there is time. The recommendation was made on the basis of the best information, the best forecast, the best projections that we were able to make at the time when the budget had to be prepared. Those could change and if they changed, then some other course of action might be appropriate. But as of now, it is our view that in the second half of the year, the advance in the economy, in the absence of tax increases, would be sufficiently rapid to threaten the possible resumption of the kind of situation that we had last year. I think all of us want to avoid that situation, in which demand was growing too rapidly, inflationary pressures were intensifying, and the resulting response of the monetary system and of the Federal Reserve System was to create credit conditions which none of us liked.

Senator JAVITS. Now, can we summarize what you say by the statement that from what you can see now, we have certainly the 90 days' time that I was talking about?

Mr. ACKLEY. I would certainly think so, Senator.

Senator JAVITS. I noticed on another subject that the President's Economic Report never mentioned the wage-price guidelines but that your report gives a lot of attention to it. The press has unanimously headlined the proposition that "the President has abandoned the guidelines."

Has he abandoned the guidelines? Have you abandoned the guidelines in the Council, and what is the difference between your positions?

Mr. ACKLEY. Guidelines have not been abandoned. As I suggested and as the report makes clear, we did not feel it appropriate this year to suggest a specific numerical standard for wage increases. But the guideposts—the guidepost policy—has always been a great deal more than the single number.

The guidepost policy recognizes that private wage and price decisions—where the decisionmakers have discretion—can be an important force either for instability or stability, and that the national interest requires that private decisionmakers take account of the impact of their decisions on the entire economy.

The President states in his Economic Report, as clearly and as emphatically as I believe it would be possible for him to do, the urgent necessity for continued restraint and responsibility in private wage and price decisions.

We also stated it about as clearly, I think, as it would be possible for us to do. We intended to make clear our view that restraint and responsibility are called for.

We do not suggest a single number for the guideposts. It may have been a mistake to have suggested it last year. Indeed, it was criticized rather forcibly by members of this committee and others.

In any case, we certainly have not abandoned the policy and do not intend to.

Senator JAVITS. Then, this is the policy of the Federal Government now, in wage-price negotiations, restraint, not 3.2 percent?

Mr. ACKLEY. I think that is correct.

Senator JAVITS. A fair statement. And does that represent a change in policy?

Mr. ACKLEY. It is a change perhaps in tactics. It is a change in interpretation of the policy under the current circumstances. It is not a change in the basic proposition which is as sound as ever, I think.