The question is only whose needs will be left unsatisfied, and by what mechanism the resources will be diverted from private to Government use. I think we would all agree that it is better that the resources be diverted to the Government through taxation rather than though inflation or monetary stringency.

As the President's message pointed out: "A failure to raise taxes would not avoid the burdens of financing a war. For these burdens are inescapable. But, instead of sharing those burdens equitably and responsibly—as an income tax surcharge would do—inflation, tight money, and shortages would tax the American people cruelly and capriciously. The consequences of that irresponsibility would haunt America and its people for years to come."

The President has proposed a responsible course of action to meet the needs of the period immediately ahead. I am sure we all wish it were not necessary to raise taxes, even temporarily. And I know there will be bitter complaints about the specific expenditure reductions that the Congress and the President will find it necessary to make.

But we must not lose our perspective. Over the past few years we have been able simultaneously to reduce taxes by far more than they are now being raised, and at the same time to undertake major new programs to meet the needs of the American people; and I am convinced that we can continue on this course in the years ahead.

There are two reasons why it has been possible to combine lower taxes with the initiation of important new programs in the areas of education, health, cities, pollution, and the attack on poverty and distress.

The first reason is that a major and continuing effort has been made to control Government costs, increase efficiency, and to prune down older programs where needs are now less urgent.

The second and more important reason lies in the unequaled power of our essentially free and private economic system to enlist the energies, the skills, the imagination, the enterprise, and the ingenuity of American workers, businessmen, farmers, investors, scientists and engineers, inventors, promotors, lenders, and all who participate in this incredible complex of activities we so casually refer to as "the American economy."

The growth of our ability to produce goods, services, and incomes continues apace, and shows no limits. In that perspective, I am confident that we can look forward again to a trend of lower, not higher, tax rates—which will still produce the growing revenues needed to finance the farsighted public programs the American people want and need.

The time will again come when a responsible fiscal policy presents the welcome opportunity for tax reduction. We will hasten that time if we now take the responsible fiscal action of temporarily raising taxes, as the President has proposed.

Thank you.

The CHAIRMAN. Thank you, Mr. Ackley, and without objection those charts and tables attached to your statement will appear in the record at the points indicated in your statement.

Gentlemen, I have a few questions that I would like to propound to all three of you.

First, Mr. Secretary, do you have a chart that we can include in the record of what your estimates of revenue will be on the basis of your