

to me that it should cause this great commotion and surprise—especially given all the care and qualification that is implicit in the Secretary's repeated statements—that we are spending more money in Vietnam in fiscal 1967 than we thought we would in January 1966.

Chairman PROXMIRE. You and I are on exactly the same side. We agree. All I am saying is that because we have an uncertain situation, because war is unpredictable, because it is hard to tell, we should have regular updated information on what the best estimate of this very competent Secretary of Defense is on how much the Vietnam war is going to cost.

Unless we have that, our policy is not going to be informed. It is not going to be as effective, and we are going to make the kind of serious mistakes we made last year.

My time is up.

Secretary FOWLER. I don't think it would have made a bit of difference in terms of the economic policies that were followed by the Congress or by the administration if we had brought a new estimate up here last July or last August. We all fought just as hard as we could to reduce the level of appropriations. I know I did. I know the President did. I know you did, by amendments on the floor. I know many other Senators and Congressmen did.

I don't think it would have made a bit of difference in terms of recommending a tax increase. With all this information now out on the table, I don't see any great rush of men dropping bills in the hopper to increase taxes with the retroactive date effective January 1, 1967.

We are following the same policy that we would have followed had that information been available earlier, and therefore, I think you have to take the total picture into account, and I believe much too much is being made of it. That is just a personal judgment.

Chairman PROXMIRE. Mr. Widnall, I see you have fire in your eyes.

Representative WIDNALL. Thank you, Mr. Chairman.

Mr. Chairman, I would like to ask unanimous consent to insert in the record immediately after the supplementary statement of Secretary Fowler, the views of the minority members of the Joint Economic Committee included in the committee's report of March 17, 1966.

Chairman PROXMIRE. Without objection.

(Material referred to appears on p. 170.)

Representative WIDNALL. In those views, the section entitled "Maintain but Moderate Expenditures" this was said:

This requires a balanced and moderate program of government fiscal and monetary restraint. However, monetary policy cannot carry too heavy a burden in tempering the boom.

Later:

Fiscal restraint also is essential to hold down the level of demand for funds.

And then in another paragraph:

If the Administration is unwilling to reduce spending, an increase in taxes will be necessary which would cause economic damage itself. Increasing taxes is a less desirable way to moderate the boom than by deferring expenditures.

I recall very well that when economists appeared before this committee last February they said:

"The restraint in your program was more apparent than real." I believe you will find that in the record.