you that the Federal Government has declined in its wealth position in relation to its debt.

Mr. SCHULTZE. The Federal Government?

Mr. CURTIS. The Federal Government.

Mr. SCHULTZE. I am sorry, I thought you were talking about the Nation's wealth as a whole.

Mr. CURTIS. No, no. The Nation's wealth has increased very well.

Mr. SCHULTZE. There is a very good reason for that, if it is so, Mr. Curtis.

Mr. CURTIS. But the Federal Government is in trouble.

Mr. SCHULTZE. Let me give you one reason. Over the last 4 or 5 years, the major strategy of this administration, which you might disagree with, has been to shift investment from primarily brick and mortar into investment in human resources. If you look at any chart on Federal spending you will find that public works spending and brick-and-mortar investment, which is the kind of investment that goes into the wealth statistics, has increased very little compared to the increase in investment in education, training, and health, which are not capitalized in the wealth statistics.

Mr. CURTIS. I have been using that argument of yours for years.

Mr. SCHULTZE. I realize that, so any wealth statistic is misleading in that sense because it doesn't take those investments in human resources into account.

Mr. CURTIS. The point is any of those education statistics have to be placed in context with others to understand them.

Mr. SCHULTZE. I fully agree.

Mr. CURTIS. And my criticism of the administration and the presentation of Mr. Ackley on the economic situation is that we have had presented only certain statistics, which are important, valuable, but we have to relate them to other equally valuable and important statistics. What I have said about wealth is only to get it in there. What you have said is a fair comment.

Now I have to go over on the floor. I want to close this discussion on the basic point—at least in my mind—whether or not there has been sufficient, if any, expenditure control that would make a tax increase actually productive of revenue. I don't think there is enough data that has been presented to this committee for us to make any judgment on this question.

If we are going to have a deficit of around $30 billion, frankly, I don't think it makes any difference what the mix is among the sale of capital assets, increased revenues from taxes, or new debt securities. I think that the very size of the deficit is going to create the damage, whatever happens.

I think this deficit has to be within the range of $15 billion. I think we might talk in terms of what amount of additional tax revenues could be obtained through possibly increasing rates, but, until we get to that level of deficit, these exercises here don't mean very much.

Mr. SCHULTZE. Mr. Curtis, the whole point of the program is precisely to make sure that that deficit does not reach $30 billion, but gets to the $14 to $18 billion range.

Mr. CURTIS. Yes, according to what you all want to say, but not giving the figures that I think are important to understand this. I think your expenditures have to be revised and cut back radically, even