Congress action simply restored what practically everyone conceded to be a normal, natural, and permanent part of the tax system.

Admittedly, there was one slight advantage gained by business in the investment credit restoration—advancement of the date that the credit could be applied to a larger proportion of tax liability. But this represented a very small plus compared to the minus of the suspension itself.

In sum, we urge most earnestly that you resist all efforts to impose a higher surcharge rate on corporations than on individuals.

ORGANIZING FOR GOVERNMENT ECONOMY

This completes the suggestions I have to offer on how to meet the fiscal crisis which faces the country here and now. Please understand that the most I would claim is that this is the least damaging program for dealing with the situation we are in.

I would be remiss, however, if I did not add some comments dealing with longer range aspects of the fiscal problem. We should all be devoting thought not only to the problem of getting through this critical period, but to the questions of why we are in a fiscal crisis and how we can avoid it in the future.

It is clear that we cannot blame present fiscal difficulties solely, or even mainly, on the Vietnam war. Between fiscal 1964 and 1968, according to the President's January estimates, cash outlays for defense will have risen 41 percent whereas cash outlays for other purposes will have risen 45 percent.

This growth in expenditures is far beyond what can be supported by the normal growth in revenues. If it continues, tax increases will not be temporary but chronic necessities. We will have reversed the decision we thought we had made in 1964 in favor of growth in the private economy as against growth in Government.

If this is to be avoided, we must develop a firm determination to curtail growth in Government spending. And, what is a lot more difficult, we must develop an effective method of carrying out such a decision.

Consider the present situation. The President's message advocates both "a revenue increase" and "tight expenditure control." The proposal for a revenue increase is immediately taken up by the Ways and Means Committee which is responsible for studying it and carrying it to the point of appropriate action.

But there is no similar body to which a proposal for "rigid expenditure control" is referred for public study and action. The result is that needs for increased revenue are handled promptly but the same cannot be said for expenditure control.

In this context, I would like to read a portion of the statement adopted by our taxation committee at its July 11 meeting on the subject of expenditure control:

(1) Congress and the Administration should immediately a program for reducing federal expenditures and controlling their future growth. This program should have the following characteristics:

(*a*) It should be carefully planned and organized. The same kind of detailed planning should be applied to achieve economy as is now applied to developing proposals that involve spending more money.

(*b*) Specific responsibility for the program should be assigned to definite persons in the Administration and to definite members of Congress. Without such an