Over the whole 6 years of unmatched expansion, our economy has—

Created nearly 9 million additional jobs;

Achieved more than a 50-percent expansion of industrial production, twice that of the preceding 6 years;

Accomplished a 50-percent increase in average real farm incomes, in contrast with a 9-percent gain in the preceding 6 years; and

Achieved almost a 25-percent increase in the real per capita standard of living of the American people, a gain equivalent to that of the entire 13 years preceding.

Six years ago, Mr. Chairman, when the current expansion began, the American people faced many and serious economic problems. Some of them still remain, and new ones have arisen. Finding solutions for these problems will be the continuing concern of the administration, this committee, and the American people. And when one strikes the balance between our progress and our problems, the record provides basis for confidence that these problems can and will be solved.

Mr. Chairman, we will be happy to attempt to respond to your questions.

Chairman PROXMIRE. Thank you, Mr. Ackley. I would like to suggest that Mr. Duesenberry and Mr. Okun might participate freely in responding to our questions. I anticipate that many of the questions will be directed to you, Mr. Ackley, because you are the Chairman, but I am sure you agree you have two very competent assistants with you and that we would miss a lot if we did not invite them to take part. I hope they will take part as aggressively as they desire to do so.

We are going to follow a 10-minute rule which means that each member will have 10 minutes the first time around. However, I understand that you can come back this afternoon, if necessary. If the members want to question two or three times, that is perfectly acceptable. In fact, it might well be desirable, because we want everybody to ask as many questions in as much depth as they wish.

Before I begin my questioning I would like to say, Mr. Ackley, that you have presented a fine statement. I particularly appreciate the good emphasis that you put at the end of your statement on economic progress, on growth, and on employment. These are gains that resulted in no small part from the policies which you and your predecessors have advocated and you deserve a lot of credit for it.

Now, having said that, let me say that in 1966 our Government made a serious economic policy blunder. Our fiscal policy was established early in 1966 and altered during the year on the assumption that—I should say, altered not at all during the year on the assumption that the Vietnam war would cost $10 billion. As late as March 23, when we knew we would have 400.000 troops in Vietnam, the Secreary of the Treasury insisted—and as I understand it, this was the position that you took, too—that the estimates were accurate and they could rely on them. Instead of $10 billion, the cost of the Vietnam war was $20 billion and because we did not know accurately what our spending would be, having anticipated that it would be only $10 billion, we followed the policies that I think would have been quite different if we had had accurate information.