As your distinguished chairman himself recently declared:

> All too little has been said about expenditure control and in my judgment, insufficient attention has been paid to it. It is, in fact, one of the most influential factors of all in the shaping of tax policy, whether many like to admit it or not.

I have recently heard it reported that between fiscal 1956 and 1967 more than 100 new Federal programs (or major expansions of existing programs) were initiated, and that the cumulative costs of these programs to date, including the amounts requested for the current year, totals a startling $85 billion.

A more specific example of the growth tendencies of Federal activities may be provided by pointing to nine new programs established as recently as fiscal 1963; the first year cost of these programs was only $241 million, but through fiscal 1968 these programs will have generated expenditures of $3¾ billion.

All reasonable persons must recognize that as our population increases and as our society becomes more complex the demands for public services—and therefore spending—increase. There are indeed no limits upon the desires of our people or demands upon Government, but as your chairman, Representative Mills, also suggested recently:

> This, however, does not justify the perpetuation of programs that have already proved to be unsound or have outlived their former usefulness, and it does not mean that any and every new program must be accepted lock, stock, and barrel no matter how worthy or high sounding its objective may be. It does not mean that we must tolerate ill-conceived experiments which could pass a rudimentary cost-benefit test only if the benefits are measured in such ambiguous terms as "prestige."

Calls for expenditure restraint have been heard on many sides in recent months. Indeed it is interesting to note the emphasis upon this in the testimony of the Budget Director and other officials before this committee last week.

However, examination of the budgetary actions taken to date—and indeed the official acknowledgments that we may be facing a budgetary deficit in the $29 to $30 billion range—hardly suggests that such demands have as yet been translated into meaningful results.

While action on fiscal 1968 appropriations and other spending authorizations is far from completed, tabulations appearing in the Congressional Record and elsewhere indicate that in the appropriation bills thus far acted upon by the House, reductions of slightly more than $3 billion have been made. About $1.3 billion of this was in Defense Department requests.

While his totals differ somewhat, it was interesting to note the Budget Director's testimony to the effect that the reductions made to date in the nondefense money measures actually would reduce fiscal 1968 spending by only $660 million, and that even these reductions would be largely offset by other actions requiring increased expenditures this year.

It appears, therefore, that there is a clear need for more vigorous action in restrain Federal spending, on the part of both Congress and the Executive.

EXPENDITURE POLICY DURING KOREAN WAR

A major argument for the tax increase is that it is required because of the increasing costs of the Vietnam war. On this point, it is of inter-