

Chairman PROXMIRE. You were wrong on both sides. The error on one side helped to mitigate the error on the other.

Secretary FOWLER. The fact we were conservative——

Chairman PROXMIRE. You were wrong.

Secretary FOWLER (continuing). In our estimates of revenues and the fact that the President held down nondefense expenditures compensated for the fact that there was an increase in defense expenditures, to a degree that changed the estimated deficit for fiscal 1966 in January from \$6.4 billion to an actual deficit of \$2.3 billion. I didn't provide any reestimates of receipts for fiscal 1967 because I was afraid I might encourage a little more spending and appropriations at that particular time, and I want to come to that part of the picture. But there were estimates——

Chairman PROXMIRE. At that point, Mr. Secretary, don't you think it is wise to always give Congress the best and the most up-to-date figures, the most accurate figures you can give, regardless of what Congress does with them?

Secretary FOWLER. Yes, that is right, and had there been a reestimate of all of the consequences—civilian expenditures and defense expenditures as well as receipts—I would have played my role and given a reestimate of receipts. But, we did not reestimate either side of the equation in terms of the debt limit.

I went up for a debt limit based on an estimated deficit of \$1.8 billion, which I thought in May was still a good figure—that increases in revenues would roughly offset higher defense spending. In determining what to ask for in the way of a debt limit, the outlook for the deficit is a prime consideration.

Now, in May, however, the staff of the Joint Committee on Internal Revenue Taxation had made its own estimates. They had estimated that revenues would be—this was in a published report—\$116 billion instead of the \$111 billion that had been carried in the January budget. So, it was clear from all sides that revenues were moving very smartly up during the winter and spring of 1966, and that receipts would then be projected well in excess of the original estimates.

Now everyone remembers very well that there was a great range of uncertainty in the amount of funds Congress was going to appropriate for civilian purposes—whether they would be greatly in excess of the President's budget as seemed to be indicated in the early part of the summer, or whether they would be pulled down in the appropriations process to the overall totals of the President's requests or under.

I think it is well known—to some members of this committee, at least—that I spent a great deal of time coming up here urging economy in the early summer, June and July of 1966. I saw almost every member of the Senate Appropriations Committee, and talked and worked with Senator Dirksen in connection with his side of the aisle, trying to impress upon everyone the importance of holding down these additional appropriations at least to overall totals that were included in the President's budget, because of the indefinite character of Vietnam expenditures.

Chairman PROXMIRE. I recall that very well, but Mr. Secretary, it just is very difficult for me to understand why it is so hard to come within a country mile or 10 billion country miles of the cost of Viet-