tures. This for some reason or other doesn't seem to be part of this tax exercise as far as the administration is concerned.

At least they won't say it openly.

Mr. SCHULTZE. They said it as openly as it can be said, Mr. Curtis.

Mr. CURTIS. Let me put it this way. They certainly did not. It was our motion to recommit the 1964 tax bill with instruction to hold expenditures to $97 and $98 billion that brought expenditure restraint into the picture.

Mr. SCHULTZE. Because we didn't believe that was a responsible action.

Mr. CURTIS. But you went ahead and talked the other way and pushed the new economic theory of Dr. Heller that it was increased demand that was necessary, that if you cut back Federal spending to compensate for the tax rate increase you would not produce the desired stimulus. Then the administration, and I certainly took the floor of the House and elsewhere to praise the administration in those days, actually held to those levels, but it is important to realize that that is what happened.

It was not increased expenditure. It was holding the level of expenditures that made the tax cut of 1964 successful and therefore is something we have to look to in talking about tax rate increase in 1967 because this is in context not of expenditure restraint but of an expenditure increase of almost $20 billion last fiscal year and a projection that might go up as much as another——

Mr. SCHULTZE. $8½ billion.

Mr. CURTIS (continuing). $18 billion. Well, there is $126 billion and a possible $144 billion, another $18 billion. This is the exercise that I think we have to look at.

Now, the administration said apparently in the budget message of January that the $8.1 billion deficit was acceptable, according to your rhetoric. That was an acceptable level and could be financed by new bonds.

Now we come along and are told that this $8.1 billion figure, which, incidentally, ought to have been, for better understanding, $18.6 billion because in your budget figures were $5.5 billion in increased revenues from the proposed tax increase——

Mr. SCHULTZE. That is right, and we were instructed to do what we did by the Budget and Accounting Act of 1921.

Mr. CURTIS. I am not talking about——

Mr. SCHULTZE. I realize you don't have to abide by that act, but we do.

Mr. CURTIS. We have had enough public debate on it and I know what has been reported in the news media. The Congress doesn't know this and didn't know it, although people like myself have tried to say it and then we would get no backing. But the answer is in the facts, which are that this was $5.5 billion built in and $5 billion for participation certificate sales which also reflect how you finance a deficit, so we had a $18.6 billion deficit. These are my estimates of what you are recommending, that we finance $5.5 billion from new taxes, $5 billion from sale of capital assets, and $8.1 billion from new debt securities. So now we have moved from $18.6 billion to where you are saying that you want an additional—what is it—$2 billion from taxes, $5.5 billion, and $7.4 billion Is that right?