



# NEWS from U.S. Senator Bob Dole

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## DOLE PROPOSAL WOULD CUT BUDGET DEFICIT

WASHINGTON, D.C.--Calling for "an all-out effort on the part of Congress to reduce waste and inefficiency in the necessary Federal programs for the coming year," Senator Bob Dole today introduced an amendment which would reduce the overall level of Federal expenditures by \$3.2 billion -- about a 0.9% cut. Dole's amendment to the first Concurrent Resolution on the Budget would reduce the projected Federal deficit by approximately \$2.2 billion -- allowing for an estimated \$1.0 billion loss in revenues accountable to the reduction in outlays.

Under Dole's proposed amendment, the budget deficit -- using Budget Committee estimates -- would be reduced to \$65.0 billion. Using Administration economic assumptions, the deficit would be reduced from \$59.6 to \$57.4. Dole said that while there is an apparent difference of \$7.6 billion between Budget Committee figures and Administration figures, he has been assured by Office of Management and Budget and Budget Committee staffs that the difference is accountable to different economic assumptions and re-estimated costs. "Thus, taking into account this \$7.6 billion difference, there is practically no real difference between the Administration's revised deficit estimate and the deficit recommended by the Committee," Dole said.

Dole, a member of the Senate Budget Committee, said the Committees' resolution and his amendment present "an excellent opportunity for Congress to take the initiative in the area of fiscal responsibility. This amendment calls for, in effect a spending reduction that would place us below the line drawn by the President in terms of the acceptable deficit level. It does this without turning our backs on the needs of the elderly, the unemployed, the handicapped or the disabled. It does it without scrapping the programs needed this year to assure economic recovery next year. He said that while he "would prefer a lower deficit, or ideally, a balanced budget," he knew that was not possible in an economy suffering from its worst decline since the 1930's.

During Senate floor debate, Dole also expressed his intention to offer a resolution which will require each authorizing committee to hold oversight hearings before the end of calendar year 1975. "We must now begin planning for Fiscal year 1977, for unless we are able to drastically reduce the amount of the budget deficit in 1977, we will be faced with net budget deficits for Fiscal Years 1975 through 1977 approaching \$175 billion." Dole said this level of net deficit would "assure renewed double-digit inflation and would almost certainly lead to crowing-out in the capital markets and continued high unemployment."

Saying the budget proposed by his amendment is an "equitable, responsive, and responsibly funded Federal budget," Dole urged his colleagues not to attempt any further substantial reductions. "As fiscal conservatives, we must not allow philosophical abhorrence of a \$65 billion or \$57 billion deficit lead to blind attacks on meritorious programs designed to soften the blow of recession. To be sure, these figures are deplorable, but so too are numbers like 8 million unemployed."

Dole also urged those who would add more dollars to the deficit to use restraint. He said his amendment "includes ample amounts of stimulative spending needed by the economy. Any increase in the deficit in the name of economic recovery may well lead to higher inflation, more recession, and a delay in the ultimate restoration of a fully productive American economy."