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THE WHITE HOUSE

incl present
60% aid

assumes Cong approval
incl sales into stockpile
def + rec + adm actions

306.8
- 4.6

302.2

Rev 293.8

9.2

incl w/m
our own rev prog.

4.6 Pkg
2.7 - unemp
payments

June est - 11.4



4000 Fed emp } unemp effect
40000 civ }

135 Cong
11 - adm

P.C. Fri

THE WHITE HOUSE

HITE HOUSE

- 306.8

Rev.

293.

306.8
4.6

302.2



Substitute Table for Budget Restraint Message

(fiscal years; dollar amounts in billions)

	<u>Defense</u> ¹	<u>Interest on the public debt</u>	<u>Nondefense payments for individuals</u>	<u>Other</u>	<u>Total</u>
Actual 1974 expenditures..	78.4	29.3	110.1	50.5	268.4
1975 Budget (July 1 estimate).....	85.8	31.5	130.5	57.6	305.4
Changes (including those proposed).....	-2.6	+1.5	+1.0	-3.2	-3.3
Presently proposed levels for 1975.....	83.2	33.0	131.5	54.4	302.2
<hr/>					
1975: Percent change since July 1.....	-3.0	+4.8	+7	-5.5	-1.1
1975: Percent change over 1974.....	+6.1	+12.6	+19.4	+7.8	+12.6

¹ Department of Defense, Military and Military Assistance.



1975 BUDGET OUTLAYS
(fiscal years; in millions of dollars)



	<u>Defense¹</u>	<u>Interest on the public debt</u>	<u>Nondefense payments to individuals</u>	<u>Nondefense Grants</u>		<u>Government operations</u>	<u>Total</u>
				<u>For individuals</u>	<u>Other</u>		
February budget estimate...	85,800	30,500	111,508	16,918	34,760	24,959	304,445
Changes.....	---	1,000	1,488	628	696	-2,819	993
June estimate.....	85,800	31,500	112,996	17,546	35,456	22,140	305,438
Changes.....	-2,174	1,500	2,665	952	-1,032	-588	1,323
Current base.....	83,626	33,000	115,661	18,498	34,424	21,552	306,761
Proposed reductions.....	-381	---	-1,770	-893	-371	-1,166	-4,581
Revised estimate.....	83,245	33,000	113,891	17,605	34,053	20,386	302,180

¹ DOD Military and Military Assistance; includes military retired pay.

THE WHITE HOUSE
WASHINGTON

Handwritten: Budget
OK
CFO

NOV 21 1974

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

~~ROY L. ASH~~

SUBJECT:

Message on Budget Cuts

I. BACKGROUND

At our meeting November 15, we discussed the proposal of including with your Message on budget cuts a further list of reductions that, while not recommended, would permit 1975 outlays to be reduced to \$300 billion. At your request, we gave you on November 16, two alternative lists:

- reduction items that you previously decided not to recommend; and
- a shorter alternative that avoids many of the undesirable items in the first list.

You approved the shorter alternative.

We also indicated that we would send you alternative draft Messages to deal with problems discussed at the November 15 meeting. These Messages are attached.

II. OPTIONS

Tab A is a draft Message that is consistent with the submission of the additional cut list indicated above. It would not endorse the additional cuts, but would place them before the Congress as one means of reaching \$300 billion. Tab B is the list of additional cuts you approved earlier.



Tab C is a draft indicating that we have reached the \$300 billion level, if increases for programs to help the unemployed are excluded.

Tab D is a draft Message that makes the best case possible for a \$302.5 billion level, without one of the rationales used in the first two options.

III. RECOMMENDATION

In the process of writing these Message drafts, it seemed to me that either the Tab C or Tab D option deserves your further consideration. For I see use of the "not recommended" listing as a signal to many constituencies that you view them to be at the margin -- they're next. While you would not actually be recommending that their programs be cut, this is likely to gain little credit from them -- more likely the opposite. It could stimulate pressures limiting your ability to deal with these programs at a later date.

IV. DECISION

1. Tab A, transmitting a second listing of cuts not recommended (Tab B) that would get the budget total to the \$300 billion level _____
2. Tab C, explaining that we have reached \$300 billion but that unemployment programs have added amounts above that level ✓ _____
3. Tab D, which uses neither of the rationales above _____

Attachments

cc: DO Records
Director's Chron
Director
Mr. O'Neill
Mr. Ebner
Mr. Laitin (2)
Mr. McOmber
Mr. Modlin
Mr. Mathiasen
Ms. Walker

BRD:FAB:DGMathiasen:rf 11/19/74
Rewritten: DO:RLAsh:lh 11/20/74



NOTE

Tab A includes two paragraphs that do not appear in the other Messages, as marked on pages 3 and 5. As a result, the ending is somewhat different.

Tab C contains one paragraph that does not appear in the other Messages, as marked on page 2, and the sequence of ideas is different from the other Messages on page 2.

Tab D is identical to Tab A except for the excluded paragraphs indicated above, and the use of the same ending as Tab C.



THE WHITE HOUSE
WASHINGTON

Tab A

DRAFT MESSAGE

TO THE CONGRESS OF THE UNITED STATES:

Last month, I sent a 31-point economic program to the Congress. The program that I submitted was a balanced one. It was designed to help control inflation and, at the same time, to help those ~~who are~~ ^{hit} hardest by inflation and by the slack that has developed in some sectors of the economy.

Responsible restraint of government spending is an integral part of my economic program. Thus, I am grateful that both the House and the Senate ~~have clearly~~ ^{also} indicated agreement with the necessity to reduce government ~~expenditures~~ ^{spending.}

In my October 8 Message to the Congress, I pledged to ~~transmit~~ ^{forward} a package of proposed actions to reduce the 1975 budget. ~~I therefore~~ ^{at the same time,} asked the heads of Federal agencies to undertake a thorough review of 1975 expenditures. Today, I ~~want to report~~ ^{am reporting} on the results of this review and present my specific recommendations for reducing Federal outlays.

First, let me point out what is happening to the budget. When the current fiscal year began last July 1, budget outlays for the year were estimated ~~to be~~ ^{at} \$305.4 billion. Recent developments in the economy have ~~been adding~~ ^{added} to our expected expenditures. Specifically, increased aid to the jobless -- including the additional programs I



proposed last month -- has added \$2.7 billion to the budget. This increase is not only unavoidable, it is necessary ~~to~~ ^{to ease} ~~a means of easing~~ the burden on those ~~who are~~ most affected by current economic stress.

Interest rates are also up, so that interest on the public debt is now expected to be \$1.5 billion more than ~~the estimate~~ ^{last June's estimate.} last June. Veterans benefits ^{also} will ~~also~~ be higher.

However, estimated spending for the Defense Department's military programs has decreased by \$2.2 billion, largely as a result of Congressional action. Spending by the Environmental Protection Agency and the Department of Health, Education, and Welfare is also running below previous estimates.

Taking these developments into account, my present recommendations for \$4.6 billion of budget reductions will result in a budget total of \$302.2 billion. Although this exceeds the \$300 billion target I had set, you will note that it does so by less than the \$2.7 billion of very necessary increases in aid to the jobless. we?

The fiscal year 1975 budget actions by the Executive and the Congress since July 1, including those ~~known~~ ^{here,} proposed, can be summarized and compared to last year's actual expenditures as follows:



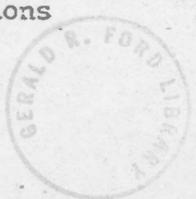
(fiscal years; dollar amounts in billions)

	<u>Defense</u>	<u>Interest on the public debt</u>	<u>Payments to individuals and grants¹</u>	<u>Other government</u>	<u>Total</u>
Actual 1974 expenditures.....	\$ 78.4	\$ 29.3	\$ 139.5	\$ 21.2	\$ 268.4
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Presently proposed levels for 1975.....	83.2	33.0	164.6	21.4	302.2
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1975: Percent change since July 1.....	-3%	+5%	-1%	-3%	-1%
1975: Percent change over 1974.....	+6%	+13%	+18%	+1%	+13%

¹ Nondefense.

With this Message I am also identifying possible further reductions amounting to over \$2.5 billion that the Congress may wish to consider, but which I cannot recommend. These additional reductions would bring budget spending to below \$300 billion.

The 1975 outlay estimates can be affected significantly by variations in income from oil lease sales on the Outer Continental Shelf. This income is treated in the budget as an offset to spending.



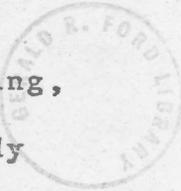
Appears only
in Tab A.

If the current schedule for lease sales is not met -- for environmental or other reasons -- or if the bids turn out to be significantly less than anticipated, outlays could increase further -- by \$3 billion or more.

The reductions I am ~~proposing~~ ^{propose} to the Congress will require a number of changes in basic legislation and in pending appropriations. I am also transmitting proposed rescissions and deferrals, as required by the Congressional Budget and Impoundment Control Act, to ~~achieve reductions in~~ ^{reduce} programs for which funds have already been appropriated. The rescissions would result in decreased outlays of \$_____ million in 1975 and \$_____ million in 1976. Deferrals would reduce 1975 outlays by \$_____ million and 1976 outlays by \$_____ million.

The reductions I am ~~proposing~~ ^{propose} focus on programs that have grown rapidly in recent years or that have been increased substantially over ~~the~~ budget proposals. In most cases, the level of 1975 outlays will be materially above actual spending last year. Even after the proposed cutbacks, Federal benefit payments to individuals and grants to State and local governments are estimated to reach \$164.6 billion, \$1.4 billion below the June estimate, but \$25 billion, or 18%, above actual spending last year.

While I am recommending further cuts in defense spending, I have ~~taken into account~~ ^{accounted for} the substantial reductions already made by the Congress. My current recommendation for defense spending is \$83.2 billion, \$2.6 billion below the June estimate. I believe that further cuts in defense spending would be unwise.



[Handwritten signature]

In determining which budget programs should be reduced, I have tried to ~~take actions to~~ eliminate the less essential and to overcome inequities. I have tried to avoid ~~these~~ actions that would add to unemployment or adversely affect those ~~who have been~~ hurt most by inflation.

Appears only in Tab A.

The additional \$2.5 billion in program reductions necessary to reduce outlays below \$300 billion would require action that many ~~will~~ ^{may} consider unrealistic or undesirable. ~~It is~~ ^F for this reason, ~~that~~ I am not recommending ~~these~~ ^{those} actions. But if the Congress wishes to reduce outlays further, I urge it to analyze the ~~list of~~ additional reductions I have identified. I will ~~be glad to~~ ^{gladly} cooperate with the Congress if it wishes to make further budget cuts.

I hope that the Congress and the Executive can work together rapidly and effectively toward the important goal of budget restraint.

THE WHITE HOUSE,

November , 1974.



Further Budget Cuts Not Recommended
(Outlays in millions)

	<u>1975 reduction</u>	<u>Effect on 1976</u>
Public works programs -- Defer new construction starts and land acquisition, slow project schedules and stop marginal projects:		
Corps of Engineers	112	250
Bureau of Reclamation	20	84
Transportation -- Defer 22% of Federal aid highway program	50	300
Environmental Protection Agency -- Rescind funds to reimburse municipalities for sewage facility construction build without any grant agreement or other Federal commitment to share the costs	100	---
HEW -- Rescind \$415 million for Title I of the Elementary and Secondary Education program ..	155	189
-- Decrease Vocational Rehabilitation matching rate for State grants from 80% to 75%	75	80
HUD -- Postpone start-up of the new community development program for six months to July 1, 1975	150	300
-- Withhold Model Cities funds carried over from 1974 and rely on 1975 funds and community development block grants	50	---
HUD and SBA -- Sell loan assets.....	400	---
Justice -- Defer \$241 million of LEAA grants	44	160



	<u>1975</u> <u>reduction</u>	<u>Effect</u> <u>on</u> <u>1976</u>
Labor -- Rescind increase over budget for Comprehensive Manpower Assistance	175	42
-- Enact legislation to terminate the Work Incentive program	125	320
Treasury -- Allocate General Revenue Sharing payments over an additional four quarters	888	1,905
VA -- Enact legislation to defer dividends under veterans life insurance programs effective January 1, 1975	160	344
All agencies -- Freeze grade promotions for federal and military personnel for 90 days	<u>40</u>	<u>---</u>
Totals	2,544	3,974



DRAFT MESSAGE

TO THE CONGRESS OF THE UNITED STATES:

That Last month I sent a 31-point economic program to the Congress.
~~The program that I submitted~~ was a balanced one. It was designed to help control inflation and, at the same time, to help those persons ~~who are hit~~ ^{hit} hardest by inflation and by the slack that has developed in some sectors of the economy.

Responsible restraint of government spending is an integral part of my economic program. Thus, I am grateful that both the House and the Senate ~~have clearly indicated~~ ^{also} agreement with the necessity to reduce government ~~expenditures~~ ^{spending}.

In my October 8 Message to the Congress, I pledged to ~~transmit~~ ^{forward} a package of proposed actions to reduce the 1975 budget. I therefore asked the heads of the Federal agencies to undertake a thorough review of 1975 expenditures. Today I ~~went to report~~ ^{am reporting} on the results of this review and present my specific recommendations for reducing Federal outlays.

First, let me point out what is happening to the budget. When the current fiscal year began last July 1, budget outlays for the year were estimated ~~to be~~ ^{at} \$305.4 billion. Recent developments in the economy have ~~been adding~~ ^{added} to our expected expenditures.



However, estimated spending for the Defense Department's military programs has decreased by \$2.2 billion, largely as a result of congressional action. Spending by the Environmental Protection Agency and the Department of Health, Education, and Welfare is also running below previous estimates.

Interest rates are up, so that interest on the public debt is now expected to be \$1.5 billion more than the estimate last June. Veterans benefits will also be higher.

However, the most significant change is the increased aid to the jobless -- including the additional programs I proposed last month -- that ~~has~~ added \$2.7 billion to the budget. This increase is not only avoidable, it is necessary as a means of easing the burden on those who are most affected by current economic stress.

Taking these developments into account, my present recommendations for \$4.6 billion of budget reductions will result in a budget total of \$299.5 billion before considering \$2.7 billion increased spending for aid to the unemployed. They represent a major effort at budgetary restraint. It would be unwise, in my view, to add ~~a~~ additional dollar ~~of~~ reductions for each dollar of increased aid to the unemployed.

The changes outlined above are summarized and compared to last year's actual expenditures in the following table.

Appears
only in
Tab B.



(fiscal years; dollar amounts in billions)

	<u>Defense</u>	<u>Interest on the public debt</u>	<u>Payments to individuals and grants¹</u>	<u>Other government</u>	<u>Total</u>
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¹ Nondefense.

The 1975 outlay estimates can be affected significantly by variations in income from oil lease sales on the Outer Continental Shelf. If the current schedule ^{of} lease sales for environmental or other reasons is not met, or if ~~the~~ ^{are} bids ~~turn out to be~~ ^{are} significantly less than anticipated, outlays could ^{further} increase ~~further~~ -- possibly by \$3 billion or more.



The reductions I ~~am proposing~~ ^{propose} to the Congress will require a number of changes in basic legislation and in pending appropriations. I am also transmitting proposed rescissions and deferrals, as required by the Congressional Budget and Impoundment Control Act, to ~~achieve reductions in~~ ^{reduce} programs for which funds have already been appropriated. The rescissions would result in decreased outlays of \$ _____ million in 1975 and \$ _____ million in 1976. Deferrals would reduce 1975 outlays by \$ _____ million and 1976 outlays by \$ _____ million.

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While I am recommending further cuts in defense spending, I have ~~taken into account~~ ^{accounted for} the substantial reductions already made by the Congress. My current recommendation for defense spending is \$83.2 billion, \$2.6 billion below the June estimate. I believe that further cuts in defense spending would be unwise.

In determining which budget programs should be reduced, I have tried to ~~take actions to~~ eliminate the unessential and to overcome inequities. I have also tried to avoid ~~these~~ actions that would add to unemployment or adversely affect those ~~who~~ ^{have been} hurt most by inflation.



The \$[4.6] billion budget outlay reduction I now propose ~~is~~
is not
~~not~~ ~~appear~~ large when compared with total Federal spending. Never-
theless, the Congress may find it difficult to agree with all my
proposals. I urge ^{*strongly*} the Congress to accept them. The decreases are
essential to demonstrate to the American people that the Federal
Government is working seriously to restrain the growth of its spend-
ing. They are also a start toward the critical goal of gaining
control over budgets in the future.

THE WHITE HOUSE,

November , 1974.



THE WHITE HOUSE

WASHINGTON

DRAFT MESSAGE

TO THE CONGRESS OF THE UNITED STATES:

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In my October 8 Message to the Congress, I pledged to ~~present~~ ^{forward} a package of proposed actions to reduce the 1975 budget. I therefore asked the heads of Federal agencies to undertake a thorough review of 1975 expenditures. Today I ~~want to report~~ ^{am reporting} on the results of this review and present my specific recommendations for reducing Federal outlays.

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Taking these developments into account, my present recommendations for \$4.6 billion of budget reductions will result in a budget total of \$302.2 billion. ~~Although~~ ^{but} this exceeds the \$300 billion target I had set, [^] you will note that it does so by less than the \$2.7 billion of very necessary increases in aid to the jobless.



The fiscal year 1975 budget actions by the Executive and the Congress since July 1, including those ~~herein~~ ^{here,} proposed, can be summarized and compared to last year's actual expenditures as follows:

(fiscal years; dollar amounts in billions)

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¹ Nondefense.



The 1975 outlay estimates can be affected significantly by variations in income from oil lease sales on the Outer Continental Shelf. This income is treated in the budget as an offset to spending. If the current schedule ~~of~~ ^{of} lease sales is not met--for environmental or other reasons-- or if the bids ~~turn out to be~~ ^{are} significantly less than anticipated, outlays could ~~increase further~~ ^{further} by \$3 billion or more.

The reductions I ~~am proposing~~ ^{propose} to the Congress will require a number of changes in basic legislation and in pending appropriations. I am also transmitting proposed rescissions and deferrals, as required by the Congressional Budget and Impoundment Control Act, to ~~achieve reductions~~ ^{reduce} ~~in~~ programs for which funds have already been appropriated. The rescissions would result in decreased outlays of \$___ million in 1975 and \$___ million in 1976. Deferrals would reduce 1975 outlays by \$___ million and 1976 outlays by \$___ million.

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governments are estimated to reach \$164.6 billion, \$1.4 billion below the June estimate, but \$25 billion, or 18%, above actual spending last year.

While I am recommending further cuts in defense spending, I have ~~taken into account~~ ^{accounted for} the substantial reductions already made by the Congress. My current recommendation for defense spending is \$83.2 billion, \$2.6 billion below the June estimate. I believe that further cuts in defense spending would be unwise.

In determining which budget programs should be reduced, I have tried to ~~take actions to~~ eliminate the less essential and to overcome inequities. I have tried to avoid ~~these~~ actions that would add to unemployment or adversely affect those ~~who have been~~ hurt most by inflation.

The \$4.6 billion budget outlay reduction I now propose ^{is} ~~does~~ not ~~appear~~ large when compared with total Federal spending. Nevertheless, the Congress may find it difficult to agree with all my proposals. ^{strongly} I urge the Congress to accept them. The decreases are essential to demonstrate to the American people that the Federal Government is working seriously to restrain the growth of its spending. They are also a start toward the critical goal of gaining control over budgets in the future.

THE WHITE HOUSE

November , 1974



THE WHITE HOUSE

WASHINGTON

November 25, 1974

MEMORANDUM FOR:

ROBERT HARTMANN ✓
JACK MARSH
BILL TIMMONS
RON NESSEN
DICK CHENEY

FROM:

~~ROY L. ASH~~

SUBJECT:

FY 75 Budget Reduction Materials
for 12:00 Noon Meeting with the
President

Attached for your information are the materials that will be considered at our 12:00 noon meeting today with the President.

Attachment

THE WHITE HOUSE
WASHINGTON

November 25, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

 ROY L. ASH

SUBJECT:

Draft FY 75 Budget Reduction
Message

Attached for your review is a draft of the FY 75 budget reduction message which incorporates the changes you suggested this afternoon.

Robert Hartmann's ideas have been included in this draft.

We can incorporate any changes that you desire up to 9:00 a.m. or 10:00 a.m. in the morning.

Attachment

cc: Mr. Hartmann ✓



THE WHITE HOUSE

WASHINGTON

DRAFT MESSAGE

TO THE CONGRESS OF THE UNITED STATES

Last month I sent a 31-point economic program to the Congress. That program was a balanced one, both dealing with the forces of inflation and anticipating the possibility of recessionary pressures. It was, and remains, my particular concern to help those hardest hit by inflation and by the slack that has developed in some sectors of the economy.

Responsible restraint of government spending is an integral part of my economic program. The Congress has publicly proclaimed its support of restraint. In June the Senate voted 74-12 in favor of legislation to hold Federal spending to \$295 billion. In September the Joint Economic Committee unanimously recommended holding spending to \$300 billion. Last month the House voted 329-20 for a budget target of the same level.

Soon after I took office I asked the heads of Federal agencies to undertake a thorough review of 1975 expenditures. In my October 8 Message to the Congress, I pledged to forward a package of proposed actions to reduce the 1975 budget. Today I am reporting on the results of this review and presenting my specific recommendations for reducing Federal outlays.



First, it is important to understand what has been happening to the budget. When the current fiscal year began last July 1, budget outlays for the year were estimated at \$305.4 billion.

Interest costs for Federal borrowing are now expected to be \$1.5 billion more than the estimate last June.

The Congress has also added to 1975 budget pressures. Congressional reductions in some programs have been more than offset by actions it has taken to increase spending in others. Particularly disappointing was the Congressional unwillingness to join with me in deferring for three months a Federal pay raise. This cost the taxpayers \$700 million. Equally discouraging was the passage by Congress over my veto of the Railroad Retirement bill costing \$285 million this year and \$7 billion over the next 25 years.

There have been some reductions in expected spending levels. The Environmental Protection Agency will spend less than planned because anticipated schedules for sewage treatment construction have not been met.

However, the most significant change is the increased aid to the jobless -- including the National Employment Assistance Act I proposed last month -- that added \$2.7 billion to the budget. This increase is necessary to ease the burden on those who are most affected by current economic stress.



Taking these developments into account, my present recommendations for \$4.6 billion of budget reductions will result in a budget total of \$299.5 billion before considering \$2.7 billion increased spending for aid to the unemployed. These recommendations represent a major effort at budgetary restraint. It would be unwise, in my view, to add additional dollar reductions for each dollar of increased aid to the unemployed.

The fiscal year 1975 budget actions by the Executive and the Congress since July 1, including those I now propose, are summarized and compared to last year's actual expenditures as follows:



(Fiscal years; dollar amounts in billions)

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Presently proposed levels for 1975 .	83.2	33.0	131.5	54.4	302.2
<hr/>					
1975: Percent change since July 1	-3.0%	+4.8%	+7%	-5.5%	-1.1%
1975: Percent change over 1974	+6.1%	+12.6%	+19.4%	+7.8%	+12.6%

¹Department of Defense, Military and Military Assistance.

²Nondefense



The 1975 outlay estimates can be affected significantly by variations in income from oil lease sales on the Outer Continental Shelf. This income is treated in the budget as an offset to spending. If the current schedule of lease sales is not met, for environmental or other reasons, or if the bids are significantly less than anticipated, outlays could further increase -- possibly by \$3 billion or more.

The reductions I propose to the Congress will require a number of changes in basic legislation and in pending appropriations. I am also transmitting proposed rescissions and deferrals, as required by the Congressional Budget and Impoundment Control Act, to reduce programs for which funds have already been appropriated. The rescissions would result in decreased outlays of over \$200 million in 1975. Deferrals would reduce 1975 outlays by over \$300 million.

Normally, funds are already being withheld when reports on rescissions and deferrals are transmitted to the Congress. Recognizing that these rescissions and deferrals are an integral part of a more far reaching and comprehensive proposal, I will not begin to withhold funds for the affected programs until December 16 although the law permits me to do so immediately.

The reductions I propose focus on programs that have grown rapidly in recent years or that have been increased substantially over budget proposals. In most cases, the



level of 1975 outlays will be materially above actual spending last year. Even after the proposed cutbacks, Federal benefit payments to individuals and grants to State and local governments are estimated to reach \$166.5 billion, \$0.3 billion below the June estimate, but \$26 billion, or 19%, above actual spending last year.

While I am recommending further cuts in defense spending, I have taken into account the substantial reductions already made by the Congress. My current recommendation for defense spending is \$83.2 billion, \$2.6 billion below the June estimate. I believe that further cuts in defense spending would be exceedingly unwise, particularly at this time.

In determining which budget programs should be reduced, I have tried to eliminate the less essential and to overcome inequities. I have tried to avoid actions that would unduly add to unemployment or adversely affect those hurt most by inflation.

The \$4.6 billion budget outlay reduction I now propose is not large when compared with total Federal spending. Nevertheless, the Congress may find it difficult to agree with all my proposals. I strongly urge the Congress to accept them and join with me in this belt tightening. The reductions are essential to demonstrate to the American people that the Federal Government is working seriously to restrain its spending. They are also a start toward the imperative of gaining control over budgets in the future.

