because we have no techniques, we have not developed the congressional mechanism for zeroing in on that particular problem other than through the debt ceiling.

I wish I could educate a few members of the news media in this regard who constantly are saying the debt ceiling is just a fiction or just a political maneuver. It has to deal with this very question that I am trying to raise here—how large should the deficit be, what would be its impact if it is a certain size and then, given a deficit of the size of $29 billion or whatever, what is the best way of financing it with the mix of the three things that we have, sale of capital assets, new taxes, and Government bonds?

So that, in this context, I think our $29 billion figure regrettably is the one that we have to grapple with and whose economic impact we must figure out.

Mr. ACKLEY. You will forgive me as an economist if I concentrate on the economic effects of the budget and prefer to analyze it in terms of the national income accounts.

Coming back to your figures which I guess add up to something like $29 billion——

Representative CURTIS. $29.2 billion if my arithmetic is correct, and I think it is.

Mr. ACKLEY. Obviously the defense, $5 billion, and the $5½ billion that you put down for the absence of a tax increase are relevant to the economy.

Representative CURTIS. Certainly.

Mr. ACKLEY. Although we have no basis at the present time for justifying a $5 billion estimate for additional defense expenditures over the budget, we do feel that a tax increase is appropriate even without such an increase. I certainly hope that the Ways and Means Committee in considering the tax question will be focusing on the economic aspects and not on the accounting aspects; on the total impact on financial markets, not on whether it happens to be in participation certificates or Treasury securities. It seems to me that these are the appropriate matters.

I, therefore, can't accept the $29½ billion on its merits, simply because I can't conceive of the fact that the Congress will not vote an appropriate tax increase.

The $5 billion defense overrun was a contingency which the Secretary suggested might be appropriate to take into account if the worst happened. I don't think it should be regarded as a prediction by him or anybody else that, in fact, defense expenditures will be $5 billion higher.

Representative CURTIS. I think the administration should pay a little more attention to the Members of Congress on the appropriate committees that are concerned with this, because they hit the thing pretty closely. I again refer to the testimony of the able Members of Congress who deal with these matters. This is something which is, according to their testimony, already there. Again it comes back to the fact to me that the administration is not being forthright with the Members of Congress about these fiscal matters or with the people of this country. This lack of forthrightness is most significant when the Congress is in the process (as it is right now) of considering appropriation bills.