

All told, then, in the twenty-one years since World War II, there have been twelve surpluses on the National Income Accounts (NIA) basis, the one that best measures the Federal budget's impact on the economy. Most of these surpluses occurred when there was inflationary pressure, so they were welcome weapons in reducing that pressure.

Mr. HELLER. It has been a considerable number of times, and I would say the prospects for the future are better than they were for the past, if we project anything like (a) a leveling out of military expenditures, and you may not want to accept this assumption, leveling out or reduction; and (b) the average annual increase in civilian expenditures that we have experienced over a fairly long period of time. If you take those two—

Senator PROXMIRE. I disagree on both those points. I think the leveling off of military expenditures is hopeful, and we all hope and pray we can reduce them, everybody in the country does. But on the basis of experience I am doubtful, and we have, I think, a very good and wholesome appreciation by Members of Congress of the immense responsibility we have in the cities especially.

Now, Senator Ribicoff has said this is going to cost us a trillion dollars if we are going to do the job over the next 10 years.

If we are going to spend a trillion dollars, and a lot of these programs are in big cities and in urban areas where it is going to be hard just to have a tax sharing and expect this to end up meeting the problem, I am not convinced that this is the way we are going to meet this big and heavy and increasing responsibility.

Mr. HELLER. It is only fair to note that I am entirely in agreement with large Federal programs in the poverty area and in the city area, and so forth. I am sure that is part of the record over the years.

But if you visualize something like \$45 billion to \$50 billion of additional revenue at the disposal of the Federal Government 5 years from now, simply taking the \$8 to \$9 billion a year of revenue growth from our existing tax sources, you can deploy a great deal of that for vitally necessary Federal programs, deploy some of it to tax reduction, and still have a margin left over. Eight and a half billion dollars of tax sharing was the figure I was suggesting as of 1972 as part of a blend, as Congressman Rumsfeld mentioned, in the Federal-State-local relationship.

Senator PROXMIRE. Does this really take into account the new realization of what is going to happen to the Great Society program if we are going to meet our responsibilities in education, if we are going to meet the enormous costs of housing, if we are going to do all these other things on the basis of a national program and a national consciousness of the need and the recognition that there is a sharp difference between—there is a sharp difference within the State sometimes as to where the money goes, and very often you and I can cite many instances in which States have not been sympathetic to city problems.

Mr. HELLER. True.

Senator PROXMIRE. Under the circumstances, I just wonder if this is the way to meet what all of us are becoming more and more aware of as the "Big American Problem."

Mr. HELLER. All I can say is that it is part of the picture. If you want to get sounder vessels into which to pour the Federal aids and the Federal programs, if you want to have stronger service stations, so to