by the budget committees. This would include programs involving expenditures which cannot be altered by the appropriations committees; that is, pay increases, veterans' benefits and other programs which commit the Government to higher expenditures.

Joint Study Committee interim recommendation 10 would require new authorizing legislation to be enacted a year in advance of the fiscal year in which such legislation takes effect. The act provides that such new authorization be enacted before May 1 of each year if budget authority under such authorization is to be provided in the ensuing fiscal year. This will be very helpful in providing sufficient time for the Office of the Budget to review such measures and report on their effects on the budget for the year under consideration.

Finally, Joint Study Committee interim recommendation 9 calls for review of the different ways in which budget authority and expenditures are, in fact, authorized or incurred. This highly useful exercise can be prepared by the proposed Office of the Budget and reviewed by the budget committees.

Mr. President, I have the abiding conviction that the machinery provided in the bill introduced by me with the cosponsorship of Senators METCALF, NUNN, and BROCK will work well to enable Congress to set its affairs in order in respect to the exercise of its constitutional powers of the purse.

Mr. President, I yield the floor.

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 1542. A bill to impose a 60-day freeze on prices and rents and direct the President to establish a long-run economic stabilization program. Referred to the Committee on Banking, Housing and Urban Affairs.

CONGRESS SHOULD IMPOSE 60-DAY PRICE FREEZE

Mr. MONDALE. Mr. President, the announcement last week of a 2.2-percent increase in wholesale prices during March—the biggest 1-month jump in 22 years and an increase of 26.4 percent on an annual basis—demonstrates clearly that phase III has been a colossal and unmitigated disaster.

The normally staid and low-key Wall Street Journal began its report on the March wholesale price jump by saying:

> The failure of the Phase 3 economic controls was spectacularly documented anew by a wholesale price explosion in March.

The report then went on to speak of "prices—gone wild," "a bombshell report," and "a stunning burst of price boosts for industrial goods" that "left Government economists open-mouthed."

The report quoted a "top Federal analyst" as saying that his reaction was "shellshock" and that: "The numbers are absolutely, incredibly bad."

We are clearly in big trouble. Prices are soaring totally out of control. We must act now before the situation gets even worse.

I am, therefore, today proposing legislation that would:

First. Freeze all prices and rents "at levels no higher than those prevailing on March 16, 1973";

Second. Direct the President to roll back prices and rents to levels lower than those on March 16 when necessary to control inflation; and

Third. Direct the President to establish a "long-run" program to control inflation to take effect after the 60-day freeze expires.

The bill would also give the President authority to make adjustments during the freeze to correct "gross inequities."

We need a breathing period to put our economic house back in order. Congress must do it if the President will not. This 60-day freeze will give us the time needed to put together an economic stabilization program that will work. The President should consult with the Congress, labor, business, consumers, and as many other interested citizens as possible—just as he did before instituting phase 2—in order to work out the best possible control program for the long run.

The events of recent months have shown that one-man rule over the economy is a prescription for disaster. The President—acting on his own—initiated phase 3 just 2 short days after announcement of the biggest jump in wholesale prices in 21 years. Higher prices for the consumer were clearly on the way, but the warning signs were not heeded.

The freeze on meat prices announced by the President on March 29 is both inadequate and unfair. What good does it do to have controls on meat prices when all other prices are going wild And how is it fair to the farmer to impose a freeze on the prices he receives but no freeze on the costs he must pay? We need an across-the-board freeze on all prices that applies fairly and equitably to everyone.

The March wholesale price figures show clearly that it is unfair to single out the farmer as the scapegoat for higher prices. Prices for industrial commodities—the single best indicator of inflation—went up at an annual rate of 14.4 percent in March—the sharpest 1-month jump in 22 years. And prices for consumer finished goods ballooned at an annual rate of 26.4 percent, equaling a 25-year-old record.

Mr. President, we are now in the midst of an inflationary psychology gone berserk. Businessmen are rushing headlong to establish higher prices on the assumption that another freeze will be imposed. To head this off we should make it clear—as this bill does—that the freeze will not allow prices higher than those prevailing on March 16. Making the freeze retroactive to March 16 will remove any incentive for further anticipatory price hikes.

Although the freeze I propose does not cover wages and salaries, this will pose no great problem for a period as short as 60 days. Wages and salaries will remain under the phase 3 controls, which so far have been very effective on the wage side. In addition, businesses will be very reluctant to agree to any sharp wage increases while the prices they can charge are frozen, and while the shape of the long-run control program mandated by this legislation remains unclear.

I ask unanimous consent that the text of S. 1542 be reprinted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Freeze on prices and rents

"(a) Notwithstanding any other provision of this title, all prices and rents are hereby frozen at levels no higher than those prevailing on March 16, 1973. The President may, by written order stating in full the considerations for his actions, make adjustments with respect to prices and rents, in order to correct gross inequities.

"(b) As soon as practicable, but not later than 60 days after the date of enactment of this section, the President shall by written order stating in full the considerations for his action, roll back prices and rents to levels lower than those prevailing on March 16, 1973, but not lower than those prevailing on May 25, 1970, in order to reduce inflation and otherwise carry out the purposes of this title. The President may make specific exemptions from the rollback by written order stating in full the considerations for his determination that such rollback is unnecessary.

"(c) The President shall, not later than 60 days after the enactment of this section, issue orders and regulations establishing a long-run control program to—

"(1) stabilize prices, rents, wages and salaries in order to reduce inflation; and

"(2) stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth."

By Mr. MONDALE (for himself, Mr. PERCY, Mr. KENNEDY, Mr. BAYH, Mr. HART, Mr. HUMPHREY, Mr. JAVITS, Mr. MATHIAS, Mr. MOSS, Mr. PASTORE, Mr. PELL, and Mr. WILLIAMS):

S. 1543. A bill to amend the Social Security Act to provide for extension of authorization for special project grants under title V. Referred to the Committee on Finance.

Mr. MONDALE. Mr. President, the President proposed 1974 budget provides $244 million to continue the highly successful maternal and child health program. But unless Congress acts, the special projects which receive 40 percent of the funds would be dissolved on July 1.

Last year the Senate Finance Committee and the full Senate voted to extend the special project grant authority by 2 years. That extension was reduced to 1 year by the conference committee. So once again these projects are threatened with termination.

These special projects have proven to be a highly effective means of upgrading the health care of a million low-income mothers and children in this country. They are operated by health departments, teaching hospitals, and medical schools and in neighborhoods that otherwise lack the health resources necessary to combat high infant mortality rates and offer preventive care to mothers and children.

One very successful project has been operating out of the Hennepin County General Hospital in Minneapolis, in my home State. In 1966, 43 percent of mothers whose children were born in the hospital had received no prenatal care. In 1970 the rate was 13 percent. Similar achievements have been recorded by projects all over the country.

I believe that it would be a serious mistake to destroy these existing health programs and facilities at a time when we are on the verge of constructing a whole new health delivery system in this country.

For this reason I am introducing today with Senator PERCY and a bipartisan group of other cosponsors a 2-year extension of the special project authority. Congressman KOCH of New York has introduced similar legislation in the House. In addition, Congressman WILBUR MILLS, chairman of the House Ways and Means Committee, has told representatives of these projects that he would personally support legislation to guarantee their extension for 1 year.

I am hopeful that the Senate will be able to enact an extension for these worthwhile programs soon.

MATERNAL AND CHILD HEALTH

Mr. PERCY. Mr. President, I am very pleased today to join Senator MONDALE in introducing legislation to extend the maternal and child health special project grants under title V of the Social Security Act. Since 1967, these special project grants have made possible one of the best investments of the Federal health care dollar. Maternal and Infant Care, Children and Youth, Newborn Intensive Care, Dental Care, and Family Planning projects have had a profound impact on the populations they serve, contributing to the reduction of infant mortality, affecting morbidity rates, and decreasing the rate, duration and cost of hospitalization for high-risk pregnant women, infants, and children.

In 1967, Congress revised the social security provisions under title V to redistribute maternal and child health moneys so that general support, through formula grants, would be made available to all States to promote optimal health care for mothers and children, while targeted support, through special project grants, would direct financial resources to geographical areas of greatest need. Congress anticipated that the special project grants, through steady increases in funding, would develop to a point that beginning July 1972, the States would assume responsibility for them.

In early 1972 the Comptroller General prepared a report for Congress which pointed out that many States would not have the funds to assume responsibility for the special projects and that neither the Federal Government nor the States had made adequate plans for the transition. Although the Academy of Pediatrics, the American Medical Association, the American College of Obstetricians and Gynecologists, as well as other medical and health related associations, recommended that the authority for special project grants be extended for an additional 5 years, Congress approved only a 1-year extension last year. Reports are that the 1-year extension has not been adequate to effect an orderly transition process.

Take Illinois as an example. The impending change in funding distribution will reduce Illinois' share of maternal and child health funds by 42 percent or $3.5 million. Such a drastic reduction will have a major effect on the availability of services to pregnant women, infants, and children in medically indigent communities in Illinois where there is virtually no alternative health care. According to the state department of public health, maternity and infant care programs, which currently serve 123,666 patients, and children and youth programs, which serve 57,600 children, will have to suffer a 50-percent cutback should such a reduction take effect.

On the merits of effectiveness alone, these special project grants deserve our continued support. In a 1969 study, mortality for maternal and infant care newborns in Chicago was 19.4 per thousand live births, as compared with 19.9 per 1,000 for newborns under private physician care, 31.2 per 1,000 for newborns in hospital clinics, and 21.7 per 1,000 for American newborns in general. Equally important, the average annual cost per child in the Chicago children and youth program is $120, while comparable cost per child under medicaid is $300. Such achievements are extraordinary in view of the fact that the patients served under these programs are drawn from the least healthy areas of the State.

Illinois, it must be stressed, is not an exception to the rule. Nationwide infant mortality rates decreased by only 5 percent between 1960 and 1965; after maternal and infant care projects began, infant mortality rates decreased by 19 percent between 1965 and 1970. Since the beginning of maternal and child health projects, there has been a 50-percent decrease in the number of children served who needed hospitalization, a decrease of more than 50 percent among those served in dental recall examinations. Most important, the average annual cost per child in these projects dropped from $201.26 in 1968 to $149.82 in 1970.

It should be noted that the President, commendably, has recognized the worth of these programs. Maternal and child health is not one of the activities designed to be phased out or significantly reduced. In fact, the President's fiscal 1974 budget request for maternal and child health is $244 million, an increase of $5 million over the past appropriation.

It should also be emphasized that the bill which Senator MONDALE and I are introducing today does not ask for one penny more than the President's budget request for maternal and child health. We are merely asking for a 2-year extension of the special project grant authority so that some very successful and effective health programs might continue to exist and perhaps enjoy incorporation into whatever new health delivery for financing system is enacted by Congress.

By Mr. MONDALE (for himself, Mr. NELSON, Mr. HUMPHREY, Mr. PELL, Mr. CRANSTON, Mr. MOSS,