Mr. BURNS. Under the negative income tax?

Representative GRIFFITHS. Yes. Would you not?

Mr. BURNS. Oh, I feel quite concerned about that. I am afraid you would need an army of investigators to administer a negative income tax. In fact, I think that this may become a very great burden.

This whole question has to be studied very carefully. In some ways, a family allowance plan, which is a very different route entirely, but which does not involve complicated administrative machinery, could be preferable. I think all this should be studied carefully and objectively.

Representative GRIFFITHS. Thank you. We are going to study it later this year, and I invite you now to come and help us.

Mr. BURNS. I am very glad to hear that.

Chairman PROXMIRE. Congressman Curtis?

Representative CURTIS. I am glad to see Dr. Burns here again. I was very interested in your recital of some of our fiscal history.

In your statement, where you point out that the preamble of the 1963 revenue bill, which became the tax-cutting bill of 1964, explicitly assigned top priority to tax reduction, with debt reduction next, I should like to read the first sentence. You say:

In the revenue bill passed by the House in the fall of 1963, Congress took the unusual step of spelling out its fiscal philosophy.

Then you go on:

The preamble to this bill explicitly assigned top priority to tax reduction, with debt reduction next. Congressman Mills described the preamble as a firm, positive assertion that the Nation is using tax reduction and rejecting larger spending as its road to a bigger, more progressive economy.

Then you go on to point out:

The history in line with the new fiscal policy enunciated in the tax reduction bill, Federal spending actually stopped rising for a time. From the third quarter of 1963 to the first quarter of 1965 cash expenditures moved along a horizontal trend.

I want to underline this, because this has been ignored, in my judgment. The new economists have claimed that the tax cut of 1964, which I think proved productive, followed their philosophy and not this enunciated fiscal philosophy that you referred to.

However, you don't say here, whether you thought that that was wise economic philosophy at the time, and whether you think it still might be wise.

Mr. BURNS. I thought it was wise at the time, and I said so in testimony before this committee, I believe this is still a sound philosophy for our country. I hope we will return to it.

Representative CURTIS. I hope so, too, and I hope personally that a few of our writers and others will refer to this basic fact that expenditures were restored from the third quarter of 1963 to about September 1965, when we reverted to the new philosophy which we have been pursuing since then.

You also point out, "When the administration urged a massive tax reduction, it rightly put great emphasis on the fiscal drag of our tax system."

Then you go on to say, "Yet in 1963 Federal revenues absorbed only 27 cents of every additional dollar of the gross national product in contrast to 30 cents in 1966," which leads me to this point.