

in the budget that what he is trying to do, in effect, is to walk a fairly narrow path here in conserving existing programs rather than dismantling them, and standing still, so to speak, in some areas. These will be very useful and desirable areas for growth and expansion when the Vietnam period is passed, and therefore, you want to keep these programs in being.

Chairman PROXMIRE. You see, what I have in mind, if I can interrupt for a minute, that the President is in a position, as he demonstrated by reductions in spending of \$3 billion. We can put them into effect without months of congressional debate that a tax hike involves.

He can go further than that with road building programs, with much of our public works, with some of our space or much of our space program, and then he can resume them because he has the obligational authority from Congress without having to go through hearings, debates, and delay.

If we have the situations as we have had in the past with prices rising and unemployment rising at the same time, it is going to be very hard for Congress to resolve this and to cut taxes.

Secretary FOWLER. I think, Mr. Chairman, the President feels that he has done a very, very substantial job already. In the fall he and the Director of the Budget, I know, went over expenditures painstakingly, in order to defer or reduce expenditures to the extent of roughly \$3 billion in this fiscal year, and to reduce total authorizations by about \$5.3 billion.

Now he thinks he has gone just about as far as is desirable from his point of view. It may well be that the Congress could and will find other areas. You mentioned several the other day that might be profitable to pursue. However, experience as to what Congress has done with Presidential budgetary recommendations in public works and NASA doesn't give me any great encouragement that additional reductions in expenditures can be made to the tune of \$5 to \$6 billion—the amounts involved in this tax program. I just don't believe it is going to happen.

Chairman PROXMIRE. Almost everything depends upon what the President decides he is going to do, (a) he can veto spending measures, (b) as he has shown in the past, he has a very effective item veto. He can just refuse to spend the money.

I can recall fighting hard against the additional wing of B-52 bombers on the advice of Secretary McNamara in 1962, and losing on the floor of the Senate, with only four votes. President Kennedy just didn't spend the money. President Johnson can do the same thing.

Secretary FOWLER. He is doing that; and he is doing it now to the tune of about \$3 billion in this current fiscal year, and he feels he has gone as far as he should go from his point of view. He feels that he has tailored these programs down as much as possible.

Now, Congress may have a different judgment about that. I hear a lot of comments up here that we are going to cut this budget an additional \$5 billion, and we won't need this tax increase. I would just like to point out in the area that you are focusing on, what happens. I have a lot of detail here I could submit for the record. In fiscal 1965, 35 projects were budgeted for the Corps of Engineers, and Congress added 28 additional ones. In 1966 they budgeted 37; Congress added an additional 25. In 1967 they budgeted 25, and Congress added 33.