

In the next 3 years, the error was larger, \$22.8 billion.

In the 4 years, 1964 to 1967, including the one that has been characterized as the "big goof," President Johnson's personal projections in his four budgets, were \$300 million off on what I would call the plus side.

Representative MOORHEAD. How much was the error for fiscal 1967?

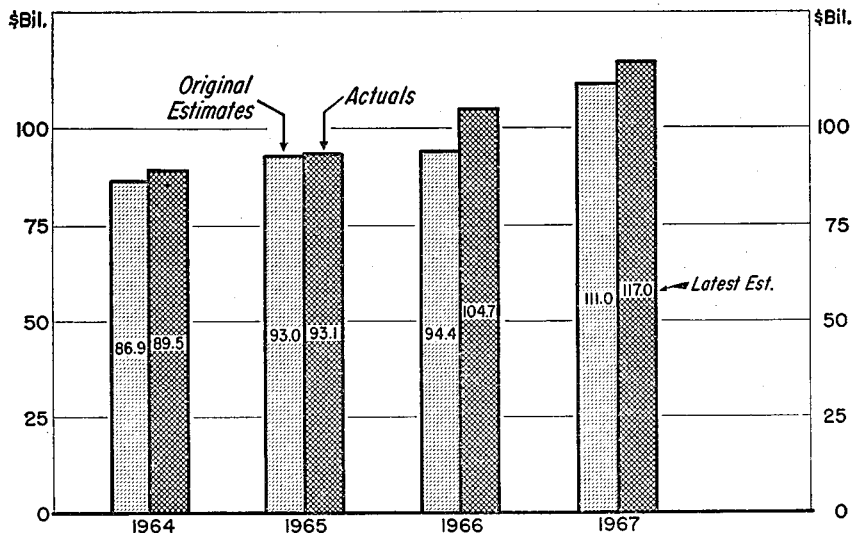
Secretary FOWLER. The difference between \$9.7 billion and \$1.8 billion—\$7.9 billion.

Now insofar as the revenue side of it goes, I have been guilty, I guess, of underestimates.

CHART 2

REVENUES

Original Estimates Compared With Actuals



In chart 2 which I have here, the light bar represents the original estimate. The dash bar represents what finally came in. In each of these 4 years, we have been underestimating our revenues. This is due, of course, to the fact that the economy has been in a constantly advancing and prosperous condition. Incomes have been moving up and the calculation of the marginal tax take is difficult to predict precisely.

It is also, I think, due in some measure to the fact that the Internal Revenue Service has been more successful in collecting taxes beyond original estimates.

Representative MOORHEAD. Mr. Secretary, on the tax increase, considering the fact that we have acted, the Congress has acted in the past few years to cut taxes, does the proposal that you are making or will make, return us to a tax rate above or will it still be below that which we were paying say before 1961?

Secretary FOWLER. I think if you take into account the reduction in taxes which was effected by the Revenue Act of 1962, the Revenue Act of 1964, the Excise Tax Act of 1965, and the change in the admin-