

The President has asked in his budget a total of new obligational authority of \$144 billion. He is going to add to that the \$125.6 billion carryover power to spend from previous Congresses that he has not used. This gives him a total of \$269.6 billion, of which he says he is going to use only \$135 billion in fiscal 1968. He could use more or he could use less. He could use at least \$20 billion less, according to his own judgment. But this is the point: The President continues to whip up sentiment for these appropriation requests.

If the true fiscal picture had been presented by the President in 1966 as it turned out to be, there would have been an entirely different attitude, I am convinced, adopted by the Congress as well as the people of this country toward appropriation bills, which give him new authority to spend.

The President has castigated the Congress, saying it is a spender. Yet he signed every one of these bills. He has not vetoed them. He has signed them, and he continues to whet the appetite of the people, as I see it, by increasing Vietnam expenditures while maintaining that we don't have to cut back in the nondefense area either by reducing the appropriations requests, or, even more importantly, by restricting the extension of the power to spend that the President already has.

From an economic standpoint, speaking for the Council of Economic Advisers, could you say that the administration has not decided to cut back on nondefense expenditures to make way for these contingencies of increased spending. Am I stating that fairly?

Mr. ACKLEY. Perhaps the only thing to say is that the Budget Director will be presenting revised estimates to this committee next month. I am not in a position to present revised estimates.

Representative CURTIS. The only point I make concerning the Budget Director is why did not he make the revised estimates available while the Ways and Means Committee was being asked to make these major fiscal determinations? My time is up. I had one final line of questions, but I yield and will come back.

Chairman PROXMIRE. I would just like to ask one question and give a commendation and admonition.

The question is that you told us that, in your judgment, if you get the tax increase you requested, prices will probably rise about 2½ percent. What happens if you don't get that price increase? What cost do we have to pay in higher prices if Congress does not pass the tax increase that you are proposing?

Mr. ACKLEY. I think it would be very difficult and really not appropriate for me to give a rash and ill-considered answer to the question of how much.

Chairman PROXMIRE. Give us one in ranges. This is a question for a competent economist to say what it means when you take \$5 or \$6 million out of the economy—what likely impact would it have on prices?

Mr. ACKLEY. I think it certainly would make the difference between an improving price record and the prospect of restoring stability in the near future, and the lack of such prospect. If we have a larger price increase in 1967 than in 1966, the prospect of restoring price stability becomes extremely difficult.

Chairman PROXMIRE. Does not that all depend on a crystal ball which is at least cloudy? It depends on whether or not the consumer