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NEW DIRECTIONS IN FEDERAL SPENDING----
BUDGET REDUCTIONS FOR FISCAL 1982



File

PREPARED BY
THE NATIONAL CONSERVATIVE FOUNDATION

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PREFACE

In his address to the Congress and the Nation on February 18, President Reagan, in his own words, "painted a grim picture" of the state of the American Economy. However, he also stated that "it is within our power to change this picture." Swift action is needed to turn back the tide of government spending and failed liberal economic policies. For this reason, The National Conservative Foundation (NCF) has compiled \$173 billion worth of propositions for slashing federal spending and thereby reducing federal control over the lives of the American people.

NCF's proposal is a synthesis of four budget-cutting studies. The four studies used were: Fat City, by Donald Lambro; A Proposal for Cutting the FY 1981 Budget, by the Honorable William E. Dannemeyer; Meeting America's Economic Crisis, from the National Tax Limitation Committee (NTLC); and Agenda for Progress, from the Heritage Foundation.

In Fat City, Lambro proposes elimination or severe reductions for "100 nonessential Federal programs." It is an excellent survey of some of the most outrageous waste in the Federal Government.

Congressman Dannemeyer's Proposal is a thorough program-by-program walk-through of the Federal Budget pointing out programs to be reduced and eliminated, and the resulting savings.

Meeting America's Economic Crisis from NTLC describes 83 specific "expenditure control opportunities" as well as 15 "generic problems and practices" which describe changes in general government procedures that would produce huge savings to the taxpayers.

Agenda for Progress examines the budget by function, with articles by renowned authors. More important than the net spending reduction of \$21 billion which it advocates is the approach it takes to make those recommended cuts. The authors' analyses offer an assessment of the philosophy backing government programs and offer free market alternatives.

In our proposal we attempted to combine the cuts from the other four plans. In cases where there were two or more recommendations for cutting the same agency, we chose the cut that produced the greatest savings. In some cases we deleted cuts that we felt might damage our vital national security interests.

Two of the plans, Fat City and the Dannemeyer Proposal were based on outdated Federal Budget figures. In all cases possible, we attempted to update these figures by adjusting them to the 1982 Carter Administration Budget Proposal.

After completing this process we were able to itemize \$173 billion in savings opportunities. Of course, not everybody will agree with many of these specific cuts. The important thing is to gain support for the idea that the budget can and must be greatly reduced. This proposal has been designed to put as many of these suggestions as possible on the agenda for consideration in order to produce the greatest amount of savings for the American taxpayer.

Of course, the cries of special interest groups may drown out the calls for fiscal sanity. But, after two years of double-digit inflation and soaring interest rates, who can deny the need to bring federal spending under control?

The Reagan Administration cuts are a great beginning, but they do not go far enough. They are still leaving un-

touched billions of dollars of federal fat. In this proposal there are no "sacred cows." It is NCF's belief that if a program is either wasteful, ineffective or unnecessary, then it should be reduced or eliminated--no matter how popular that program may be.

The outcome of the 1980 election clearly demonstrated that the American people have had enough--enough of inflation, high taxes, high interest rates and reckless government spending. The challenge has been given and it is now up to our democratic institutions to carry out the will of the people.

Source footnotes are as follows: (4) Representative Dannemeyer's Proposal; (5) Agenda for Progress; (6) Fat City; and (7) Meeting America's Economic Crisis (NTLC).

SUMMARY OF BUDGET CUTS--BY DEPARTMENT

	(\$ Thousands)
LEGISLATIVE BRANCH	\$ 19,313
EXECUTIVE BRANCH	\$ 16,084
FUNDS APPROPRIATED TO THE PRESIDENT	\$ 1,610,208
AGRICULTURE	\$ 9,650,814
COMMERCE	\$ 2,073,259
DEFENSE	\$ 25,096,665
EDUCATION	\$ 2,707,176
ENERGY	\$ 16,464,549
HEALTH AND HUMAN SERVICES	\$ 12,702,061
HOUSING AND URBAN DEVELOPMENT	\$ 9,867,048
INTERIOR	\$ 679,930
JUSTICE	\$ 616,238
LABOR	\$ 7,826,718
STATE	\$ 643,299
TRANSPORTATION	\$ 5,594,551
TREASURY	\$ 9,262,981
EPA	\$ 4,407,766
NASA	\$ 2,506,170
VETERANS' ADMINISTRATION	\$ 9,122,000
OTHER INDEPENDENT AGENCIES	\$ 8,554,329
MISCELLANEOUS ACTIONS	\$ 43,946,372
TOTAL	<u><u>\$173,367,531</u></u>

Reductions are suggested in outlays (spending) because this is the best understood measure of Federal Government financial activity and it avoids the variety of technical measures that confuse and hide the real impact of programs. The reductions identified show the effect of a full year's savings. This level may not always be achieved in the first year of termination

because of payment of prior year bills and entitlements; however, the Reagan Administration is urged to take immediate impoundment actions in 1981 to make sure that these savings develop quickly so that the nation can get the benefits of reduced government as fast as possible.

LEGISLATIVE BRANCH

	SIZE OF RECOMMENDED CUT (\$ Thousands)
<u>ARCHITECT OF THE CAPITOL: SALARIES</u>	
Limits salary increases to 10 percent above FY'81 outlays. 4	\$ 203
<u>HOUSE AND SENATE GYMNASIUMS</u>	
Eliminates the expensive and excessive perquisites of athletic clubs and massages. 6	\$ 212
<u>AUTOMATIC ELEVATOR OPERATORS</u>	
Eliminates patronage positions now held by persons who push the automatic buttons in Congressional elevators. 6	\$ 893
<u>CAPITOL POLICE</u>	
Cut budget by 25 percent. This force of 1200 is larger than Atlanta's or San Diego's, and includes officers on loan from the District of Columbia. Loaned officers are paid more than twice the average Capitol officers. 6	\$ 5,500
<u>CONGRESS' FLORIST SERVICE</u>	
Eliminates Congressional office allowances for the personal florist services and plants of the U.S. Botanical Garden. 6	\$ 40
<u>OTHER LEGISLATIVE BRANCH AGENCIES--OFFICE OF TECHNOLOGY ASSESSMENT</u>	
Eliminates this agency, often criticized for duplicating the services of Congress' main research organizations. 4,6	\$ 12,465

EXECUTIVE BRANCH

<u>COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE ON ENVIRONMENTAL QUALITY</u>			(\$ Thousands)
Eliminates both; EPA performs same functions.	4,6	\$	3,668
<u>COUNCIL ON WAGE AND PRICE STABILITY</u>			
Eliminates wasteful, unproductive body.	4,6	\$	4,448
<u>OFFICE OF MANAGEMENT AND THE BUDGET</u>			
Trims operations to encourage efficiency.	4	\$	6,512
<u>OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE</u>			
Curb efforts to promote our exports, particularly high technology, to Communist Bloc nations.	4	\$	1,456

FUNDS APPROPRIATED TO THE PRESIDENT

<u>APPALACHIAN REGIONAL DEVELOPMENT PROGRAM</u>	(\$ Thousands)
Resurgent economy reduces the need for federal involvement. 4	\$ 26,096
<u>FOREIGN ASSISTANCE-INTERNATIONAL ASSISTANCE FOR MILITARY SALES CREDIT</u>	
The U.S. has failed to recover payments due for financial or operational services. The GAO has cited numerous management improvements. 7	\$ 150,000
<u>FOREIGN ASSISTANCE--INTERNATIONAL DEVELOPMENT ASSISTANCE --INTERNATIONAL DEVELOPMENT ASSOCIATION</u>	
Many of the funds appropriated to the IDA have been wasted. Projects extravagantly overdesigned and badly supervised. Also the IDA has approved loans to such human rights violators as Vietnam and Bokassa's Central African Empire. 4,6	\$ 703,576
<u>--ASIAN DEVELOPMENT BANK</u>	\$ 9,771
<u>--AFRICAN DEVELOPMENT FUND</u>	\$ 3,000
As worthwhile as these programs may be, our main responsibility should be getting the U.S. economy out of trouble. 4	
<u>--AFRICAN DEVELOPMENT BANK</u>	
Another program which we simply cannot afford in view of our current domestic situation. 4	\$ 8,993
<u>--INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT</u>	
Domestic agricultural problems must take priority over foreign agricultural programs. 4	\$ 12,500
<u>INTERNATIONAL ORGANIZATIONS AND PROGRAMS</u>	
Eliminate funding for the U.N. Development program, to offset the U.N.'s anti-American, anti-peace attitudes. 4	\$ 145,000
<u>--AGENCY FOR INTERNATIONAL DEVELOPMENT-GRANTS AND LOANS</u>	
Much of this aid is misused by the recipient government or is consumed simply in lieu of borrowing from abroad. 7	\$ 350,000
<u>FUNCTIONAL DEVELOPMENT ASSISTANCE</u>	
Programs to alleviate domestic problems should take priority over foreign assistance programs to countries that are often anti-American. 4	\$ 7,499
<u>SAHEL DEVELOPMENT PROGRAM</u>	
Slow spending suggested until stability of both this region and our finances can be ensured. 4	\$ 23,512
<u>INTERNATIONAL DEVELOPMENT COOPERATION AGENCY--OPERATING EXPENSES</u>	
This program is afflicted with redundancy, inefficiency, poor procurement practices and inadequate monitoring. 7	\$ 115,000

PEACE CORPS

The popular image of this program far transcends its actual value. In many cases, Peace Corp idealists promote Third World interests at the expense of the U.S. 4

(\$ Thousands)
\$ 25,221

INTERNATIONAL COMMODITY AGREEMENTS

This country should not have to subsidize the world's rubber supply. 4

\$ 30,040

DEPARTMENT OF AGRICULTURE

<u>DEPARTMENTAL ADMINISTRATION</u>	(\$ Thousands)
Implement cost containment. 4	\$ 4,632
 <u>USDA EXTENSION SERVICE</u>	
Eliminates Extension Service programs directed to homeowner. The private sector provides ample information on "lawns, home gardens and house plants." The Extension Service must become a more modest but targeted program geared solely to agricultural problems and farmers. 6	\$ 250,000
 <u>ECONOMIC RESEARCH SERVICE</u>	
Provides economic and market research which primarily helps big agriculture-related industries. These concerns would do this for themselves if it weren't already being done at taxpayers expense. 6	\$ 105,390
 <u>WORLD FOOD AND AGRICULTURE OUTLOOK AND SITUATION BOARD</u>	
Many of these foreign programs duplicate other overseas activities. 4	\$ 365
 <u>FOREIGN AGRICULTURAL SERVICE</u>	
The Agriculture Department doesn't require separate offices in Warsaw, Peking, Moscow and other distant sites, but should function as an adjunct of the embassy or consulate offices. 4	\$ 3,481
 <u>OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT-- SALARIES</u>	
Salary increases are too high. 4	\$ 3,483
 <u>FOREIGN ASSISTANCE PROGRAMS</u>	
Much aid is misused by the recipient governments or consumed in lieu of borrowing from abroad. The U.S. has little control over the funds, which are distributed through numerous international agencies. 7	\$ 480,000
 <u>FEDERAL CROP INSURANCE</u>	
Reduce crop insurance subsidy to 25 percent and eliminate disaster payments. The program has been misused and has led to the bad resource use of crops being planted on land that is disaster-prone. 5	\$ 90,000
 <u>PRICE SUPPORT AND RELATED ACTIVITIES</u>	
<u>--DEFICIENCY PAYMENTS</u>	
Cut by half the FY 1982 budget outlays for deficiency payments. The program increases average farm income by adding many dollars to those already well-off and adding little or nothing to those of lower income. 5	\$ 432,000

<u>--DISASTER PAYMENTS</u>		(\$ Thousands)
Eliminate program. The Agriculture Department has proposed a nationwide crop insurance program that would merge the Low Yield Disaster Payment and Federal Crop Insurance Act programs. 5	\$	407,000
<u>--INTEREST RATES ON COMMODITY CREDIT CORPORATION LOANS</u>		
The government should charge one percent above what the Treasury charges CCC for these loans rather than nine percent. 5	\$	200,000
<u>--DAIRY PROGRAM</u>		
Reduce from 80 percent of parity to 75 percent the required level of price support. Eighty percent of parity is higher than what would otherwise be the market price. 5	\$	300,000
<u>--PAYMENT LIMITATION</u>		
Reduce the payment limit on how much a farmer may receive under commodity programs from \$50,000 to \$10,000. This will reduce government's bias toward big farms and thus slow the absorption of smaller farms. 5	\$	100,000
<u>GRAIN RESERVE</u>		
Congress has not used its present humanitarian relief authority to the fullest and it is likely that a new food security reserve will supplement other inefficient food aid programs. 7	\$	359,000
<u>FARMER'S HOME ADMINISTRATION</u>		
<u>--RURAL HOUSING FOR DOMESTIC FARM LABOR</u>		
Size of proposed increase is not justified. 4	\$	5,129
<u>--RURAL DEVELOPMENT INSURANCE FUND</u>		
This program develops EPA-style projects in rural areas. Reduce this low priority expenditure. 4	\$	42,813
<u>--AGRICULTURAL CREDIT</u>		
Reduce by half the total commitment to guarantee new loans, and the limits for both insured and guaranteed farm ownership and farm operating loans. These moves will direct more of the agency's efforts to those in real need and will scale back the program's growth rate. Most importantly, it will reduce government competition with the private sector. 5	\$	1,865,000
<u>AGRICULTURAL MARKETING SERVICE</u>		
<u>--COST OF INSPECTING, CLASSIFYING AND GRADING COTTON AND TOBACCO</u>		
The government is paying for grading, classing and inspecting cotton and tobacco, although agricultural industries must pay for the costs of these services. 6	\$	13,700

FOOD NUTRITION SERVICE--FOOD STAMP PROGRAM

(\$ Thousands)

\$ 1,638,000

A return of purchase requirements as well as re-vamped eligibility requirements and crackdown on fraud will allow a cut in spending without depriving the truly needy. 7

SCHOOL LUNCH PROGRAM

Substantial benefits are enjoyed by middle and upper-income students because of school lunch subsidies. School lunch subsidies are not targeted to children from low income families. Reduce these subsidies. 7

\$ 1,150,000

SPECIAL SUPPLEMENTARY FOOD PROGRAM (WIC)

With increased nutritional awareness and a declining birth rate, this program should stabilize if not diminish, not considerably increase. 4

\$ 67

FOOD STAMP-SCHOOL LUNCH OVERLAP

Current calculations for allotments of food stamps do not include the value of federally subsidized school lunches, causing a substantial overlap in both programs. 7

\$ 600,000

ACQUISITION OF LAND

The government certainly should not acquire more land. Control of federal lands should be given to local governments better suited to make judgments about its most efficient use. 5

\$ 754

FARMER'S HOME ADMINISTRATION

Terminate direct and guaranteed loans for rural housing. The return of capital invested in owner-occupied housing is only about half that earned in the economy's corporated sector. Government activities which reduce the interest rate mortgage borrowers must pay are inefficient. 5

\$ 1,600,000

COMMERCE DEPARTMENT

<u>ECONOMIC DEVELOPMENT ASSISTANCE</u>		
<u>--SALARIES AND EXPENSES</u>		(\$ Thousands)
A cutback in this program should be accompanied by curbing exorbitant increases in operating costs.		\$ 2,280
<u>ECONOMIC DEVELOPMENT ADMINISTRATION</u>		
An inadequate and ineffective program with a large government overhead cost. Economic development would be better served if the money was left in the marketplace for use in private sector development or programs like the Urban Jobs-and-Enterprise Zones Act. 6		\$ 676,550
<u>REGIONAL DEVELOPMENT PROGRAMS AND COMMISSIONS</u>		
Eliminate these ineffective programs and commis- sions. 4,6,7		\$ 32,947
<u>PROMOTION OF INDUSTRY AND COMMERCE</u>		
<u>--INTERNATIONAL TRADE ADMINISTRATION</u>		
The Federal Government should not be in the business of selling business. 4		\$ 73,056
<u>INTERNATIONAL TRADE ADMINISTRATION-TOURISM</u>		
U.S. Airline industry spends over \$300 million in advertising and \$40 million in promotions. This government expenditure is unnecessary to promote travel to the U.S. 6		\$ 3,000
<u>INDUSTRIAL AID TO CHRYSLER</u>		
Major industrial loans by the Federal Government tend to delay the transfer of economic resources to more productive activities through the market system. 7		\$ 500,000
<u>MINORITY BUSINESS DEVELOPMENT AGENCY</u>		
A more effective means of helping minorities in small business would be to help small business in general by cutting taxes and regulation. Reduce fraud and waste in this program, according to GAO guidelines. 6,7		\$ 61,980
<u>SCIENCE AND TECHNOLOGY</u>		
<u>--RESEARCH SERVICES</u>		
The requested increase in funding is exorbitant.		\$ 18,668
<u>NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION</u>		
Eliminate this program. It is redundant and its functions should be under the auspices of one of the other communications agencies. 4		\$ 39,578
<u>MARITIME ADMINISTRATION</u>		
Eliminate subsidies for the construction of U.S. flagships in our shipyards and for the operation of flagships. Transportation could and should be purchased in the cheapest market, foreign built ships operated with foreign crews. 5,6,7		\$ 665,200

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

--MILITARY COMPENSATION (\$ Thousands)
\$ 2,690,000

Savings achieved as follows: rollback of last decades' overgrading (\$1.0 billion); change to a salary system (\$1.6 billion); elimination of unearned Social Security Tax Credit (\$90 million). Should probably not view this as a net savings, but as major offsets against cost of selectively upgrading pay and benefits. 7

--PROPOSED MILITARY PAY AND BENEFIT INCREASES \$ 3,000,000
Target hikes to achieve proper personnel mix; savings compare with unfocused, universal increases in salaries and benefits. 7

MILITARY PERSONNEL--ARMY

Eliminate personnel slots retained after support functions have been transferred, as recommended by GAO. 4 \$ 25,000

--AIR FORCE

Reduce active duty personnel requirements for strategic airlift crews, as recommended by GAO. 4 \$ 105,000

--NATIONAL GUARD--ARMY

Eliminate undeserved payments to reserve guardsmen for drills not attended. 4 \$ 744

--PROGRAM-WIDE

Incorporate various cost-reducing measures, new clothing allowance methodology, overseas housing allowance, civilian substitutes, assigned to recreation and welfare activities, accelerated discharges for adverse reasons, and other GAO recommended reductions. 4 \$ 259,300

PROGRAM-WIDE

--DUAL PAY FOR RESERVISTS WHO ARE FEDERAL EMPLOYEES \$ 375,000
End practice of paying both civilian and military wages. Most private sector reservists are allowed only to receive the greater of the two. 7

RETIRED MILITARY PERSONNEL

--DOUBLE DIPPING \$ 1,000,000
Retired military collect two government checks by staying on federal payroles as civilians. Double dipping should be phased out and 20-year military retirement should be ended. 6

OPERATIONS AND MAINTENANCE

Cuts may be made in the following areas:

--MILITARY COMMISSARIES AND EXCHANGES \$ 710,000
The taxpayers should not have to subsidize this unnecessary fringe benefit. Commissaries and exchanges should cover their own operational costs. 6

	(\$ Thousands)
<u>--MILITARY RECREATIONAL FACILITIES</u> The Defense Department maintains golf courses, boating marinas, stables, etc. for the morale and recreation of military personnel. The DOD needs to examine the availability of local recreational facilities or methods of raising money through fees to offset the cost of these expensive facilities. 6	\$ 301,000
<u>--PENTAGON'S "TOP BRASS" DINING ROOMS</u> It is unnecessary and frivolous to subsidize food prices for top military personnel. Ending this practice would demonstrate the Defense Department's commitment to ending wasteful spending. 6	\$ 2,000
<u>--MILITARY SERVANTS</u> The practice of using enlisted men as servants for military offices is an outrageous waste of military manpower and tax dollars. If officers really need maids and gardeners, they should hire them. 6	\$ 4,500
<u>OPERATION AND MAINTENANCE--ARMY</u> Improve efficiency in general, utilize excess available parts in lieu of repairing broken ones, consolidate finance and accounting centers of Military Traffic Management Command, eliminate fraud and mismanagement in the Military District of Washington Finance and Accounting Office, improve property controls, and other measures advocated by GAO. 4	\$ 589,081
<u>--MARINE CORPS</u> Reduce the overlap between Marine logistics functions and reliance on other defense integrated logistics managers. 4	\$ 7,500
<u>--AIR FORCE</u> Improve efficiency and cut waste, eliminate second (supplementary) computer system at bases used for administrative purposes only, improve inventory management at logistics centers, centralize aircraft component repair service--all GAO recommendations. 4	\$ 1,094,000
<u>--DEFENSE AGENCIES</u> Eliminate erroneous CHAMPUS claims. 4	\$ 12,000
<u>--AIR FORCE RESERVE</u> Improve logistics management, according to GAO recommendations. 4	\$ 278,700
<u>--NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE</u> Eliminates this inappropriate government activity of marksmanship training and contests. The Defense Department itself selected the board for termination when it conducted its own zero-based budget review. 4,6	\$ 500

--CURRENT CONFIGURATION OF MILITARY BASES (\$ Thousands)
 Unneeded military bases should be closed and other facilities consolidated in order to achieve desirable economies of scale provided that they do not significantly reduce strategic capabilities. 7 \$ 1,000,000

--PROGRAM-WIDE
 Cuts costs by standardizing aircraft ground service equipment and DOD software computer systems. 4 \$ 312,870

PROCUREMENT

--SHIPBUILDING AND CONVERSION
 Improve management of shipbuilding contracts and reduce costs of hydrofoil missile ships, according to GAO. 4 \$ 774,961

--DEFENSE AGENCIES
 Improve inventory management in Defense Logistics Agency medical supply system, according to GAO recommendations. 4 \$ 10,000

--OTHER PROCUREMENT
 Eliminate delays in definitizing Army and Navy letter contracts, consolidate Defense Contract Administration Service management areas (Cincinnati and Dayton, Ohio), and minimize questionable split award and survivor awards, all GAO recommendations. 4 \$ 8,410

DEPARTMENT-WIDE

A reserve carryover amount is listed each year as unobligated balance, which is available to be expended the succeeding year. Many program costs can be funded from this account but there has been a trend toward building this reserve amount instead of expending it, with the result that the unobligated balance grows larger each year (with few exceptions); eliminate the excess (end-of- FY'81 less end-of-FY80) of unobligated balance available at the end of FY '81. This will not affect obligated but unexpended funds. 4 \$ 2,405,099

--WEAPONS SYSTEMS ACQUISITION PROCEDURES
 Encourage competition and cost control in weapon systems acquisition. 7 \$ 5,000,000

--PREMATURE COMMITMENT TO UNPROVEN WEAPON SYSTEMS
 Greater use of test results should be encouraged. 7 \$ 131,000

COST-SHARING ARRANGEMENTS WITH MILITARY PARTNERS

Existing military cost-sharing arrangements are unrealistic and place an unreasonably heavy burden on U.S. resources. 7

(\$ Thousands)
\$ 5,000,000

DEPARTMENT OF EDUCATION

<u>OFFICE OF ELEMENTARY AND SECONDARY EDUCATION</u>	(\$ Thousands)
Begin phase-out of the program, holding FY'82 outlays to the FY'81 level. 5	\$ 621,000
<u>IMPACT AID TO EDUCATION-"B" CATEGORY</u>	
This form of aid is inequitable because it goes to both rich and poor school districts alike. Some of these districts receiving aid are no more adversely affected by the presence of federal activities than other districts. 5,6,7	\$ 356,000
<u>INDIAN EDUCATION</u>	
Eliminate inappropriate funding by the Federal Government. States with Indian populations show no sign of needing federal support to supply quality education. Originally, it directed aid to the territory of Alaska. There is no need to subsidize this wealthy state. 5	\$ 332,000
<u>OFFICE OF SPECIAL EDUCATION AND REHABILITATION SERVICES--REHABILITATION SERVICES AND RESEARCH</u>	
Eliminate National Council on the handicapped, an advisory body which can exist in a voluntary capacity; cut basic state grants due to decreased caseload. 4	\$ 85,656
<u>OFFICE OF VOCATIONAL AND ADULT EDUCATION</u>	
Begin phase-out of the program, holding FY'82 outlays to the FY'81 level. As in the case of elementary and secondary education, much of this program's federal financing requires a greater role by state educational agencies in allocating funds for local area vocational training. 5	\$ 155,000
<u>OFFICE OF POSTSECONDARY EDUCATION--STUDENT FINANCIAL ASSISTANCE</u>	
Expand collection efforts and tighten restrictions to achieve better cash management, according to GAO; cut 10 percent from FY'82 outlays. 4	\$ 394,590
<u>STUDENT LOAN INSURANCE</u>	
Limit federal role to FY'81 level, and in the future gradually reduce to zero. While phasing out all loan programs, structural changes are necessary. These include: loans be made directly to students--not schools; loans should be set at market rate of interest; following graduation, full repayment is due, including all accrued interest. 5	\$ 231,000
<u>HIGHER AND CONTINUING EDUCATION</u>	
Cut waste, eliminate special programs for the disadvantaged--acknowledged by GAO as a failure. Eliminate developing institutions funding, which does not develop schools or enhance learning by minority students. 5	\$ 300,000

HIGHER AND CONTINUING EDUCATION- SPECIAL INSTITUTIONS

(\$ Thousands)

Hold outlays to FY'81 level with the ultimate intent of eliminating all federal funding. 5

\$ 34,000

DEPARTMENTAL MANAGEMENT--SALARIES AND EXPENSES

Allow 10 percent increase above FY'81 outlays. Proponents argued the new department would cost less on its own--but education sought a 42 percent increase in administrative costs in FY 1981. 4

\$ 8,112

INSTITUTE OF MUSEUM SERVICES

Museums should be supported by the communities they serve. Financial assistance should be provided voluntarily by philanthropists, foundations and corporations. If public support is necessary it should come from local governments that know the needs of the community better. 6

\$ 15,000

BILINGUAL EDUCATION PROGRAM

One of the main goals of this program is to help English-speaking students gain competency in the English language. It has instead had the effect of developing in these students dependency on their native language that may block their future educational or occupational success. 6

\$ 174,818

DEPARTMENT OF ENERGYENERGY PROGRAMS--ENERGY SUPPLY

	(\$ Thousands)
<u>--RESEARCH AND DEVELOPMENT</u>	
Should be restricted to Research and Development only. Promotion and market stimulation should be left in private hands. 4	\$ 346,014
<u>--RESEARCH AND DEVELOPMENT-DEMONSTRATION AND APPLICATIONS</u>	
Reduce drastically the R & D implementation budget. While R & D is worthwhile, national security provides a better reason for government involvement in nuclear energy than other energy sources. Demonstration and application projects are vulnerable to political influence, since the programs focus on what Congress would like to see commercialized. 5	\$ 910,000
<u>--SYNFUELS CORPORATION</u>	
Bureaucratic interference, porkbarrel justifications of projects, and avoidance of the oil industries' knowledge and experience indicate that the corporation will not be able to make significant technological breakthroughs or other contributions in proportion to its cost. 7	\$ 8,000,000
<u>CONSERVATION</u>	
Cut all but \$250,000 to be spent for technology development. This will allow continuing some existing programs and facilitate their transfer to the private sector. The rest of the conservation budget will cost more than it will return. 5	\$ 2,244,000
<u>--SOLAR, BIOMASS, GASOHOL, AND CONSERVATION</u>	
Price incentives are present to such a degree that business and consumers will pursue cost-effective energy programs on their own without government subsidies. 7	\$ 1,700,000
<u>STRATEGIC PETROLEUM RESERVE</u>	
Terminate this program. It cannot be justified based upon realistic expectations regarding future embargoes. Other drawbacks include: large expected cost; uncertain construction schedule; uncertainty about how DOE would use the stored oil in another embargo situation. 5	\$ 2,926,000
<u>--ENERGY INFORMATION ADMINISTRATION</u>	
One of the numerous federal agencies that generate statistics used for increased regulation. 4	\$ 35,135
<u>ECONOMIC REGULATORY ADMINISTRATION</u>	
Abandon this agency responsible for price and allocation regulations and the development of a standby gasoline rationing plan. It makes no sense to spend taxes designing a system that will misallocate resources. 5	\$ 134,000

--FEDERAL ENERGY COMMISSION

Eliminate multi-source regulation, gas oil regulation and licensing function. 4

(\$ Thousands)
\$ 63,905

DEPARTMENTAL ADMINISTRATION--INFORMATION, POLICY AND REGULATION

Most of its functions are redundant. 4

\$ 105,495

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH PROGRAMS

	(\$ Thousands)
<u>--FOOD AND DRUG ADMINISTRATION</u>	\$ 50,576
Agency has contributed heavily to the controversy over sacharin, cyclamates, nitrates, laetrile, et cetera. 4	
<u>--HEALTH SERVICES ADMINISTRATION</u>	\$ 312,825
Eliminate much waste by issuing block grants to states rather than fund individual programs. 4	
<u>--CENTER FOR DISEASE CONTROL 4</u>	\$ 44,391
<u>--OFFICE OF SMALLPOX ERADICATION</u>	\$ 1,200
One case of smallpox has been reported in this nation in the last 34 years. Having achieved the organizational goal, there is little justification for continuing it. 6	
<u>--NATIONAL INSTITUTES OF HEALTH</u>	\$ 500,000
Research for NIH has been duplicative and undersupervised. 7	
<u>--CAPITATION GRANTS TO MEDICAL SCHOOLS</u>	\$ 70,000
For 20 years Congress has subsidized medical schools in order to encourage or maintain enrollments. Now, despite a doctor surplus, grants are still authorized. 7	
<u>OFFICE OF ASSISTANT SECRETARY</u>	
<u>--PRESIDENT'S COUNCIL ON PHYSICAL FITNESS</u>	\$ 1,300
Has not really contributed in any significant way to physical fitness of the American public. There are local, state, and national groups sufficient to promote interest in fitness. 6	
<u>OTHER HEALTH PROGRAMS</u>	
<u>--HEALTH CARE FINANCE ADMINISTRATION</u>	\$4,677,269
This program has been filled with fraud, inefficient management, redundancy, and waste from failure to cap the minimum requirements standards. 4	
<u>--MEDICAID FORMULA ADJUSTMENT</u>	\$2,500,000
Federal payment to states for Medicaid should employ a flat rate, since the average income formula does not take into account cost-of-living differences. 7	
<u>--FEDERAL HOSPITAL INSURANCE TRUST FUND</u>	\$ 165,585
Consolidate intermediary and carrier functions; make procurement prices competitive; eliminate separate maintenance carrier for railroad retirees.	

HEALTH AND HUMAN SERVICES, CONTINUED

(\$ Thousands)

--FEDERAL HOSPITAL INSURANCE TRUST FUND, CONTINUED

Eliminate duplication of payments to veterans already covered under V.A., as recommended by GAO. 4 \$ 165,585

--MEDICAL REIMBURSEMENTS FOR KIDNEY DIALYSIS TREATMENTS

The nationwide lid on reimbursement levels is too easily broken, providing a weak incentive to hold down costs. 7 \$ 170,000

SOCIAL SECURITY ADMINISTRATION--SUPPLEMENTARY SECURITY INCOME

Eliminate windfall benefits to SSI recipients and erroneous payments. 4 \$ 356,000

--CHANGES IN SOCIAL SECURITY

Eliminate minimum benefits provision, tighten control on student benefits; correct overpayments. Provide for a lump sum death benefit; increase retirement age; stop survivor benefits as children reach age 16 or 17, and mandate universal coverage. 4,7 \$2,480,000

--DISABILITY INSURANCE TRUST FUND

Tighten disability eligibility. 4 \$ 75,000

--ASSISTANCE PAYMENT PROGRAM

Standardize minimum requirements and tighten control to check fraud and abuse in this program. 4 \$ 670,945

--REFUGEE ASSISTANCE

Eliminate erroneous costs charged under Indochinese Refugee Assistance. 4 \$ 852

HUMAN DEVELOPMENT SERVICES--SOCIAL SERVICE AND CHILD WELFARE GRANTS

Includes funding for state and local programs to train and assist people to be self-sufficient. Obviously, it has been ineffective and should be reduced. \$ 75,000

--EDUCATION (HEAD START)

Questionable value due to redundant programs. 4 \$ 163,500

--WORK INCENTIVES

Federal make-work projects for those on AFDC have done little to get them off the dole. 4 \$ 384,982

DEPARTMENTAL MANAGEMENT--OFFICE OF CONSUMER AFFAIRS

Many of its activities are redundant and frivolous and have not justified their costs. 4,6 \$ 2,636

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

	(\$ Thousands)
<u>--SUBSIDIZED HOUSING</u>	\$ 781,300
Achieve better efficiency in contractual commitments. According to GAO, funds have been over-committed because of contract inaccuracies. 4	
<u>--PAYMENTS FOR OPERATION OF LOW--INCOME HOUSING PROJECTS</u>	\$ 363,560
Reduce this unsuccessful program, which has failed socially, demographically and financially, Cut 20 percent from FY 1981 outlays. 4	
<u>--CONGREGATE SERVICES PROGRAM</u>	\$ 5,300
Eliminate this pilot housing project designed to evaluate services.	
<u>--TROUBLED PROJECTS OPERATING SUBSIDY</u>	\$ 24,910
Program has sought unwarranted increases, allow 10 percent over FY 1981. 4	
<u>--FHA--NEW DIRECT LOANS AND NEW LOAN GUARANTEES</u>	\$5,641,000
The FHA should cease making new FHA-insured loans. Government interference in the housing capital market leads to inefficient use of scarce investment capital. 5	
<u>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</u>	
<u>--SPECIAL ASSISTANCE FUNCTIONS FUNDS</u>	\$ 22,700
Improve accounting procedures for single-family home mortgages, according to GAO. 4	
<u>--EMERGENCY MORTGAGE PURCHASE ASSISTANCE</u>	\$ 500,000
Improve servicing of multi-family mortgages and provide incentives for prompt payment, along GAO guidelines. 4	
<u>COMMUNITY PLANNING AND DEVELOPMENT</u>	
<u>--COMMUNITY DEVELOPMENT GRANTS</u>	\$1,723,500
Eliminate this wasteful program which has few eligibility requirements or management criteria. Substantial funding is going to areas with no need. 7	
<u>COMMUNITY PLANNING AND DEVELOPMENT</u>	
<u>--URBAN DEVELOPMENT ACTION GRANTS</u>	\$ 610,000
Eliminate this program. Grants have been awarded under the guise of fostering building projects, when in fact the projects were slated for construction, regardless of federal money. GAO has reported on the irresistible lure of available "free" federal funds along with numerous other program flaws. This money should be left in entrepreneurs' hands, and local residents and businesses should be allowed to build and invest for their own futures. 4,6,7	

COMMUNITY PLANNING AND DEVELOPMENT--REHABILITATION LOAN FUND

(\$ Thousands)

\$ 100,000

Reduce loans by restricting eligibility to families at or below the state or area's median income. Renovations on older homes by affluent households is diverting the funds from the low-income population. 7

--NEW COMMUNITY DEVELOPMENT CORPORATION

\$ 37,117

Eliminate this program in lieu of an "enterprise zone" tax credit approach. Inner city neighborhoods should be developed privately. 7

--OFFICE OF INTERSTATE LAND SALES REGISTRATION

\$ 300

This office has over-extended its authority to intrastate land sales. Also, the costly burden placed on the entire industry by their regulations is not justified by the relatively small number of dishonest land speculators. 4,6

--RESEARCH AND DEVELOPMENT

\$ 48,600

Eliminate funding for HUD's non-essential, often duplicative work. 7

--MANAGEMENT AND ADMINISTRATION

\$ 8,761

Exercise restraint in management overhead; allow 10 percent increase. 4

DEPARTMENT OF THE INTERIORLAND AND WATER RESOURCES--CONSERVATION AND LAND MANAGEMENT(\$ Thousands)
\$ 244,000

Reduce the \$4 billion federal land management budget by 10 percent each year for 10 years. Limit further land acquisition and curtail the burdensome regulations in the interim. Control of the federal lands should be orderly transferred to units of local government, as they are better suited to make the decisions on its best use. This represents part of the \$400 million cut. 5

WATER AND POWER RESOURCE SERVICE--CONSTRUCTION PROGRAM

Curb excess spending and defer construction. 4 \$ 26,879

--GENERAL INVESTIGATIONS

Limit future development plans. 4 \$ 2,490

--GENERAL ADMINISTRATIVE EXPENSES

Hold the line on operating expenses. 4 \$ 8,432

OFFICE OF WATER RESEARCH AND TECHNOLOGY

Eliminate the supplemental increment by allowing a 10 percent increase ceiling above FY 1981 outlays. 4 \$ 2,436

RECREATIONAL RESOURCES

Make the balance of the \$400 million cut described above. Milton Friedman once suggested that the National Parks be sold to private owners. 5 \$ 156,000

--FISH AND WILDLIFE AND PARKS--HERITAGE CONSERVATION AND RECREATION SERVICE,
LAND AND WATER CONSERVATION FUND

Eliminate contract authority for federal land acquisition. 4 \$ 150,000

--VIP LODGES AND RESORTS

Retreat areas are maintained by the Park Service to provide government VIPs with cut rate vacation prices. 6 \$ 28

ENERGY AND MINERALS--OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT,
ABANDONED MINE RECLAMATION FUND

4 \$ 26,265

OFFICE OF THE SOLICITOR AND OFFICE OF THE SECRETARY--YOUTH CONSERVATION CORPS

Eliminate this program which the Carter Administration described as a "publicly financed summer camp with pay". \$ 63,400

DEPARTMENT OF JUSTICEU.S. PAROLE COMMISSION

Eliminating this commission in tandem with federal mandatory sentencing will assure criminals of one thing: their crimes will mean mandatory sentences from which there will be no parole. 4,6

(\$ Thousands)
\$ 6,399

FOREIGN CLAIMS SETTLEMENT COMMISSION

Insufficient American repayment claims for property seized or destroyed in foreign countries warrant an end to the once useful commission. 6

\$ 723

FEDERAL PRISON SYSTEM--SALARIES AND EXPENSES

Achieve savings through improved management at Bureau of Prisons, according to GAO guidelines. 4

\$ 2,116

OFFICE OF JUSTICE ASSISTANCE, RESEARCH AND STATISTICS

Eliminate LEAA and Research and Statistics, the entire agency, which for years has assisted criminal justice primarily with "seed money" for studies. Many such studies have lacked merit, and states and localities would have supported the others in any event. The agency has been unable to produce demonstrable results. 6,7

\$ 607,000

DEPARTMENT OF LABOR

(\$ Thousands)

EMPLOYMENT AND TRAINING ADMINISTRATION--GENERAL TRAINING AND EMPLOYMENT PROGRAMS-PUBLIC SERVICE EMPLOYMENT -- COUNTERCYCLICAL,
CETA TITLE VI

\$ 1,100,000

Phase out program during FY 1981 and FY 1982. Massive countercyclical job programs are likely to result in resource allocations at the new peak in business activity that are quite different from those desired by firms. There will be more than enough state and local government job holders, however. 5

-PUBLIC SERVICE EMPLOYMENT -- STRUCTURAL,
CETA TITLE II-D

\$ 600,000

Scale down program to be a limited employer of last resort for long-term unemployed adults only. Funding should be coordinated with program for older Americans. 5

-GENERAL TRAINING AND EMPLOYMENT, TITLES II -a,b,c,
AND TITLE III

\$500,000

Scale down the provision of training and work experience to unemployed, but otherwise job-ready individuals. Along with more effective targeting in the Youth Conservation Programs, the most efficient use of resources will be achieved. 5

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES--TRADE ADJUSTMENT ASSISTANCE

\$ 150,000

Lower TAA benefits and require that regular unemployment benefits expire before eligible. Limit the use of these work disincentives. 7

--UNEMPLOYMENT COMPENSATION --NATIONAL TRIGGER

\$1,119,000

Eliminate automatic increase in benefit levels without regard to local situations. Can actually damage states' economic well-being by ignoring levels of unemployment in each state. 4

--U.S. EMPLOYMENT SERVICE

\$ 904,000

Services already provided by other federal, state, and private agencies. Better handled at state level or in the private market. 6,7

--TAXATION OF UNEMPLOYMENT INSURANCE BENEFITS

\$3,100,000

While raising revenues, reduces the disincentives to work. 7

DEPARTMENT OF LABOR, CONTINUED

	(\$ Thousands)
<u>LABOR-MANAGEMENT SERVICES ADMINISTRATION</u>	
Eliminate; redundant with the National Labor Relations Board. 4	\$ 64,374
<u>EMPLOYMENT STANDARDS ADMINISTRATION--SALARIES AND EXPENSES</u>	
Repeal of Davis-Bacon Act will reduce the activities of the wage protection function. 4	\$ 18,241
<u>BLACK LUNG DISABILITY TRUST FUND</u>	
Decreasing claims permit a 10 percent cut from FY 1981. 4	\$ 60,035
<u>OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION AND THE NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH</u>	
Despite a regulatory cost of more than \$3 billion per year, there is no evidence that worker safety has improved. It should be abolished. The Environmental Protection Agency could handle worker health responsibilities and pick up the functions of OSHA's research arm that is concerned with such matters. 6	\$ 160,744
<u>MINE SAFETY AND HEALTH ADMINISTRATION</u>	
Decreasing number of inspections permit a 10 percent reduction. 4	\$ 20,633
<u>DEPARTMENTAL MANAGEMENT</u>	
Allow a 10 percent increase for administration; cut 10 percent from inspector general funding. 4	\$ 25,400
<u>--WOMAN'S BUREAU</u>	
Justice Department and the EEOC perform many of its functions. The Bureau lobbies for the ERA and expanded childcare facilities--all at the taxpayers' expense. 4,6	\$ 4,291

DEPARTMENT OF STATE

<u>ADMINISTRATION OF FOREIGN AFFAIRS--SALARIES AND EXPENSES</u>	(\$ Thousands)
The State Department administrative costs need to drop as reductions are made in three programs: foreign assistance grants and loans; multilateral development banks; international organizations and information and exchange programs. 4	\$ 248,000
<u>INTERNATIONAL ORGANIZATIONS AND CONFERENCES--CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS</u>	
Reduces funding to international organizations. These voluntary assessments often support marginal activities and have no real bearing on major U.S. treaty obligations. 4	\$ 250,000
<u>INTERNATIONAL CONFERENCES AND CONTINGENCIES</u>	
Cut 10 percent from FY 1981 outlays to reduce involvement in low priority or marginal activities. 4	\$ 1,299
<u>MIGRATION AND REFUGEE ASSISTANCE</u>	
Eliminate African, Israeli settlement and Middle East and other refugee programs which do not involve resettlement in the U.S. 4	\$ 144,000

DEPARTMENT OF TRANSPORTATIONFEDERAL AVIATION ADMINISTRATION--FEDERAL AIRPORT AND AIRWAY TRUST FUNDS--OPERATIONS

(\$ Thousands)

General taxpayer revenues provide considerable support for the cost of building and operating airports. Subsidies are particularly generous for those who fly private aircrafts, whereas user fees for common carriers provide a high percentage of cost recovery. 7

\$ 910,000

FEDERAL HIGHWAY ADMINISTRATION--HIGHWAY BEAUTIFICATION PROGRAM

The purpose of this program is to remove billboards and junkyards from the highway landscape. This activity rightly belongs to state and local agencies, not the government. 4,6,7

\$ 15,300

--BICYCLE PROGRAM

This low-priority program should be eliminated. 4

\$ 300

--AUTO-USE MANAGEMENT

The "Auto-use management" program is pursuing many projects which are either trivial or far beyond its capabilities. Other program goals can be achieved by using economic incentives arising from market conditions. 7

\$ 180,000

CAR/VAN POOL SUPPORT PROGRAM

This voluntary program does not require federal tax dollars. 4

\$ 2,200

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Eliminates this agency which has failed to significantly reduce traffic deaths. The Federal Highway Administration, which also funds state highway safety programs should have sole responsibility for safety programs. 5,6,7

\$ 244,478

FEDERAL RAILROAD ADMINISTRATION--RAIL SERVICE ASSISTANCE

Since previous government efforts have realized little success, eliminate supplementary authority to aid the restructuring of railroads. 4

\$ 40,000

GRANTS TO NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK) AND THE NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Ends subsidies for Amtrak. Economics dictate against a national rail passenger system. Airlines serve long distance travel more efficiently and buses are more efficient on short trips. It is possible, but far from certain, that rail passenger traffic can be profitable in the Northeast Corridor. In the Corridor, Amtrak owns the whole business, and it should be sold off to the highest bidders. 6

\$ 1,408,000

	(\$ Thousands)
<u>ALASKA RAILROAD</u>	
The need for federal subsidies for this railroad has vanished. It should be sold to private enterprise or at least to the state of Alaska. 6	\$ 5,000
<u>REHABILITATION AND IMPROVEMENT FINANCING FUNDS</u>	
This program purchases notes from railroads to finance freight service, which might be better served if ICC regulations were removed. 4	\$ 20,000
<u>URBAN MASS TRANSIT ADMINISTRATION</u>	
Reduce expenditures and discontinue them as soon as possible. Allow a transition fund of \$1 billion to meet contractual arrangements with local transit authorities. Ideally, the fare box would support a mass transit system that is worth building and operating. Any subsidies should certainly not be federal ones. 5	\$2,676,646
<u>RESEARCH AND SPECIAL PROGRAMS</u>	
Eliminate funds for fuel economy standards improvement. No federal subsidies are needed when automakers have ample market incentives. 5	\$ 29,539
<u>COOPERATIVE AUTOMOBILE RESEARCH</u>	
Terminate funding. Auto manufacturers can afford their own research. 5	\$ 12,000
<u>COAST GUARD SELECTIVE RESERVE PROGRAM</u>	
The Coast Guard maintains 11,500 selected reservists in addition to their 7,600 volunteer reserve. This costly and unnecessary reserve program should be dismantled and the reservists shifted to the Ready Reserves. 6	\$ 51,088

DEPARTMENT OF THE TREASURYREVENUE SHARING

(\$ Thousands)

This is an unmonitored porkbarrel project which sends money from a deficit-ridden federal budget to many state and local governments that have budget surpluses. \$9,135,982 6

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Curb unwarranted and overzealous intrusions on private citizens by reducing 10 percent from FY 1981 outlays. \$ 22,800 4

BUREAU OF PUBLIC DEBT

Eliminate savings bond sales promotion at a time when bonds are a poor investment. \$ 16,192 4

INTERNAL REVENUE SERVICE--INVESTIGATIONS AND COLLECTIONS

Curb IRS abuse in collection activities by cutting their funds for collection. \$ 88,007 4

ENVIRONMENTAL PROTECTION AGENCY

<u>SALARIES AND EXPENSES</u>	(\$ Thousands)
Control expenses; allow 10 percent increase above FY 1981. 4	\$ 47,131
<u>RESEARCH AND DEVELOPMENT--ENERGY SUPPLY</u>	
Eliminate program, if there is any jurisdiction at all, it would be in the Energy Department. 4	\$ 80,800
<u>ABATEMENT CONTROL AND COMPLIANCE</u>	
Curb overzealous regulators by reducing their funding. 4	\$ 46,835
<u>CONSTRUCTION GRANTS</u>	
Eliminate. It serves simply as a mechanism for cross-subsidization, since virtually every locality has waste water problems. Costs increase when each municipality has an incentive to extract the maximum grant from the common treasury. 5	\$4,230,000
<u>U.S. REGULATORY COUNCIL</u>	
Eliminate this nonessential agency. The public is already painfully aware of the cumulative impact of regulations on the economy. The Council need not inform them. 4	\$ 3,000

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

<u>RESEARCH AND DEVELOPMENT</u>	
Current practice, as evidenced by the Space Shuttle, results in premature government commitments to one method and one set of contractors. Supporting the most promising avenue as it becomes obvious would be much more cost effective. 5,7	\$2,000,000
<u>CONSTRUCTION OF FACILITIES SUPPORTING SPACE ACTIVITIES</u>	
Achieve greater efficiencies by allowing no greater than 10 percent per fiscal year increases in individual programs. 4	\$ 6,170
<u>CIVILIAN AND MILITARY AIR TRANSPORTATION SYSTEM R & D</u>	
Stop federal funding. Aircraft companies should finance their own research. Federal interference in the market may divert talent from potentially profitable ventures into politically favored projects. 5	\$ 500,000

VETERANS' ADMINISTRATIONSERVICE CONNECTED COMPENSATION

Limits compensation payments to Veterans and survivors of veterans whose disabilities are due either to combat or job performance, as set by workers' compensation regulations. 5

(\$ Thousands)
\$ 1,800,000

NON-SERVICE CONNECTED PENSION

Eliminate all pension for veterans and their survivors which are not compensable as service-connected. Adoption of this recommendation is projected to save \$8.8 billion per year by FY 1993. 5

\$ 4,230,000

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Dismantle present VA Health Care System. Transfer VA hospitals and other facilities to local governments or private groups if continued operation is economically viable. Veterans with legitimate claims for medical attention of service-connected conditions may obtain care on a reimbursable basis from community facilities. 5

\$ 3,042,000

BURIAL BENEFITS

Apply a means test to burial benefits for veterans and their families. 7

\$ 50,000

OTHER INDEPENDENT AGENCIES

<u>ACTION</u>	(\$ Thousands)
Federal funds should not be used for domestic volunteer programs under ACTION. Private philanthropy has always offered ample opportunities for those desiring to volunteer their time. 5	\$ 182,846
<u>ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS</u>	
The original purpose of this program was to help eliminate intergovernmental friction. However, its main activities involve lobbying Congressmen for federal aid to state and local governments. There are enough private interests doing this; and the program should be eliminated. 6	\$ 2,066
<u>ADMINISTRATIVE CONFERENCE OF THE UNITED STATES</u>	
Eliminate this unnecessary proponent of "regulatory reform." 4	\$ 1,267
<u>AMERICAN BATTLE MONUMENTS COMMISSION</u>	
While the commission rendered valuable past service in providing for our war dead, it is now unnecessary to have a separate agency fulfilling a task which the Army could assume. 6	\$ 10,446
<u>ADVISORY COMMITTEE ON FEDERAL PAY</u>	
Eliminate the committee; OMB should have jurisdiction. 4	\$ 216
<u>ARMS CONTROL AND DISARMAMENT AGENCY</u>	
The State Department and White House should handle this function. 4	\$ 17,630
<u>BOARD FOR INTERNATIONAL BROADCASTING</u>	
Eliminate administrative expenses by combining Radio Free Europe, et al., with Voice of America programs. Transfer most activities to the International Communications Agency. 4	\$ 838
<u>CIVIL AERONAUTICS BOARD</u>	
Airline deregulation has been highly successful in lowering airfares and increasing competition. The CAB which is scheduled for termination in 1985 should be terminated as soon as possible. 6,7	\$ 113,625
<u>COMMISSION OF FINE ARTS</u>	
The Commission advises the President and Congress on matters pertaining to the Capital's art and architecture. Since monuments and memorials are so infrequently constructed, a fulltime commission is wasteful. 6	\$ 347

	(\$ Thousands)
<u>COMMISSION ON CIVIL RIGHTS</u>	
Administrative costs could be reduced by transferring this program to the Justice Department. 4	\$ 1,599
<u>COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER HANDICAPPED</u>	
This program should function as a matter of policy rather than maintaining a separate agency. 4	\$ 630
<u>COMMODITY FUTURES TRADING COMMISSION</u>	
Excessive funding can be cut from this program. 4	\$ 71
<u>COMMUNITY SERVICES ADMINISTRATION</u>	
Cuts should be made to offset inefficiency and waste in program management. 6,7	\$ 548,555
<u>CONSUMER PRODUCT SAFETY COMMISSION</u>	
A cut in funding should be made to curb overzealous regulatory practices. 6,7	\$ 46,496
<u>CORPORATION FOR PUBLIC BROADCASTING</u>	
Funding should be cut, placing more emphasis on private funding by major corporations and foundations. 4	\$ 26,200
<u>DISTRICT OF COLUMBIA</u>	
A reduction in funding would demonstrate the government's displeasure with the continued waste, fraud and abuse of federal funds, in D.C. 4	\$ 91,962
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>	
Administrative costs should be cut by placing this program in the Labor Department, and its authority reduced for redundant enforcement. 4	\$ 44,528
<u>EXPORT-IMPORT BANK</u>	
No justification exists for the Eximbank, and it should be discontinued or allowed to operate as a private concern with no ties whatever to the U.S. government. By ending this government agency's raid on private capital markets, borrowing costs for the private sector will be lower. 5,7	\$2,656,782
<u>FEDERAL COMMUNICATIONS COMMISSION</u>	
The regulatory power of FCC should be restricted. The audience market should determine programming, not the Federal bureaucrats and special-interest groups. 4	\$ 9,293
<u>FEDERAL ELECTIONS COMMISSION</u>	
The FEC has not been successful in achieving its goals of reducing campaign costs and reducing the influence of special interests. It has instead had the opposite effect. Bureaucratic control of the political process also erodes freedom of speech. 6	\$ 9,615

<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>		(\$ Thousands)
At the current time no preparedness activities are being undertaken. Until plans are formulated to resurrect and reconstruct the entire program, funding should not be increased. 6		\$ 100,000
<u>--FEDERAL EMERGENCY MANAGEMENT AGENCY--DEFENSE CIVIL PREPAREDNESS PROGRAM</u>		
Eliminates what has become in many respects nothing more than a form of government patronage. Billions are spent on early warning and detection systems. Modern nuclear warfare makes bomb shelters obsolete. A strong defense offers the best protection today against nuclear attack. 6		\$ 1,916
<u>FEDERAL MARITIME COMMISSION</u>		
Abolish the FMC, as it performs no worthwhile function. Like other transportation related regulatory bodies, the Commission has assumed a mandate to cartelize its industry, giving antitrust immunity to trade restraints. 5		\$ 12,374
<u>FEDERAL MEDIATION AND CONCILIATION SERVICE</u>		
This program should be transferred to the Labor Department. 4		\$ 5,907
<u>FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION</u>		
Transfer the jurisdiction to the Bureau of Mines in the Interior Department and eliminate this program. 4		\$ 4,483
<u>FEDERAL TRADE COMMISSION</u>		
Abolishes the FTC which began in 1915, concerned at first with monopolistic practices. It now applies its meddling paternalism to everything from cereal to funerals. The Justice Department should enforce the anti-trust laws and the Agriculture Department and the Food and Drug Administration can deal with food and drugs. 6,7		\$ 76,423
<u>GENERAL SERVICES ADMINISTRATION</u>		
<u>--PERSONAL PROPERTY, FEDERAL SUPPLY SERVICE</u>		
Restrict overbuying and mismanagement of funds-- a chronic disorder in this agency--and improve the presently ineffective management of the Multiple Schedule Award program, as was noted by the GAO. 4		\$ 14,355
<u>--TRANSPORTATION AND PUBLIC SERVICE ACTIVITIES</u>		
Replace motor pool vehicles on an annual basis to save on depreciation, repair, tires, and fuel, as recommended by the GAO. 4		\$ 12,700
<u>--NATIONAL DEFENSE STOCKPILE TRANSFER FUND</u>		
This program has shown that it can be self-sustaining; therefore, additional funding is unnecessary. 4		\$ 84,000

	(\$ Thousands)
<u>--GENERAL ACTIVITIES, INSPECTOR GENERAL</u>	
Has not done a very good job of correcting management and administrative deficiencies within the GSA. 4\$	2,504
<u>--CONSUMER INFORMATION CENTER</u>	
Distributes information from other federal agencies on a variety of ridiculous topics. The type of information is already carried in a variety of magazines and other publications available in the private sector. It is not necessary to provide this material at taxpayers' expense. 4	\$ 1,581
TOTAL GSA	\$ 115,140
<u>HISTORICAL AND MEMORIAL AGENCIES</u>	
In 25 years the FDR Memorial Commission has done nothing regarding the construction of a memorial to FDR. This performance does not justify continued funding. 6	\$ 49
<u>INTELLIGENCE COMMUNITY STAFF</u>	
This authority should rest with CIA, DIA, NSA or an appropriate combination of these agencies. A separate staff is redundant. 4	\$ 5,906
<u>INTERGOVERNMENTAL AGENCIES</u>	
<u>--APPALACHIAN REGIONAL COMMISSION</u>	
This should not operate as a separate agency, but should be included in other regional development activities. 4	\$ 4,221
<u>DELAWARE RIVER BASIN COMMISSION</u>	
This function, if even necessary, should fall under the Interior Department. 4	\$ 390
<u>INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN</u>	
This function, if necessary, should fall under the Environmental Protection Agency. 4	\$ 55
<u>SUSQUEHANNA RIVER BASIN COMMISSION</u>	
This program should be under the Interior Department and should not function as a separate agency. 4	\$ 337
<u>WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY</u>	
METRO should fall under the jurisdiction of the Urban Mass Transportation Administration (UMTA). 4	\$ 17,020
<u>INTERNATIONAL COMMUNICATIONS AGENCY</u>	
<u>--CULTURAL AND TECHNICAL EAST/WEST INTERCHANGE CENTER</u>	
Eliminate the East/West Interchange Center. Much of these cultural and educational grants are given to prosperous organizations that don't need these subsidies, such as the American Bar Association and the Brookings Institute. 4	\$ 18,338

	(\$ Thousands)
<u>-INTERNATIONAL COMMUNICATION AGENCY--INFORMATION AND EXCHANGE</u>	
The level of existing academic, government, and private exchange activities certainly permits large reductions in the ICA's "public relations" expenditures. 7	\$ 171,000
<u>INTERSTATE COMMERCE COMMISSION</u>	
The burdensome regulations issued under this agency have suffocated competition within the transportation industry. The elimination of the ICC would allow the nation cheaper, more efficient and more productive service. 6,7	\$ 79,536
<u>JAPAN-UNITED STATES FRIENDSHIP COMMISSION</u>	
Japanese-American cultural, educational and political exchange is accomplished by a variety of private and government agencies including the State Department. A separate commission for these activities is not necessary. 6	\$ 1,998
<u>LEGAL SERVICES CORPORATION</u>	
Legal Services attorneys have expanded their role from providing legal services to the poor to being in the vanguard of social activism. They have lobbied for legislation, worked to overturn laws, encouraged rent strikes, boycotts, and aided partisan political organizations. 4,6,7	\$ 346,517
<u>MARINE MAMMAL COMMISSION</u>	
The "Save the Whales" promotions do not warrant taxpayer subsidies, but should function instead as a matter of policy under the Commerce and Interior Departments' auspices. 4	\$ 681
<u>NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE</u>	
This program should function under the Department of Education, not as a separate agency. 4	\$ 785
<u>NATIONAL CONSUMER COOPERATIVE BANK</u>	
Since the SBA already grants loans to private owners, there is no need to single out one particular field for special consideration. 4	\$ 128,020
<u>NATIONAL ENDOWMENT FOR THE ARTS/HUMANITIES</u>	
Many of these "artistic" projects are of questionable value. The arts already receive substantial support from many other government and private sources. The money for these endowments would be better spent on more essential programs. 6,7	\$ 345,789
<u>NATIONAL INSTITUTE OF BUILDING SCIENCES</u>	
HUD should be carrying out this function--not an independent agency with excessive administrative and salary costs. 6	\$ 500

	(\$ Thousands)
<u>NATIONAL LABOR RELATIONS BOARD</u> Curb blatantly pro-union proclivities which have undermined its independence. 4	\$ 15,836
<u>NATIONAL MEDIATION BOARD</u> This agency is redundant. Its function should fall under Labor Department jurisdiction. 4	\$ 4,595
<u>NATIONAL SCIENCE FOUNDATION</u> Funds should be reduced for low priority research on unnecessary and frivolous topics, saving \$200 million. Another \$80 million can be saved by terminating NSF's input programs--the goals of which appear to be equity toward women, minorities, the handicapped, low performance states, etc. These programs are very inefficient. Market forces should determine who, where, and how many people enter scientific careers, 5,7	\$ 280,000
<u>NEIGHBORHOOD REINVESTMENT CORPORATION</u> Transfer authority for this program to HUD. 4	\$ 14,950
<u>NUCLEAR REGULATORY COMMISSION</u> Spending more money will not automatically result in safer procedures being adopted and enforced at nuclear power plants. What is needed is stricter enforcement of existing rules. 4	\$ 3,896
<u>OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION</u> Abolishes the commission to which aggrieved businesses can appeal in occupational safety matters. 6	\$ 8,256
<u>OFFICE OF THE FEDERAL INSPECTOR FOR THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM</u> This function should be carried out by the Department of Energy, not a separate agency. 4	\$ 35,506
<u>OFFICE OF PERSONNEL MANAGEMENT</u> <u>--CIVIL SERVICE RETIREMENT AND DISABILITY TRUST FUND</u> Change COLA from twice-a-year to once-a-year, and change the provisions guaranteeing minimum annuities for disabled Air Force civilian retirees as recommended by the GAO. 4	\$ 858,096
<u>SMALL BUSINESS ADMINISTRATION</u> Eliminates an agency which has failed despite sizeable budgets, to save very many businesses. It has also failed to define "small business," and its loan programs, especially loans to minority businesses, have been riddled with abuse. 4,6,7	\$ 781,930

		(\$ Thousands)
<u>POSTAL SERVICE</u>		
Eliminate the third class bulk-rate subsidy.	7	\$ 420,000
<u>U.S. POSTAL SERVICE-SUBSIDY</u>		
Due to the current budgetary situation, conveniences that the public has become accustomed to cannot be justified in terms of their cost-benefit ratio.	7	\$ 736,000
<u>RAILROAD RETIREMENT BOARD-WINDFALL PAYMENT TO RAILROAD RETIREMENT ACCOUNT</u>		
Eliminate "double-dipping" by those collecting on both railroad and social security programs.	4	\$ 87,500
<u>SMITHSONIAN SPECIAL FOREIGN CURRENCY PROGRAM</u>		
Withdraws from the Smithsonian's use of the excess currencies (from the sale of food under P.L. 480). Most of the excess currency has been devoted to low priority research in countries experiencing shortages of life's essentials:	4,6	\$ 3,578
<u>TEMPORARY STUDY COMMISSIONS</u>		
Eliminate these redundant, unnessential or dilatory commissions.	4	\$ 16,848
<u>TENNESSEE VALLEY AUTHORITY</u>		
Restrict greater spending by this agency.	4	\$ 34,855
<u>U.S. METRIC BOARD</u>		
This agency is designed to promote, coordinate and assist in the voluntary conversion to the metric system. If this conversion is supposed to be truly voluntary, then there is no need for an agency to push metric conversion.	4	\$ 3,803
<u>WATER RESOURCES COUNCIL</u>		
This program should function under the Interior Department.	4	\$ 46,283

MISCELLANEOUS ACTIONS

	(\$ Thousands)
<u>GOVERNMENT FILM MAKING</u>	\$ 500,000
Many films are made on the same subjects or unnecessary topics. The taxpayers should not have to pay for films that are solely PR for some federal agencies. 6	
<u>GOVERNMENT TRAVEL</u>	\$ 500,000
The loosely-supervised practice of making needless trips at first class fares must end. 6	
<u>PERSONAL CHEFS FOR CABINET SECRETARIES</u>	\$ 200
Chefs, kitchens, and dining rooms are provided for breakfasts and lunches of Cabinet officers. The prices they pay for these meals are artificially low. 6	
<u>GOVERNMENT ADVERTISING</u>	\$ 100,000
Much of this advertising is wasteful and unnecessary and should be cut back drastically. 6	
<u>GOVERNMENT LOBBYISTS</u>	\$ 24,000
Congressional liasons often use blackmail-like tactics to lobby Congress for their annual funding. 6	
<u>CHAUFFERED LIMOUSINES</u>	\$ 4,800
175 top government officials get this service although only 22 of them are entitled to this service by law. 6	
<u>COMMUNITY PLANNING AND DEVELOPMENT GRANTS</u>	\$ 3,400,000
Eliminate these grants which should be financed privately via investment incentives. 4	
<u>UPGRADE COMPUTER SOFTWARE TECHNOLOGY</u>	\$ 100,000
This is advocated by the GAO to improve management. 4	
<u>IMPROVE GRANT PROCUREMENT PRACTICES</u>	\$ 1,000,000
Improving procedures in procurement among non-profit federal grant recipients will result in considerable savings, according to the GAO. 4	
<u>REPEAL OF DAVIS-BACON</u>	\$ 715,000
Davis-Bacon inflates the cost of government construction by mandating that workers on government projects be paid at the unrealistically high prevailing wage rate set by the Labor Department. Considerable savings could be realized in inflated administrative and labor costs. The GAO recommended repeal on 4/27/79. 4	
<u>CONVERT AGENCY COMMUNICATIONS CIRCUITS TO MULTIPLEX SYSTEM</u>	\$ 2,372
The GAO recommended this to simultaneously upgrade communications and save money. 4	

RESTRICT USE OF PRIVATE CONSULTANTS(\$ Thousands)
\$ 1,000,000

Government consultant cost must be sharply restricted and reviewed to ensure that consultants are only being used for the highest priorities. 4,6

RECOVER UNCOLLECTED FEDERAL DEBTS

\$ 700,000

Implement commercial procedures to recover a minimum of 20 percent of outstanding debt in a given year, which is estimated by the GAO to be approximately \$3.5 billion. 4

YEAR-END SPENDING

\$18,900,000

Wasteful expenditures are made by federal departments and agencies attempting to use up their appropriations to avoid having these funds cut the following year. Procedures should be implemented to control end-of-year spending sprees. 7

FEDERAL PAY PRACTICES

\$ 3,000,000

The general schedule that sets pay rates for federal jobs is based on a narrow survey of employment in the private sector. The survey does not take into account federal fringe benefits and does not consider state and local governments as employers. A fuller comparability survey would bring down the cost of government salaries. 7

OVERGRADING IN FEDERAL WHITE COLLAR JOBS

\$ 500,000

Many federal white collar employees are overgraded and thus overpaid for the work they actually perform. Pay scales should be reviewed and those that are overpaid should be downgraded. 7

GROWTH OF OFF-BUDGET FEDERAL CREDIT ACTIVITIES

\$ 5,000,000

Federal extensions of credit are growing at a faster pace than total government spending. Many of the newer types of federal loans and loan guarantees either duplicate available private sector credit or invite abuse through loans to high risk areas which private lenders have found imprudent. A large part of this rapid growth has occurred because many of the new loans are made by "off budget" entities. 7

USING CPI AS AN INFLATION ADJUSTMENT

\$ 8,000,000

The use of the Consumer Price Index (CPI) to index increased spending by federal programs tends to overstate the rate of inflation under certain economic conditions. This causes excessive increases in federal outlays. Other indexes such as the Personal Consumption Expenditure (PCE) may be more realistic as well as economical. 7

POSTAL SERVICE COLLECTIVE BARGAINING PROVISIONS

Due to collective bargaining provisions, Postal Service employees now receive in grade salary advances and annual raises, plus cost of living adjustments twice a year. These negotiated salary increases should be done away with and inflation adjustments should be made only once a year. 7

(\$ Thousands)
\$ 500,000

ALTERNATIVE OPTIONS*ELIMINATE DEPARTMENT OF EDUCATION

Abolition of the Department is a necessary first step toward reducing federal funding and control of education. The longer the Department continues, the more it will involve itself in local educational issues, and the harder it will be to eliminate. 5,6,7

(\$ Thousands)
\$ 4,500,000

ELIMINATE DEPARTMENT OF ENERGY

Eliminate the entire Energy Department with the exception of the former Atomic Energy Commission. Energy production and related activities should be carried out by energy-related private enterprise with minimum interference from the Federal Government. 4

\$ 3,385,000

* The amounts given for these actions have not been added into the final total of all cuts in the Proposal.