

or \$183 billion, which would mean 15 percent reduction over the level of spending in the first 6 months, and do it in the next 6 months.

Mr. MAYO. We do always have a seasonal factor in the way the budget deficit or surplus runs in this country, largely attributable to the receipts side, of course. Our receipts are a little on the lean side, in the period from July to December, and are more ample in January through June.

Representative BROCK. I am aware of that. But I am talking about expenditures.

Mr. MAYO. Well, on expenditures, again the figures for the first 6 months do not lead us to believe that any cutback would be necessary to achieve the total for the year. Now, we talked earlier about my predecessor's statement that we could run at a higher rate in the next 6 months, and balance off a lower rate in the first 6 months and still come out at the figure shown in the budget. Both Mr. Cohn and I express some reservation as to whether we would come out quite that well. But I do not think that there would be any reduction in the rate of spending implicit in the budget for the remainder of this year.

Sam, what were the figures for the 6 months, July-December?

Mr. COHN. The first 6 months were \$93 billion out of the total of \$183.7 billion that was projected in the budget. I might add that that \$183 billion includes a large sum for farm price supports which are normally high in the first 6 months, and especially with the new computerized system I talked about, would be higher than usual in the first 6 months.

The dock strike was a factor that we hadn't considered at the time that earlier estimate was made.

A second factor that Director Zwick brought out before the committee a month ago was that the first 6 months contain a seasonally higher spending rate for Federal construction programs such as the highway program and the Corps of Engineers. Construction spending is usually higher in the first 6 months of the fiscal year than later in the fiscal year. So that there is some seasonality on the expenditure side, not as marked as on the revenue side, but there is a small one on the expenditure side. Therefore, \$93 billion in the first half of the year and \$91 billion roughly in the second half wouldn't be far from normal.

Representative BROCK. Then the figure of \$99 billion is incorrect?

Mr. COHN. I am looking at the monthly Treasury statement for December, and it comes to about \$93 billion for the first 6 months.

Representative BROCK. Thank you.

Let's talk about the action that the Congress took last year, and relate it to Mr. Reuss' question about priorities.

We imposed a budget ceiling regardless of the appropriation process. It could have been \$300 billion. We put a ceiling on total expenditures in an effort to reduce the impact of Federal spending. Is this over the long haul a rational approach? How do we balance the interest of the two directly related branches of the Government, the executive and the legislative, in terms of obtaining a sense of priorities and a sense of overall budget policy and its impact on the Nation's economy? Where does the primary responsibility lie in your mind? If it lies with the Congress, what specific areas can we attack in order to achieve a better balance of programing?