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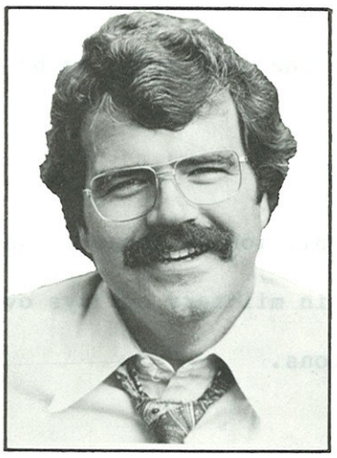

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MILLER PAY-AS-YOU-GO PLAN
TO SLASH DEFICIT APPROVED

WASHINGTON, D.C. --- The House Budget Committee Wednesday approved a "Pay-As-You-Go" deficit reduction plan that "will tear up the national credit card" according to its originator, Congressman George Miller (D-7,CA).

"After two years of promoting 'Pay-As-You-Go' --- sometimes to indifference, sometimes to ridicule --- this is a very gratifying personal victory for me," said Miller, a member of the Budget Committee.

"While the plan approved by the Committee is not as demanding as the one I originally proposed, it takes a giant step towards curbing the appetite of the president and the Congress for runaway spending and towards reducing the $200-billion deficit."

The House Committee bill holds new spending to 3.5 percent --- less than the rate of inflation --- for all discretionary programs. Social Security, Medicare and other 'Trust Fund' programs, as well as entitlement programs for the lowest-income citizens, would be maintained at their current service level, which allows growth due to inflation and the addition of eligible beneficiaries.

New spending above the baseline level would have to be entirely offset by tax increases or cuts in other programs. This "Pay-As-You-Go" feature means that new spending will not add to the federal deficit.

According to the Congressional Budget Office, the "Pay-As-You-Go" plan will slash the deficit by over $180-billion over the next three years. It

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cuts the deficit by 35 percent more than the plan proposed by President Reagan and Senate Republicans two weeks ago.

The Budget Committee plan cuts $37-billion in domestic spending, including entitlements, and $95-billion in military outlays over the next three years compared to current projections.

"This budget plan doesn't require that we raise one dime in new taxes," said Miller after the Committee's vote. "But it does require accountability. It says that if we want to spend more, we have to be willing to pay for that decision today, not charge it off to the future."

-30-