All through the hearings and in later statements, the minority members of this committee urged fiscal restraint. We never felt there was a proper mix or a recognition of the problem until just within the last couple of months.[1]

I feel personally that housing was made the goat, and for many, many months the entire defense as to what was going on was action by the Federal Reserve in December of 1965, but it became apparent months later that the administration intended to sacrifice the housing industry. It was apparent in the lack of attention to what was taking place throughout the economy in this particular very important segment of the economy.

I would like to say also on behalf of the ——

Secretary FOWLER. Will I have an opportunity to comment on these statements?

Representative WIDNALL. Let me just finish. On behalf of Senator Javits, who can speak eloquently for himself, he unfortunately is absent today, but I am sure he will want to answer the personal attacks that were made on him, in connection with the supplementary statement. Now you may comment.

Chairman PROXMIRE. If the Congressman will yield, certainly in the judgment of the chairman there was no personal attack. There is a clear disagreement on policy, but I am sure that the Secretary has expressed no derogation of Senator Javits. He has always expressed admiration for Senator Javits.

Secretary FOWLER. I want to make very clear to you Mr. Widnall, and everyone else that I have the greatest respect for the Senator and count him as one of the most able and effective analysts and legislators of our time. I only pointed to the Senator's position, if you will read the entire statement. He came out in March of 1966 and espoused an income tax increase. The only point I was making about Senator Javits on that question is that he was a minority of one insofar as the Republican leadership is concerned. That was in no sense a reflection in any way on him at all.

Representative WIDNALL. Mr. Secretary, I withdraw the characterization, if I misunderstood what you intended. But I noted several times here, where you made the statement that Senator Javits purports to speak for the minority, when he actually was issuing a statement that the minority itself had prepared. This is entirely different from the individual attacks that he has made at one time or another on certain actions within the economy.

Secretary FOWLER. You have made very clear that he was speaking for the entire minority of this committee.

Now, with reference to your comment about the report last year, I find in this statement the view that increasing taxes is a less desirable way to moderate the boom than deferring expenditures; a cut in tax rates that are already too high is a sound way to lower barriers to economic growth; to raise taxes now would restore an obstacle to long-term growth; and another turnabout in tax policy reducing some of the high rates might be required next year if recession threatens. This attitude of preferring to reduce nondefense expenditures, which was espoused by the minority of the committee last year, is the policy that

[1] January 1966 Economic Report of the President, hearings, pts. 1–4, February 1966. See also H. Rept. 334, Joint Ecoonmic Report on the 1966 Economic Report of the President, March 1966.