how it seems to indicate pressing on a reluctant administration, but apart from that, yes.

Now, may I list some of the things we did, which were obviously, not 100 percent successful. In terms of cutting programs, we were in one sense in a rather difficult position because we had sent to the Congress a number of recommendations for program reductions—first, practically none of which were accepted, and secondly, which has been particularly galling to me at least, we were accused of sending up cuts that we knew wouldn't be accepted. It was my own point of view—a lot of people disagree—that I could support every one of them. But, in any event, we did send up a number of reductions. They were not accepted.

In terms of sending up yet other reductions, the question of whose ox is being gored, the ones we had picked out I thought, at least, had some merit.

Secondly, at one time during the session, we ran a calculation on our best judgment of where the various authorization and appropriation bills might come out, and it turned out that there was a range of $4 to $7 billion over the President's request. Secretary Fowler and I, and the President, spent a lot of time with various congressional leaders. Congressional action ended up coming out not four to seven but $2.6 billion above the budget. But I firmly believe that the action taken, particularly during the summer, made a significant difference in the ultimate shape of the budget and the authorizations as they came out.

Finally, in September we did come up for tax measures. Now this particular tax measure, the suspension of the investment credit, was not primarily aimed at getting revenue per se because it doesn't get a lot of revenue right away, but a cooling off of the boom. And at the same time, we did put into effect these deferrals and delays.

Now despite the deferrals and delays the budget is still up; there is no question about it. We did, however, take what I consider to be fairly vigorous action, at least measured by the protests we are still getting, it was fairly vigorous action.

Senator PERCY. It would have been much worse if you hadn't pressed forward on those programs and I think the Congress many times goes ahead and appropriates well beyond what the administration asks for and that presents a problem.

I think on the expense cutting end, some real work was done. How about on the other end, when you saw that still, despite this, for one reason or another, you were not going to come anywhere near the deficit forecast figure. Is it a fair question to ask you what the responsibility of the Budget Bureau is with respect to the administration in recommending a tax increase, coming back to this question whether it is acceptable to Congress or not. Did you make a recommendation to the administration that we have a tax increase last year, which in retrospect probably would have been a very good thing?

Mr. SCHULTZE. In the first place, the basic recommendations with respect to fiscal policy are primarily the function of the so-called "troika"—the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Budget Director—and as a matter of fact, this year much more so than last year, the Chairman of the Federal Reserve Board was drawn into these discussions fully.