This raises a question and we would appreciate very much if you can shed some light on it, whether you have any knowledge as to whether any highway trust funds are going to be used to make up this $6 billion expenditure cut that the President is now admitted or acknowledged that he will go along with.

Mr. MAHON. Well, let me first make reference to a collateral matter and come squarely to grips with the question which you have raised, Mr. Cleveland.

As I see it, in extending the Interstate System it is important that we act as soon as we reasonably can in including the extension. It is not vital that the actual construction proceed immediately for these additional mileages.

When designation is made, map makers begin to so indicate on the maps. The maps show that the Interstate will be there sometime in the future. It is true that there are a lot of things we cannot do toward additional interstate at this time.

Now, with respect to your question I do not know where the $6 billion reduction in expenditure is going to be taken. I think it has to come from many places. I think this cut is going to be very difficult to achieve.

I think Congress itself ought to make the determination of where the cuts will be made and Congress will, up to a certain point. We already have cut this year appropriations by $5 billion below the President's budget.

We will go to $6 or $7 or maybe $10 billion below the President's budget in reductions in appropriation. We hope we will make cuts to the extent which will reflect savings of not less than $4 billion in expenditures for the forthcoming fiscal year.

Then it is going to be necessary to decide how the additional cuts will be made. Under the present proposed legislation the additional cuts, if not made by Congress, would have to be made by the Executive.

Mr. CLEVELAND. The other thing I think that confuses some members of the committee is, is it truly a cut, is it truly an expenditure reduction if we are taking money that is coming into a trust fund and just slowing down that expenditure. I mean is it really a budget cut?

Mr. MAHON. If this is done it will be reducing expenditures for the fiscal year 1969. That is the objective. It is not necessarily a savings. It may be a loss from the standpoint of actual savings because the cost may be greater later on.

Those who argue for tax action based on inflation and the economy take the position that by spending less during a particular period, the inflationary pressures will be less and even though the cost may be greater in the long run, the Nation's interest is served.

Now, I just believe we ought to pay our own way insofar as we reasonably can. If we do not want to pay for a program, we ought to be willing to suspend the program. Of course I assume a dollar unexpended in a highway trust fund is no different from the standpoint of the impact on the economy from a dollar not expended in other programs which are funded directly and not through the trust funds.

Mr. CLEVELAND. There is a difference, Mr. Chairman, because if that dollar in the highway trust fund is unexpended this year, it cannot be expended for anything but highways in later years.