

# \$16.1 Billion Deficit Seen For 'Transition Quarter'

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WASHINGTON, Jan. 21—A deficit of \$16.1 billion is expected in the Federal budget for the "transition quarter," a one-time phenomenon that is being created by a shift in the Government's fiscal year.

This special calendar quarter will run from July 1 this year, following the close of the 1976 fiscal year, until Sept. 30, before the start of the 1977 fiscal year. The three-month period will exist forever as a free-floating financial object in space, part of no fiscal year.

The dates of the fiscal year have been changed, as part of a much larger reform of the way that Congress deals with the Federal budget, in the effort to give Congress more time to deal with Federal spending issues.

Congress, which starts its work year in January, had been finding it impossible for decades to complete its work on appropriations bills by June 30, the date of the old fiscal year.

The estimates that spending will total \$98 billion in the transitional quarter, with receipts of \$81.9 billion, are expected to get particular scrutiny from Democrats in Congress because of their suspicion that some of the figures might not be entirely valid.

The suspicion, thus far backed by no evidence, is that President Ford might have piled outlays into the transitional quarter that normally would have occurred in the fiscal year 1977. The presumed reason would be that he needed to use such bookkeeping in order to meet his proclaimed spending ceiling of \$395 billion in the fiscal year 1977.

The estimated deficit for the quarter is, indeed, up substantially from the \$9.9 billion estimated a year ago. The increase in the expected deficit results from both a decline in anticipated revenues and an increase in anticipated spending—a bit more of the latter than the former. Almost every category of spending showed a rise, compared with the estimate of a year ago. Some of the largest were in health, agriculture, commerce and income-security programs.

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