

(The information referred to follows:)

NATIONAL CHAMBER CALLS FOR \$5 BILLION SPENDING CUT

The Board of Directors of the National Chamber has called on Congress to cut at least \$5 billion from the Administration's request for \$144 billion in new spending authority for Fiscal 1968.

Noting that the Administration's 1968 budget requests mark an all-time high in Federal expenditures, the Board observed:

"While much of the increase is attributed to Viet Nam costs, increased spending is proposed for practically every other area of Federal activity as well. It is especially imperative, in this period of enlarged military outlays, that we trim other costs—by eliminating nonessentials, and postponing less essential programs."

FOLLOWS STUDY

The Board action followed an in-depth study and report on the 1968 budget by the Chamber's Government Operations and Expenditures Committee.

The Committee this year concentrated its examination on a limited number of important Government programs.

In carrying out this approach, the National Chamber enlisted the assistance of specialists in those areas selected for in-depth review. In addition, Chamber committees held special budget review sessions and an *ad hoc* Joint Task Force considered the Foreign Assistance program.

As a result of this scrutiny, the experts found, for example, that at least \$2.1 billion could be cut in six programs *alone* without impairing national needs. These included foreign aid, the poverty program, rural electrification, public health grants, education subsidies, and urban grant and loan programs.

In addition, the Board urged that Congress make a critical review of *all* spending programs, and based on the detailed information available to it, make cuts wherever programs can be dispensed with, deferred or delayed without harm to the national interest.

Said the Board statement:

"Recent Senate hearings produced an abundance of evidence of waste and ineffectiveness of costly Federal programs intended to help State and local governments.

"Many programs have been cited by Members of Congress as requiring careful scrutiny in an effort to reduce spending. For example, they have raised such questions as:

- Should the Federal Government finance research and development activities growing at a half a billion dollars a year, and reaching \$17 billion in fiscal 1968?
- Should we continue to spend over \$5 billion a year on the space program?
- Should a billion dollar pay raise for civilian and military employees be granted, notwithstanding the huge war costs and mounting Federal deficits?"

The Board noted that judicious pruning, while not easy, is important.

"The right decisions are not easy to make. But our economic well-being demands that they be made by Congress—and supported by the public—in time of war."

CUTS CAN BE MADE

The examination of several important programs made by the National Chamber refutes the idea that the budget is a barebones budget that cannot be cut.

The study revealed *examples* of possible reductions. Among them are these:

Office of Economic Opportunity (poverty programs)

Budget request.....	\$2, 042, 500, 000
Recommended reduction.....	354, 000, 000

The major programs designed to combat poverty continue to be characterized by the lack of reliable operational data. Conflicting costs-per-enrollee reports and unsupported claims of achievements create a credibility gap which with one or two exceptions, makes it impossible to reach an informed judgment as to whether the programs should be expanded, curtailed or discontinued.