

selves more elbow room in international currency. We ought to get ready—now.

Chairman PROXMIRE. Mr. Bolling?

Representative BOLLING. Thank you, Mr. Chairman.

It is a pleasure to have you back, Dr. Heller. I think the greatest contribution you have made is unnoticed in the title of your book. You termed it "New Dimensions of Political Economy"—what it should have been for a long time.

Mr. HELLER. That, Congressman Bolling, was the old 19th century title of the whole field of economics, as you know.

Representative BOLLING. I am well aware of that, but I am delighted in that we have returned to a sound beginning, because the myth that economics is a science that can be in the Federal field separated from politics is to me one of the most damaging myths that we have, that prevents us from behaving adultly, I think is the way to put it, particularly with regard to fiscal policy.

I was somewhat amused to read—I wasn't here—of the attack apparently made on Senator Javits by the Secretary of the Treasury. I came on this committee so many years ago that the first job I had was to defend a Democratic Secretary of the Treasury from a Democratic Senator. This is Snyder versus Douglas way back about the time of the accord. And I think that Mr. Fowler made a ghastly mistake in his direction of attack, because he forgot to read the unanimous majority report of the Joint Economic Committee on last year's economic report¹, and I would like to read it into the record.

The Joint Economic Committee's majority declared:

The President's fiscal program, formulated in December and January, was shaped in a context of monetary restraint combined with some uncertainty as to the course of events abroad and the probable extent of the economic expansion at home."

Then on the next page:

The committee is convinced that flexibility in fiscal policy must operate in both directions, countering recessionary influences, when appropriate, and moving to restrain total demand when inflationary economies are clearly the dominate danger.

This is in late January or early February of 1966.

Unless our hopes for peace in Vietnam are realized soon, we will have to face up quickly to a need for a tax increase.

And then to skip some more, down toward the middle of the next paragraph:

The most likely need this year will be for a tax increase and that quickly.

That wasn't Senator Javits, the Republican from New York. That was the unanimous report of the Democratic majority of the committee with some exception taken by our distinguished chairman. And I think the record should be clear that Secretary Fowler somehow or other managed to get his targets mixed up.

Now, Senator Javits has said what I would have said and asked the question that I would have asked with regard to surtax. I think you may be aware that for years I favored a limited power in the

¹ H. Rept. 1334. 1966 Joint Economic Report: Report of the Joint Economic Committee on the January 1966 Economic Report of the President, pp. 4 and 5.