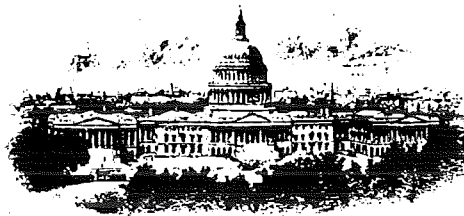


TOBY ROTH
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PORT CAUCUS
RURAL CAUCUS
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MILITARY REFORM CAUCUS
TRAVEL AND TOURISM



United States
House of Representatives

October 20, 1988

FOREIGN AFFAIRS COMMITTEE
INTERNATIONAL ECONOMIC POLICY AND TRADE
ASIAN AND PACIFIC AFFAIRS

BANKING, FINANCE AND
URBAN AFFAIRS COMMITTEE
FINANCIAL INSTITUTIONS SUPERVISION,
REGULATION AND INSURANCE
ECONOMIC STABILIZATION
HOUSING AND COMMUNITY DEVELOPMENT

Mr. Lloyd Powless
Box 365
Oneida WI 54155

Dear Mr. Powless:

The federal budget deficit remains the most important issue facing our government. With your advice and recommendations, you have helped me address this issue, and I wanted to bring you up to date on the progress we have made.

In the past 3 years the deficit has been reduced by \$70 billion, from a high of \$220 billion to the current \$148 billion level. Of course, more must be done, and I think that when the new Congress convenes next January, we should set a goal of cutting the deficit below \$100 billion for the fiscal year that will start next October. This would bring the deficit down to about 2.5 percent of our Gross National Product, and help reduce the deficit's drag on our economy.

We also must continue our fight against any new taxes. There are still some on Capitol Hill who want to raise taxes, you and I have to stand firm against their attempts to increase the tax burden on the American taxpayer!

Reducing the federal deficit must come through cutting out the waste and excess in federal programs. There are many ways these savings can be achieved, and the Grace Commission report provides a blueprint for making these savings.

In addition, we still need to establish a balanced budget as part of our Constitution, and the President must have the power to "line-item veto" the wasteful parts of otherwise good legislation. I have sponsored bills to achieve both of these goals, and your support for them is important.

Like you, I feel that putting our government back on an even keel is our first priority. We have made some progress, and we need to keep at it until we have the same kind of balanced budget in Washington that you and I must have at home.

Sincerely,

TOBY ROTH
Member of Congress

TR/er

*Rec'd by
Lloyd's
with*

*Write a letter
to Toby
Roth*

*C. BC
GORDY McLESTER*