

in turn, will mean a reduction of almost \$100 million, somewhere in that neighborhood. That is another case in point.

By substantive legislation last year, the President was given \$1 billion in special assistance for housing mortgages. This comes right out of the administrative budget. Instead of releasing all of that, he has held back \$750 million and only released \$250 million.

Now, Senator, I want to point out that in the highway program and some of these others, these represent deferrals or postponements. They are not cancellation of projects, and if the economy should turn out to require it, we may release some of the housing or other funds later, depending on the economic situation.

Senator JORDAN. They are stretchouts.

Mr. SCHULTZE. Yes, sir; they are stretchouts. I would say about half, or maybe a little more, of the total reductions are just stretchouts and the others are actual reductions. But it was never said we were doing anything more than that. We were trying to take some of the heat off the economy last fall, and this is what we are doing, both by deferrals and stretchouts, and by reductions.

But let me be perfectly candid. In many cases, that money eventually will be spent, but it will be stretched out and spent at a slower rate.

Senator JORDAN. On another matter, Mr. Schultze, the administration constantly compares the price performance during the Vietnam war with the performance during the Korean war and concludes that we are doing much better this time. Isn't it true that the national defense expenditures at the height of the Korean war were substantially a greater percent of the gross national product than they are now?

Mr. SCHULTZE. That is correct, sir.

Senator JORDAN. And isn't your comparison therefore false to that extent? You compare percentages now; compare amounts now. Isn't it true that it is a distortion when you say it was much greater during the Korean war?

Mr. SCHULTZE. I would make two points in response to that, Senator. First, the differences were also very largely in price behavior. On consumer prices we have had a 4.2-percent increase versus 11 percent during the comparable Korean war period.

Senator JORDAN. Yes.

Mr. SCHULTZE. But second, let's not take the Korean period, but let's go back to the last prior period before 1963-64, a similar 18-month period of peacetime full-employment. The price increases now, even with Vietnam, are better than that.

Now, one final point. I do not want to appear smug or satisfied about it. You know that we did not do as well as we had hoped for. We did not do as well as we should, in many ways, if you want to look at it in that way. We are trying to do better.

Price increases have tapered off a good bit. I did want to put it in perspective, that it is not what we wanted, but still, compared with other periods when we have had this kind of problem, even in a similar 18-month peacetime period of full employment, it racks up pretty well, even though not as well as we wanted it to.

Senator JORDAN. Will you supply for the record, Mr. Schultze, the relevant figures during both the wartime periods, Korean and Vietnam?