

If, in fact, an economic boom is not forthcoming, a tax increase would be self-defeating.

Second, during the intervening period, immediate major and meaningful cuts in spending should be made. The administration must establish meaningful and realistic standards of priority to govern Federal spending. Congress must assist in these efforts.

Third, in the event a tax increase is determined necessary, it should apply to individuals and corporations at the same surcharge rate at the same effective date and without retroactive effect.

Fourth, the chamber opposes the proposed acceleration of corporate tax payments, particularly for corporations paying \$100,000 or less in annual taxes.

Fifth, if a tax increase is judged necessary, the chamber will not oppose the postponement of excise tax reductions on automobiles and telephone service. However, any legislation deferring the scheduled reductions of these taxes should have a firm expiration date.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Winter. We appreciate your bringing to us the views of the Chamber of Commerce of the United States. Mr. Landrum.

Mr. LANDRUM. Mr. Winter, I note your statement here as I have noted in most of the statements brought to the committee, and in most of the statements coming to my attention from people who are concerned about this problem who do not appear before the committee, that the first thing we should do is to have a reduction in nonessential Federal expenditures.

With that I am in complete agreement. In my judgment I think every member of this committee is in complete agreement, but I get sort of vexed with people like yourself and others in responsible places who are knowledgeable and possess quite some degree of expertise in this field saying reduce Federal expenditures, nonessential Federal expenditures, and that is as far as you go.

You don't ever come up with what it is we can reduce. Then when we start reducing on programs that affect people back home in the Nation we find the local chamber of commerce, the leaders there, making determined fights to have programs for water and sewage expansion, for highway expansion and improvement, and so forth. We have the leaders in education and all levels of government asking for increases and continuation of these expenditures.

Then we come along and find the doctors and the nurses and the people concerned about health, and they want the health expenditures continued. They want funds for matching to build hospitals. They want all that continued. As a matter of fact, it seems to me—the way I read these things—is that nonessential means that which does not affect me.

Now, what I would like to have from people like you is not just a statement to cut nonessential expenditures, but some recommendations as to where these cuts can take place and then we will begin to get to work, when we have the support from people like you.

Mr. WINTER. If I may respond to that, Mr. Chairman, I do not have a satisfactory answer to your question, one that satisfies me or one that will satisfy you. Our position certainly is that where we