

Hole in the Money Bag

A PRINCIPAL reason Congress has made no progress toward balancing the federal budget is that so much of the spending involves appropriations with no limits on them. There's a big hole in the bag called the United States Treasury.

Washington sources report that so-called "entitlement programs" will amount to almost \$400 billion in the fiscal year that began this month. This compares with total annual peacetime budget outlays that did not exceed \$400 billion until 1977.

Anybody who can qualify for Social Security benefits, medical care assistance, federal pensions, veterans programs, food and nutrition aids, welfare and farm programs, among others, has a vested right in appropriations that may have no limits. The game is to collect taxes from individuals and businesses to be paid to certain other individuals.

Because each of these entitlement programs includes a large bloc of voters, many with influential lobbying activities, Congress shies away from taking needed actions that have been publicly recognized by some of its members.

When budget matters are discussed, lawmakers tend to look at increased taxes rather than reduced spending. Senate Finance Committee Chairman Robert Dole, R-Kan., recently said he would like to see \$50 billion to \$60 billion in new taxes over the next three years "coupled with that much spending

restraint." This might have sounded better if Dole had mentioned restraint first.

Talk about balancing the budget is blown away when the time comes to whittle budget requests. Congressional leaders know what ought to be done, but the remedy is not politically popular.

On Oct. 4, the Senate passed a bill calling for \$98.9 billion for social programs in the departments of Labor, Health and Human Services, Education and related agencies. The amount exceeds total annual budget outlays before 1962.

The next day, the House passed a \$444.7 million supplemental money bill to boost funding for programs that already had received regular appropriations for fiscal 1984, the year just started.

Rep. James Jones, Tulsa Democrat, recently said that as long as we as a nation continue to soak up more than three-fourths of total net private savings to pay for budget deficits "we are shortchanging what should be going into capital formation and private investment."

Rep. Dan Rostenkowski, D-Ill., chairman of the House Ways and Means Committee, called projected federal deficits "the greatest ticking time bomb of the economic future."

Still, with an election coming up, there appears to be no statesman in sight to provide the leadership needed to close the big holes in our federal money bag and head off economic disaster.