

Chairman PROXMIRE. Yes, without objection.

Mr. HAGEDORN. It is prepared by the Government expenditures committee of the NAM.

Chairman PROXMIRE. How big a study is that?

Mr. HAGEDORN. About 30 mimeographed pages.

Senator MILLER. I think, Mr. Chairman, if these contain specific proposals, that it might be useful to have something like this.

Chairman PROXMIRE. Does this study declare the NAM position on reducing spending?

Mr. HAGEDORN. It contains the reaction of our Government expenditures committee to the budget that was submitted by the President.

Chairman PROXMIRE. Without objection, it will be included in the record at this point.

(The study referred to follows:)

THE GOVERNMENT EXPENDITURES COMMITTEE OF THE NATIONAL ASSOCIATION OF
MANUFACTURERS

REPORT ON THE FEDERAL BUDGET FOR 1968

This memorandum on the President's budget for fiscal 1968 deals with budgetary factors involving policy issues in which NAM's Government Expenditures Committee has particular interest.

It covers the fiscal and economic premises of the budget: the "three-budget" complex; the program-funding requests in the budget with which Congress deals; and trends in the level and components of non-defense expenditures.

Appended to the text are tables covering both administrative budget expenditures and spending authority—first by the organization units of government and second by the broad purposes for which expenditures are made. A table of civilian employment figures is also added.

A final tabulation shows the detailed composition of Great Society programs and the gross level of spending for those purposes—welfare, health, education, employability, housing and community development, and economic development.

Major premises of the 1968 administrative budget

The *international and domestic premises* of the spending budget for 1968 involve the President's intent to press forward in defense of freedom and in search for peace, to improve the quality of American life and to guard against any interruption of our prosperity. Although the President acknowledges that prosperity is everywhere evident, he qualifies this by pointing out that the economic progress achieved "still left far too many behind." He indicated this was one of the problems met in 1966, and that its solution is one of the tasks of 1967.

The President's intention regarding "those left behind" is clear: he is requesting Congress to provide him with \$5.2 billion more in regular spending authority than it did in 1966, and, additionally, he is anticipating \$2.1 billion more than in 1966 of proceeds from the sale of loans, which would be used for expenditures. This is a \$7.3 billion increase of financing for such purposes as health, labor and welfare, education, housing and community development over the amounts provided in the fiscal year ending only last June.

By contrast, for defense and international purposes together the 1968 requests for funds are only \$10.1 billion above the amounts provided in 1966.

Another indication of the relative emphasis on forwarding domestic spending is its contrast to an apparent plateauing of defense. This is seen in the respective amounts of deferred spending in these two general areas.

Deferred spending can be estimated by showing the relationship between expected expenditures for a given year and the obligations which will be incurred in that year—which will all ultimately have to be met. Here are such indications of future spending based on current estimates: