I understand that when Secretary Rusk was before the Appropriations Subcommittee he said that these funds could be shifted and changed by the Department to other purposes than originally intended.

If there is $10 billion accumulated it seems to me we could easily suspend foreign aid for 1, 2, or 3 years and use the money that is in the pipeline.

Mr. SCHULTZE. Again, after the moneys have been appropriated by the Congress but before contracts are let they can be shifted around.

Of course, once you sign contracts and make commitments, then you can't shift them around. Now the total amount you are talking about, the amount in AID for economic assistance, which was available but not contracted for, was $800 million.

Mr. BETTS. Could these be the same kind of contracts you were talking to Mr. Curtis about this morning that could be terminated?

Mr. SCHULTZE. I must confess I am not familiar with the particular penalty clauses. I am sure there are probably legal means to terminate them.

Mr. BETTS. Coming from an agricultural area and at a time when we are talking about shortage of food supplies it just seems to me that all the worn out agricultural programs could be phased out. I am just throwing that out. It is a tremendously important area. It would not hurt to explore it.

I am not convinced that we have to have a $5 billion space program appropriation. It seems to me if we are at war certainly that can be cut down at least $2 billion.

Mr. SCHULTZE. In my statement and in later questioning I did indicate that in terms of expenditure reductions or deferring worthwhile projects until later, just not going ahead with them now, we are aiming to reduce by $2 billion or more.

That is going to mean, and it is bound to mean, that there are a number of areas or desirable programs we are simply going to have to cut back.

In that sense I agree with you. That is the whole point. We are not anxious to do this any more than we are anxious to raise taxes. This is painful but we are going to do it.

Mr. BETTS. That is encouraging.

It seems to me it should be done. It would be impressive to me if you said you were recommending a $2 billion cut in the space program, were recommending a phaseout of the agricultural programs, and were going to suspend the foreign aid program for 2 or 3 years.

A constituent of mine called me this morning about a Headstart program. He told be that out of $138,000 that had been allotted to this particular Headstart program, $75,000 was for administrative purposes in a local office and the teachers were paid $560 a month for four and a half hours a day teaching.

I am not blaming you, Mr. Ackley, or the Secretary of the Treasury but I am just throwing that out as an example of some of the areas that are just right for cutting and cutting where it hurts because it is important.

Until somebody shows me where we are going to cut, and specifically how much we are going to cut, I am not going to be impressed with a general statement we are going to try to cut $2 billion.