Or if we take the trust accounts out, and use the administrative budget for a moment, I think it is impressive that even with these enormous advances in Vietnam and the advances in the Great Society programs, it is still running a smaller percentage of GNP today than it was in 1955 or 1959 when it was 17 percent. The fiscal 1968 administrative budget is about 16.6 percent of GNP.

These figures may be a bit repetitive and tedious, but they make a telling point. Even with Vietnam, the Federal Government is not drawing more heavily on the economy than it was in peacetime, and meanwhile the American public is better off than ever.

Real disposable income per capita—that is, after taking out all price increases—which is the single best measure of our growing affluence as private consumers, has risen by 24 percent in the past 6 years—much as it had risen in the previous 13 years.

To look at the wealth side, financial asset holdings of American families have grown by $470 billion in the last 6 years, while their debts have grown by only $150 billion. So the net financial position of the American family today is $320 billion stronger than it was 6 years ago.

Now finally, a quick perusal of the budget for fiscal 1968 shows requests of about a billion and a quarter of additional spending for the economic opportunity programs, education, pollution control, urban problems, model cities program and water and sewer facilities.

It may be that these requested increases are held to such modest levels by considerations of administrative efficiency, by the speed limits that prudence puts on expansion of new programs. I cannot imagine that our national priorities are such as to call for cutting or gutting these modest increases in order to facilitate more rapid increases in general private spending. Indeed I should think that the reverse of that statement would be true.

What I am saying in sum then, Mr. Chairman, is that the President's tax increase proposal fits well into the Nation's need, not only for flexibility in the face of economic uncertainty, not only for restoration of economic balance in the economy through a decisive easing of money, but also for a fair distribution of the economic burdens of war.

Thank you.

Chairman PROXMIRE. Thank you very much, Dr. Heller, for your usual superlative, clear, and persuasive statement. This is a very welcome statement as far as I am concerned, because I like its flexibility.

As I understand it, you feel that we should keep our powder dry as far as a tax increase is concerned. That if in May and June the situation seems to indicate that the economy is going to expand, that unemployment is likely to drop or that resources are going to be pressing against plant capacity, then you would definitely favor the 6-percent surtax.

On the other hand, if the situation is less optimistic, if it seems that unemployment may be increasing and so forth, you would feel under those circumstances we might postpone it.

Let me ask you a more specific question to try and tie this down a little bit. Roughly that would be the order of the indicators as far as unemployment and plant capacity are concerned, which in your judgment should persuade Congress to postpone a tax increase until