

PRESENT SERIOUS ECONOMIC SITUATION

Mr. CRAMER. I wanted to just take a minute on money. I do not quite understand in the bill how much tax money is needed, particularly under these circumstances where tight money, high interest rates, and now unbalanced budgets—and more of them come with no relief in sight—and serious inflation problems and escalating costs of the war. Here we want an escalated program and the President tells us we are going to ask Congress to cut these expenditures. Every program he sends up practically says "Let us start a new one. Let us spend more money."

This is an example.

I do not think we can judge this bill in the context of what is going on in America today and in the world relating to the value of the American dollar. It is in trouble. I know I do not have to tell you that.

The Federal Reserve Board Chairman made it very clear to the American people that it is in worse trouble since 1931. That is a pretty serious consideration we have to take into account. So I want to know how much money we are talking about.

Secretary UDALL. Congressman, I am in a very happy situation, because I cannot argue with some of the things you just said, but, if you pass this law as we propose it, in fiscal year 1969 there is no additional Federal money involved. I cannot say that for the following year. This is for the reason, you see, that we are picking up the difference between authorization and appropriation by this commitment to pay interest and principal on indebtedness, except the first payment will not come due at least for a year.

So I am not so sure, if we had not fortunately come out this way, that I would have gotten this by Mr. Hughes in the Bureau of the Budget—

Mr. CRAMER. He thinks everything is going to be all right next year?

Secretary UDALL. I do not know.

Mr. CRAMER. Is everything going to be all right, Mr. Budget Maker, next year?

Is everything going to be all right next year?

Mr. HUGHES. I am sure, Mr. Cramer, that the budget next year, like the budget this year, and the last year and 10 years ago, will be the source of considerable controversy and disagreement as to whether it is high enough or low enough. And there will be people on both sides.

Mr. CRAMER. I know. It is too high.

Mr. HUGHES. Pardon?

COST OF THE PROPOSED CONTRACT PROGRAM

Mr. CRAMER. It is too high, and this will make it higher. \$225 million is a budget request for 1969; right?

Secretary UDALL. That is correct.

Mr. CRAMER. That leaves you money to put into this of \$475 million, according to your approach.