

program expansions that are just there, and which no administration can do anything about unless the laws are changed on social security, on pay, and on other areas.

Against that then you have to net the decreases, and the question is how many decreases you see outside of Vietnam. You see some here and there, but then the real question is whether you would be getting any significant relief on Vietnam in fiscal 1970. I think that is the elementary arithmetic. I think you can go from there.

There has been no decision by the administration to either ask for or not to ask for an extension of the surcharge. We will face that in December when we put the budget together.

Senator JAVITS. Don't people like myself who are campaigning have to face very honestly and realistically, without regard to party, any promise that we will reduce taxes after the Vietnam war? Personally, I am taking exactly the contrary attitude. Would not that be the more conservative point of view?

Mr. ZWICK. I have given you the arithmetic, I think.

Senator JAVITS. On the financial side.

Mr. ZWICK. The question then becomes how do individuals value these public purposes and the timing of them, because at the other end of this argument that Senator Percy referred to, if you look out 4 or 5 years and if you look at \$10 to \$12 billion of annual fiscal dividends coming in, you are looking at an additional \$50 to \$60 billion worth of revenues, and you can get onto some of these things. The issue is do you want to wait? Are you prepared to wait?

Senator JAVITS. Time is not going to wait for us. This clock is ticking away a lot faster than we are doing anything about it in the cities. So I am not trying to, you know, get you to support me.

Mr. ZWICK. Sure.

Senator JAVITS. But I just wanted to get this. You have done very well in elucidating those figures.

I have just two other questions, Mr. Chairman.

Chairman PROXMIRE. Yes, go right ahead.

Senator JAVITS. About this provision in the Revenue and Expenditure Control Act, which I authored and of which I am very proud, which is the idea of giving us some concept of the administration's recommendations on tax reform by the end of 1968. Do you see any real hopefulness in materially improving our revenue system.

Mr. ZWICK. Well, tax reform is something I think that all of us are for in the abstract, like economy, Senator. As you know, it is much more difficult in the specific either to get economy or to get tax reform.

Senator JAVITS. But as far as you know the administration will give us those recommendations.

Mr. ZWICK. Yes.

Senator JAVITS. It is not proposing to ask for an extension as far as you know?

Mr. ZWICK. As far as I know, that is correct.

Senator JAVITS. I think that would be very helpful. I would just like to emphasize on the public record when we talk about the budget how desirable I think tax reform is, both in terms of an equalization of the tax load and in terms of the possibility of materially improving our total tax intake.

Now, I was a party to this \$6 billion expenditure cut—10 percent surcharge, along with Senator Williams of Delaware, and I notice that