

figure around \$952 million. That is months ago, but is as I remember it, and considered in excess.

Some \$570 million of that \$952 million was to pay the people that had been added, and also the increased salaries, both requested by the administration.

Defense took the position that they couldn't recommend we approve that money, because they didn't know exactly how much it would be, therefore, it should be included in the supplemental the following year.

I would hope that in the future, the Congress isn't criticized for appropriating money for the programs the administration requests.

Mr. SCHULTZE. Senator, I obviously will have to check those numbers to make sure that the statement I am about to make is right.

First, in working up tables on what Congress was adding to the budget, we only put in that part of the military pay raise which is attributable to moving the effective date from January 1, 1968, to July 1, 1967. The remainder of the \$952 million we never counted.

Secondly, we did not count the \$500 million plus added to the personnel accounts by the House, because as a matter of fact—

Senator SYMINGTON. I think the staff of the committee put it in, because they knew it was needed.

Mr. SCHULTZE. This is right. The House put it in—

Senator SYMINGTON. And I say inasmuch as they didn't know exactly what it was, say 580 or 560 instead of 570, they wouldn't ask for any of it. We thought that was a little unfair.

Mr. SCHULTZE. I am not at all critical of this. The point I am trying to make is that since it was put in by the House and taken out by the Senate, it was never in our computation of what the Congress added.

Senator SYMINGTON. It was finally taken out because we were told it wasn't needed. But we both knew it would be needed, and asked for in January. That was my only point.

Mr. SCHULTZE. I did read the colloquy from the record between Secretary McNamara and—

Senator SYMINGTON. Senator Stennis.

Mr. SCHULTZE (continuing). Senator Stennis on that, and also on the floor when the bill was presented, and my recollection is roughly the same as yours, that Mr. McNamara said "We have the authority to reprogram these funds now. I would prefer to come back and get it all in one lump sum." That is right.

Senator SYMINGTON. Thank you.

Chairman PROXMIRE. Congressman Brock?

Representative BROCK. Mr. Schultze, if I might pursue for a moment this question on the ceilings, you have mentioned several times the need for flexibility, not only in your operation on fiscal and monetary management, but this obviously would include management of the debt. Would it not put you in a more flexible position if you did not have the statutory limitation of four and a quarter percent on the interest payments?

Mr. SCHULTZE. I think I would concur fully with what Secretary Fowler has said on a number of occasions. First, some limited flexibility would be useful. Second, he did not think, and I fully concur with this, that the current debt limit proceedings are the proper oc-