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## Reagan Administration: Funding Cuts News Articles (1981-1982): News Article 17

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## Reagan Cuts, Chops And Slashes More

Ronald Reagan and his men worked the jawbone hard last week, telling everyone who would listen that they mean business on their economic package. Reagan promised, once again, to "put Washington on a diet," excoriated "selfish interest groups" that oppose his budget cuts and told Walter Cronkite that he had no intention of horse-trading with Congress. Budget director David Stockman pored over his computer print-outs for the \$10.9 billion in extra cuts the Administration plans to announce this week. And in a burst of damn-a-recession defiance, he warned that if the "dicey" economy should slump later this year, the White House will propose even more budget whittling to offset revenue losses and rising social outlays.

With Reagan's honeymoon still in bloom, Congress seemed likely to sign off on most of the items on Reagan's hit list. The Senate Agriculture Committee, for instance, gave him a psychologically critical victory last week when it endorsed his rescission of a \$1.1 billion increase in dairy price supports. This week's proposals will dig even deeper: the President wants to pare \$1 billion more from agriculture programs by tightening the administration of disaster-relief programs to eliminate fraud and waste, abolishing target prices for wheat, corn, rice and other major products, and lopping \$250 million from a supplemental-nutrition program for poor pregnant women and infants.

**'Storefronts':** Farmers will not be the only ones to feel the crunch. Reagan has already said he'll freeze funds for the Legal Services Corporation, producing a 1982 saving of \$300 million, and he has imposed "permanent ceilings" on Federal employment that will eliminate 37,000 jobs by September 1982, saving \$1.3 billion. This week he will propose canceling or delaying several massive Federal water projects. He also plans to chop \$900 million from Labor Department manpower programs—including 15 per cent from the Job Corps budget. And he will trim \$800 million from Veterans Administration programs, canceling plans for two new VA hospitals and killing the politically sensitive Vietnam Veterans Psychological Outreach Program, which Stockman calls "90 storefronts."

Reagan also will take aim at the government's off-budget spending. By drastically reducing low-interest loans and loan guarantees for everything from housing rehabilitation to student aid, the White House expects to cut \$13.6 billion this year and \$21 billion in fiscal '82 from Federal "back door" spending. The effect on the budget itself will be slight, but Stockman predicts a big boost to the economy resulting from

the government's diminished drain on "re-privatized" credit markets.

House and Senate leaders think action on the budget cuts could be completed by mid-July. But they warn—and Reagan's men concede—that the Administration's Kemp-Roth proposal to cut taxes by nearly 30 per cent over the next three years is in trouble. Reagan's best hope may be that his critics, who consider Kemp-Roth highly inflationary, will come up with an alternative that he can live with. But he is not giving up. Already, aides are prepping him for a major sales pitch for his tax proposals—to begin as soon as he puts the finishing touches on the budget cuts.

MERRILL SHEILS with Washington bureau reports



Carlson: Blacks are 'incompatible'

## Crowded Contests For Two House Seats

She is one of Maryland's most popular politicians, a champion of senior citizens, mass transit and Federal employees. Indeed, Gladys Noon Spellman, 63, was overwhelmingly elected to a fourth term in the U.S. House of Representatives last fall—even as she lay unconscious, the victim of a massive heart attack that struck four days before the election. Spellman remains in a semiconscious state at Walter Reed Army Medical Center; and with doctors there offering little hope for her recovery, the House late last month declared her seat vacant. In the honorable tradition of political spouses, Spellman's 71-year-old hus-

band, Reuben, is now running to fill out her term. But the special election for Spellman's seat has turned into a free-for-all, with a dozen Democrats jockeying for the party's nomination in the April 7 primary.\*

Some Maryland politicians predict that Spellman will win much of his wife's support in the heavily Democratic district. But the retired Defense Department engineer, who has had two heart attacks himself, is a political novice with little experience at—or taste for—campaigning. He faces strong opposition from 41-year-old Steny Hoyer, a former state senator who has forged an effective Democratic organization and has the support of labor and blacks. Right-to-life groups and veterans, meanwhile, favor conservative Democrat Edward T. Conroy, 52, a state legislator. On the Republican side, 24-year-old Lawrence J. Hogan Jr. leads a field of six even though he is currently too young to serve in Congress; if he wins the general election in May, Hogan will have to wait one week—until he turns 25—to be sworn in. Hogan's powerful father, Prince Georges County executive Lawrence J. Hogan, held Spellman's seat from 1969 to 1974 and is using all his clout to win it back for the family and the party.

■ Republicans hold a decisive edge in Michigan's Fourth District, where yet another crowded contest is under way. Eleven candidates are vying to replace three-time winner David Stockman, who resigned in January to become Ronald Reagan's budget director. A seven-way race for the GOP primary on March 24 features Stockman's former campaign chairman, John Globensky, and Gerald R. Carlson, a private investigator and onetime member of the National Socialist White People's Party who campaigns actively as a white supremacist. Carlson, 38, believes that blacks are "incompatible within our social system." He won a surprising 32 per cent of the vote in another Michigan Congressional race last fall, but a recent poll shows far less support this time, and his opponents are largely ignoring him. Says an operative for one of the other Republican hopefuls, "The more he speaks, the fewer votes he gets."

Among the more traditional contenders, GOP state Sen. John Mowat, an orchard owner, has the support of many farmers in the southern Michigan Farm Belt district. And state Rep. Mark Siljander, an opponent of ERA, abortion and Planned Parenthood, may benefit from an active campaign by the Moral Majority. But Globensky, a 58-year-old attorney, is favored to win both the GOP nomination and the special election April 21. He has inherited much of Stockman's support and virtually all of his campaign organization—including Stockman's mother, Carol, 53, who now oversees Globensky's campaign office.

MELINDA BECK with JAMES DOYLE in Washington and JACOB YOUNG in Detroit

\*Congress has never before voided a seat because of a legislator's disability.