January and with the effects of the Tax Adjustment Act in March, amounting to some $10 billion in calendar 1966.

In the summer, it began to be clear to many tax-increase proponents that their previous insistence that a tax increase, and only a tax increase, could keep the U.S. economy from bursting the bounds of reason might have been wrong.

In the fall, it became clear to them that whereas they previously could see nothing but an economy puffing up to the bursting point, there had been factors at work all along creating the conditions for a possible recession, and this—it is *currently* clear to some of the earlier proponents of a tax increase—makes the idea of a tax increase clearly unacceptable.

There may be a small element of exaggeration in this thumbnail description of economic criticism during the past year. But I indulge in it, if that is the case, only for the sake of clarity.

Before we take a brief look at what in fact happened, let me direct attention to the record of comments on this subject by a spokesman for the Republican minority in Congress.

On March 21 last year Senator Javits, as reported in the New York Times, called President Johnson's anti-inflation policies "timid" and suggested a "modest and temporary tax increase"—which, together with Federal spending cuts, should come to some $6 billion over and above what had already been provided in the Tax Adjustment Act of 1966. It might be noted that this was in fact approximately the effect of the increased social security collections that had begun in January.

Senator Javits soon found himself overruled and lonely in his own party.

On March 25, March 29, April 4, April 6, and June 6 press reports reflected the view that the Republican Coordinating Committee, the Republican House leader, the House Republican conference, and the Republican members of the House Ways and Means Committee were opposed to any further tax increase than the one some of them had supported in the Tax Adjustment Act signed March 16.

The Republican leadership preferred—at this time—the policy that was in fact being followed by the administration: a policy of holding down Federal outlays to the full extent possible consistent with the increasing requirements of Vietnam.

But, all undismayed by growing evidence of economic uncertainty, as by his party leadership's concurrence in this field and at this moment with adminstration policy, Senator Javits took lance in hand, and charged again, in August. He offered legislation calling for depressants in the form of deep cuts in Federal construction and space projects (where President Johnson had already put in force a careful economy program), a special temporary increase, across the board, in income taxes, and a credit restraint program modeled upon the economic controls put in force during the Korean war. This last added to the growing list of realities the Senator's policy suggestions ignored: the fact that in the Korean war we had to use 12 to 14 percent of our gross national product for defense purposes, compared with 8 percent in 1966, and the fact that during the Korean war we had to reset and build up a military establishment that had been all but dismantled, whereas we confronted the Vietnam crisis with the