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March 29, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have signed H.R. 11665, a bill that will save the taxpayer \$75.8 million. These savings are small in comparison with our total Federal budget. However, we should be grateful when the Congress agrees to save any amount.

This \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion in budget rescissions. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made. However, if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' pitiful response to that rescission request.

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the total. This case is no exception. Congressional inaction on my rescission proposals will, over the next few years, lead to \$3 billion in Federal spending, which will either be collected from the taxpayer or added to our budget deficit.

If this were the only spendthrift action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. By failing to enact most of the rescissions I have proposed, the Congress has significantly eroded the potential savings. Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977.

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Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government, toward higher taxes and unnecessary Federal involvement in all our lives.

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