As to the nature and precise timing of the tax increase, the only proposal that is presently before the Congress is the one that the President made in his State of the Union Message and in the Economic Report and I am unable to go beyond that.

Obviously, enactment of a tax increase to become effective by July 1—other than retroactively—is now unlikely. I would presume that when congressional leadership, including the Chairman of the Ways and Means Committee, agree that they are ready to take up this matter, the President might find it appropriate to send a message of some kind to the Congress in which he would specify additional or altered details of his proposal.

Chairman PROXMIRE. You would be satisfied with that kind of a vague-timing approach to it. You feel that it is not so urgent that we have to act at once, but if the Ways and Means Committee chairman and others feel the time may have come that perhaps January 1 might be an appropriate date?

Mr. ACKLEY. I am not trying to express that judgment, Mr. Chairman. I am only trying to indicate that I am not in a position to announce what further proposals the President might make which would alter this.

Chairman PROXMIRE. We are just trying to get your best economic judgment because you are the principal economist of the administration.

Mr. ACKLEY. We have tried to make clear our judgment that the economy will be advancing by the end of this year at a rate which could not be long sustained without inflation or tight money.

Chairman PROXMIRE. How large a tax increase?

Mr. ACKLEY. Again, I think I will have to say that until the President suggests otherwise, the proposal which he has made is the only proposal that I speak to.

Chairman PROXMIRE. You wouldn't be able to tell us whether that would be only a minimum, that it might be that or larger?

Mr. ACKLEY. On the pure economics of it, it would seem unlikely that a smaller increase would be capable of having the effect that seems to be required.

Chairman PROXMIRE. Can you tell us what your assumptions are as of now, almost 5 months since you made your last report on Federal spending?

Mr. ACKLEY. As we indicated in our statement, Mr. Chairman, the assumptions on the basis of which our economic analysis was prepared were that Federal spending would essentially conform to the budget as submitted by the President in January.

We indicated as well the possibility that there might be some overrun of that—as may often occur during a war period—but our forecast and our prescription for policy were not based on any anticipation of such overrun.

Chairman PROXMIRE. So that if there is a substantial increase above what the President initially requested and you request much more, then it will seem on the basis of your analysis that you will have to have a larger tax increase than 6 percent; is that correct?

You see, all the evidence that we have heard—and we have heard people both inside and outside of Government—they have said that spending is going to be substantially higher than the President requested. I am not saying that the President increased the request. I