

Outlays for other government programs, which currently take up 28% of the federal budget, have fallen during the Reagan administration and would continue to decline under proposals in his new budget. These programs include education, job training, federal retirement and benefits for the poor such as subsidized housing, food assistance and aid to families with dependent children. Mr. Stockman says that savings in these areas reflect "efforts on the margin to tighten programs and to reduce growth rates that were no longer sustainable." He steadfastly denies that the budget savings are "unfair."

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But many of these changes have fallen on the needy. The Congressional Budget Office reports, for instance, that the portion of the nation's children living in poverty "has risen dramatically from 16% to almost 20%" in the last three years, primarily because of the recession. But over the same period, the report says, federal "benefits have declined significantly relative to the number of potential eligible families and in 1982 alone spending levels fell by about 5%" after inflation.

Such findings are building congressional resistance to additional spending cuts and even generating pressure to reverse previous economies. At a time when the administration wants to rely on economic growth spurred by its tax cuts to heal the wounds of recession, Congress is considering bigger spending to be financed by tax increases.

"This posture will surely lead to a protracted battle of vetoes over appropriations bills, antirecession bail outs and any tax bills that may be coming down the pike this summer and fall," Mr. Stockman warns.

If this is the case, it's likely to be a long, hot summer for both Congress and the White House and an uncertain time for those in the financial markets waiting to see what, if anything, will be done to lower the deficit.

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