the Highway Trust Fund, $90 million. Then with all the rest the total adds up to $16.3 billion.

The CHAIRMAN. All right. Let me direct your attention now a little beyond 1968, if I may. On the basis of the breakdown which you gave us, Mr. Schultze, with respect to the items of increase and the total of our spending in 1968, would you say with the Vietnam war still going on it would be safe to assume that our rate of spending in the fiscal year 1969 would not be less than it is in 1968?

Mr. SCHULTZE. That is right. It would be safe to assume that.

The CHAIRMAN. Yes. If we have no tax bill, we are not, therefore, faced with the temporary situation insofar as our deficit is concerned. If we have a deficit of some 25 to 29 billion this year, and still have no tax bill in fiscal 1969, we might have as much deficit then, or more?

Mr. SCHULTZE. You could very easily; yes, sir, that is right.

I obviously don't want to be in a position to try to forecast 1969 expenditures now, but clearly, you are correct in terms of the general magnitude.

The CHAIRMAN. There are some built-in increases in all of these programs.

Mr. SCHULTZE. That is right.

The CHAIRMAN. And if the Vietnam situation continues, it might result in us having a deficit without a tax bill of an even greater amount than we anticpate now for fiscal 1968.

Mr. SCHULTZE. Well, I would say that there are two things you have to take into account. There is the normal growth of revenues, on the one hand and there are the built-in increases in expenditures, including what might be necessary in Vietnam, on the other.

I see no reason to think that, without a tax bill, there would be any major reason to reduce that estimate.

The CHAIRMAN. What disturbs me so much is this—that if we are not very careful, these built-in increases, these things that go with the program as it proceeds from year to year, may well increase by an amount equal to or greater than the amount that we get from the increase in the base of the tax, the tax revenue.

Now we have not allowed that to happen, and I am sure you will point that out. But with the Vietnam situation on our hands, nobody can predict what that may lead to. Certainly, we know there are some built-in increase in our domestic programs.

Mr. SCHULTZE. That is right. But I would not want to leave the impression that the built-in increase in domestic programs is equal to the normal rate of growth in revenues from an increasing tax base. Nevertheless, it is there and would take up a part of it.

The CHAIRMAN. That is right and if the Vietnam situation costs more, why the combination of the two could take it all up.

Mr. SCHULTZE. That is right.

The CHAIRMAN. And we still end up with a very sizable deficit.

Mr. SCHULTZE. Yes, sir.

The CHAIRMAN. Now I have had considerable reservation about this proposition as all three of you know from our conversations.

In the light of all the demands that are being made by people for additional Federal services—problems within our cities, this drive presently underway for Federal sharing of revenue, and things of that kind—I don't think we should hold out to the American people that our condition is such at this time that a tax increase can be temporary.