committee sometime late in July. That new estimate might be higher or lower than the latest one.

Representative CURTIS. Before the Ways and Means Committee we couldn't even get that, but the Secretary of the Treasury was willing to accept the assumption made by the Ways and Means Committee that defense expenditures would probably increase by as much as $5 billion. Last week on the floor of the House, when we debated the defense appropriation bill, the members of that committee suggested that the figure may be $8 billion; yet apparently the administration is perfectly willing to get a debt ceiling granted on the assumption of a $5 billion increase. It still is not willing to alter its figures beyond what you have given us here, $136.4 billion.

Mr. ACKLEY. The Secretary's reference to $3 billion of possible additional defense expenditures was as a contingency which he thought it appropriate for the Congress to take into account in legislating on the debt ceiling.

I think that is very different from a prediction on his part.

Representative CURTIS. No; he accepted this.

Mr. ACKLEY. As a relevant contingency. I would suggest that such a contingency exists. Indeed, we know that the President is considering a request for larger troop strength in Vietnam, and until that decision is made one way or the other I think it has to be regarded as a contingency.

Representative CURTIS. We are basing this on things in being. It is the judgment not just of members of the House but of those who try to study these things. This is in the context of what happened last year when everyone—not everyone, but certainly members of the Joint Economic Committee, of the tax committees of the House and Senate, and the expenditure appropriations committees—was suggesting that the President's expenditure estimates of $112.8 billion were way out of line. As late as September 1966 the President repeated this figure; and yet, as we now see, expenditures went up to $126.7 billion. This is the kind of indecisiveness and uncertainty that the administration is presenting to the Congress, while asking the Congress to make judgments on fiscal policy and all of these other economic problems you have presented to us. We badly need some firmness on the part of the administration in determining just what it is going to do on the expenditure as well as on the revenue side. I see my time is up.

Mr. ACKLEY. Could I just comment?

Once again I would stress the difference between a contingency allowance and a best estimate of expenditures. As of now, the best estimate of expenditures is one approximately in line with the budget. That obviously can change.

So far as the timing of this goes, I think clearly we do not need the tax increase in effect right now. Clearly, we will need it later. There will be time to take deliberate action to do what needs to be done on a schedule which will be appropriate. If and when there are revisions in expenditures, I am sure that they can be cranked into any consideration of the tax change.

Representative CURTIS. Mr. Chairman, if I could respond here just to get this problem in focus. Before the Ways and Means Committee this point was developed: if the contingency of increased defense expenditures occurred what would the administration do—if