

est to compare present expenditure policy with that followed in the somewhat similar period of the Korean war years.

In fiscal 1950, national defense spending totaled \$13 billion, while Federal expenditures for nondefense purposes (excluding interest) totaled \$20.8 billion. By fiscal 1952 defense expenditures, reflecting Korean war costs, had risen to almost \$44 billion. Over the same period nondefense spending actually was reduced by nearly one-fourth, to less than \$16 billion.

The comparable totals for the Vietnam war years, to date, tell a far different story. Defense spending has increased from \$52.8 billion in fiscal 1963 to \$70.7 billion for the fiscal year 1967. But nondefense expenditures on a comparable basis also have increased—by more than one-third—from less than \$30 billion in 1963 to \$41.5 billion in 1967.

SUMMARY

The tax burden continues to increase in spite of the Tax Reduction Act of 1964. An increase in social security taxes seems rather certain, and State and local governments are raising many types of taxes, including personal income, corporate income, and sales taxes.

It may be that in the final analysis the Vietnam war requirements will make some tax increase necessary. It is our contention, however, that any such decision should be preceded by the most vigorous efforts to control and reduce Federal spending.

During the Korean war, nondefense spending was reduced by nearly one-fourth. On the other hand, during the Vietnam war years, to date, nondefense spending has increased by more than one-third.

Mr. Chairman and members of the committee, I appreciate very much to have the opportunity to have presented these views to you today on behalf of the Tennessee Taxpayers Association as well as similar research organizations in 16 other States.

I would be glad to answer any questions.

The CHAIRMAN. Without objection, Mr. Jackson, we will include the list of the organizations in the other States which join you in this statement.

(The information referred to follows:)

This statement is presented on behalf of the following organizations. Each has specifically endorsed the comments included in this presentation.

Tennessee Taxpayers Association.
North Carolina Citizens Association.
Public Expenditure Survey of Wisconsin.
Nebraska Tax Research Council.
Washington State Research Council.
Missouri Public Expenditure Survey.
Montana Taxpayers Association.
Taxpayers Federation of Illinois.
Associated Taxpayers of Idaho.
Oregon Tax Research.
Utah Taxpayers Association.
Citizens Public Expenditure Survey of New York.
Ohio Public Expenditure Council.
New Jersey Taxpayers Association.
Colorado Public Expenditure Council.
Connecticut Public Expenditure Council.

The above statewide organizations maintain research staffs for the purpose of making recommendations to Federal, State, and local officials on tax and spending policies. Each organization—council, survey, federation, or association—represents interested taxpayers.