

Mr. ACKLEY. Our view would be that an increase in gross national product in the neighborhood of \$55 billion for the second quarter next year over the second quarter this year would be associated with a gain of something like \$45 billion in personal income.

Mr. WATTS. Have you calculated what taxes you would get on this in making your determination?

Secretary FOWLER. That is right. They are reflected in the revenue estimates I gave.

Mr. WATTS. What amount of money did you allocate to these increases? Do you have that?

Secretary FOWLER. I don't think it is computed exactly on that basis.

Mr. WATTS. How much did you compute the revenue for this year over the last fiscal year?

Secretary FOWLER. We came in, Congressman Watts, with an estimate in the January budget of \$126.9 billion.

Mr. WATTS. What is that?

Secretary FOWLER. We came in with the January budget with a computation of revenue of \$126.9 billion.

Mr. WATTS. Income?

Secretary FOWLER. Revenue from all sources.

Mr. WATTS. What did you come in with the year before? Do you remember?

Secretary FOWLER. Do you want the estimate we made or the actual?

Mr. WATTS. The figure for the year before that you were using when you gave me \$126.9 billion.

Secretary FOWLER. This January?

Mr. WATTS. You said you estimated in January or figured in January that your revenues would be \$126.9 billion.

Secretary FOWLER. At that same time we gave you an estimate of revenues for fiscal 1967, of \$117 billion. It actually emerged at \$115.8 billion as of June 30 when we settled our books.

Mr. WATTS. In other words, this \$126 billion you are talking about is for fiscal 1968, is that correct?

Secretary FOWLER. That is right.

Mr. WATTS. And for fiscal 1967 what did you estimate it at?

Secretary FOWLER. We estimated in January that fiscal 1967 figures would produce \$117 billion. In actual fact it was \$115.8 billion.

Mr. WATTS. You were short?

Secretary FOWLER. That is right.

Mr. WATTS. You estimated about \$9 billion difference between fiscal 1967 and fiscal 1968?

Secretary FOWLER. That is right. That assumed a 6 percent tax increase.

Mr. WATTS. What I am trying to say is, if your gross national product is going to go up \$55 billion in the course of the year, I don't know how much taxes you expect to get out of that. I guess you probably did take in a good part of the \$55 billion, whatever you realized in taxes on it. But I am astounded at the growth that is evidenced in the wage field. I am just wondering if that was taken into consideration in arriving at your needs. You say it was.