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FEDERAL SPENDING AND A TAX CUT

In recent weeks there has been a great verbal battle between the President and the Congress about who is to blame for the tremendous size of our Federal budget and why something isn't being done to cut spending and reduce taxes. I agree that Federal spending is getting out of hand and that there should be a substantial reduction with appropriate tax cuts. The Administration is not elaborating on just where they would like to see the $28 billion reduction in Federal expenditures. The record to date indicates that a great deal of these cuts would come in areas of human needs - retirement programs, vocational rehabilitation, education, water and air pollution control programs, agriculture supports, emergency employment, housing, to mention only a few. A tax cut of similar magnitude, according to the little information made available by the Administration, would benefit the corporations and special interests. Little consideration is being given to the poor and unemployed.

Reducing Federal expenditures is not easy. It means cutting back some popular programs, reducing duplication and cutting excessive paperwork. Recently, I suggested to my Colleagues in the Senate that we could reduce the budget by $28 billion. Our budget is too extravagant; the bureaucracy is top heavy. It is time we made a more concerted effort to eliminate waste and inefficiency. The Federal payroll of 2,903,351 civilian employees at a cost of $39,383,427,000 a year can be reduced substantially without affecting
anyone now employed. A quarter of a million Federal workers retire, resign or die each year and, quite frankly, there is no reason why each of these positions should be refilled. If we replaced only one of every two vacancies created by retirement, I am told that savings would be between $2 and $3 billion a year. Another area would be the gradual pullback of some of the hundreds of thousands of American troops stationed abroad. My views on this policy are well-known. It costs the Defense Department approximately $22 billion annually to maintain our troop commitments in Europe. Then, there is the question of the Defense budget as a whole; the question of building and deploying a missile cruise system at a price tag of $1.2 billion; the question of building, only to abandon, ABM systems and the like; the question of pushing forward the maneuverable warhead system - MARV - or of retaining a force too heavy at the top. Pending right now before the Senate are $7.6 billion in proposed Defense cuts. From the superfluous and exotic, from the waste and the fat and the unnecessary could be trimmed on top of that another $5 billion in Pentagon spending requests.

Foreign aid does not need to be as extensive and costly as it has been in the past. This year they are asking an extra $3 billion for the Middle East only. Yet, the Administration refuses to meet some of the serious domestic problems here at home.

Many of our Federal grant-in-aid programs need to be streamlined through more efficient and better management. If we take a serious look at cutting our Federal budget, I think we can do just exactly what the President suggests if we are all willing to set aside our special interests and tighten our belts just a little. In the area of tax reductions, I am pleased to report that the House Ways and Means Committee is making excellent progress in
putting together a new tax reform package. There are many tax exclusions, preferences and shelters well in need of repeal. The tax burden needs to be more equitably distributed. The middle-income American is assuming too much of the burden.

The operation of the Federal Government is a two-way street. I am confident that my Colleagues in the House and Senate will work closely with the President and his Administration in coming up with a realistic program of reduced Federal spending with some new tax reductions. Nothing will be accomplished by bickering or placing blame on others. The Democrats of Montana can be of great service in contributing to the constructive reform of our Nation's Federal spending and financial resources.