

That is all I have.

The CHAIRMAN. Mr. Herlong.

Mr. HERLONG. Along the lines the gentleman from Oregon was discussing, you have stated here that we will admit that we will be faced with a tremendous deficit this year. We here have to deal in terms of alternatives.

We either have the deficit of \$29 billion or we don't spend as much money. I think most of you recognize that the money that we are spending today is money that has been appropriated in prior years and how much we cut these appropriations bills this year is going to have very little effect on the size of that deficit, isn't that correct?

Mr. WINTER. That is correct, yes.

Mr. HERLONG. We are in effect talking about cutting at this point and I am in favor of cutting—goodness knows my record shows it—but we are really locking the barn after the horse is stolen. We are dealing with a lot of homely analogies here today, and I say we are locking the barn after the horse is stolen.

I don't want a tax increase. I don't want it at all. I don't want a tax increase at all, but I prefer it to the alternative consequences. I don't like getting old either, but I certainly prefer that to the alternative, and I think that we are going to be just as dead if we go into the money market for \$29 billion as we would be dead physically if we didn't get any older.

Mr. WINTER. That may be the alternative which would be a tax increase. We appreciate that. We think that the time is ripe for a start by a commission or the administration to indicate priorities for spending programs.

Yes, they might have to take a few years, but as I say, one principal concern we have is that if you have a tax increase, if it in fact results in additional revenue, we think all of that is going out in new spending programs. This is not to say that there aren't many programs that could be devised that are extremely important, but you can't do everything all at once. That is our position.

If the ultimate decision is that there has to be a tax increase, that obviously is it, the alternatives are what? The alternatives are certainly worse.

Mr. HERLONG. I think the Secretary of the Treasury agrees with you that if this money in additional tax revenue is spent on nonessential spending that it will be highly inflationary. He stated that all along. We don't want to do that, and I don't know any control, however, that we in this committee can have over that.

What we have to do is face the facts that we have, that we have this deficit and hope that the people downtown will establish priorities of spending. The President has said that he is going to do some vetoing if we will uphold him. He indicated the other day if we would hold the line on the increases in the salaries of the Government employees and the postal workers that he would back us up in it, but very few people in the Congress have said that they would vote to uphold a veto.

Mr. WINTER. I think the initiative has to come there because, as you say, and I readily agree, on a geographic basis you have the demands. I saw a book the other day about so big on Federal money and programs available. It only took a few years to develop this rather radical change, or rather substantial change, let me say.