

I made a speech on the floor last night, pointing out that fiscal 1969 begins in 27 days. If we are going to do any cutting for the first month of fiscal 1969, we have to have our plans ready right now and know what they are. We have no plans.

Only 6 months of fiscal 1969 is under this administration. The other 6 months are under a succeeding administration. There has been no spelling out of line-item cuts. If these cuts are made in troops in Europe, or in foreign aid, then it has a bearing on what we are talking about here.

I don't know where the cuts would be, but I think we need to know. If we make the line-item cuts of \$6 billion or more in the domestic area, those also have an economic bearing.

I am not trying to argue the tax increase, and the expenditure cut package, other than to relate it to the problem that we are here faced with—the fact that you mentioned the tax increase, but said nothing about expenditure cuts.

Certainly we are still at a loss to know what the expenditure cuts might be.

Secretary SMITH. I am rather certain now that the tax bill and the expenditure cut are going to be very closely joined together.

Mr. CURTIS. It could be a complete sham, as far as this administration is concerned. The administration could accept the \$6 billion cut, and continue expenditure levels at the same rate they now are, in fact, could increase them, because only 6 months of the fiscal year are under this administration.

You can smile—

Secretary SMITH. I don't think there is any intention of doing that.

Mr. CURTIS. If there isn't why doesn't the President spell out where the cuts will be made?

Let me tell you something. The President told us in August that he cut \$4 billion out of the expenditure level for fiscal 1968, and when we examined it, we found that far from a \$4 billion cut, there was a net \$7 billion increase.

So if he cut \$4 billion, he must have increased \$11 billion elsewhere. So I don't think that you can smile at this, Mr. Secretary, and just say we can't expect this type of thing to happen again.

I am saying that time has run out, and fiscal 1969 begins now in 26 days, and we still have no information from the Executive on where these cuts are going to occur.

There has been no sitting down with the congressional leaders to figure out where these cuts are going to occur. Where these cuts are made has real economic import, and it is important to know where they will be.

This is nothing to be cute about. Let me say this if you are going to cut in the month of July, you have to start doing it now. You can't just do it beginning July 1. It is probably already too late to cut back expenditures levels in July.

So I am afraid this Congress, as well as this country, is being flim-flammed. Yes, I question whether or not the President will really cut back on expenditures. Particularly when you come in today with your paper saying we need a tax increase, and say nothing about expenditure cuts.