Chairman PROXMIRE. Yes, but you see we have a situation where the chairman of the Preparedness Subcommittee, Senator Stennis, would get up on the floor and say this was going to cost $10 billion more, and Secretary Fowler would say this is wrong, and he did that. On March 23, Secretary Fowler said, "We stand by our original estimates."

Mr. HELLER. That wasn't true by——

Chairman PROXMIRE. This wasn't said once. It was said repeatedly by the administration.

Mr. HELLER. I think that wasn't true by summer. They were talking about the necessity——

Chairman PROXMIRE. Later on they were vague on it, but once again if you give an estimate, it is going to cost more; more doesn't mean much in the Congress when we determine what we are going to do in the Finance, Ways and Means, and Appropriations Committees. This would have very definitely affected our policies I think. If not, it would have been our responsibility, not the President's. We didn't act in a way that would have given us a better economic policy.

Let me ask a couple of other things as swiftly as I can. You said that we should look at both sides in evaluating the impact of higher interest rates on prices, and I wonder if on the basis of the testimony of Chairman Martin, I don't know if you have seen it, if he does look on both sides. He indicated when I asked him this question that they had no specific breakdown of the impact of tight money on specific commodity prices.

For example, it is clear that high interest rates and tight money don't have much influence on the price of food, because, after all, the demand side is important, and also because it doesn't affect our demands. When interest rates go up, we are still going to eat.

Another element in the cost of living that is very vital is the medical costs. It is doubtful if tight money has much effect on medical costs, which have been the most exclusive part of the increase in the cost of services.

Then a third element in this is the Council's report shows that one-third of the entire rise in services last year was because of the increase in the cost of credit. That mortgage interest went up something like 12 or 14 percent in 1 year.

Now given all this, I wonder if it wouldn't be greatly improved economic policy if you could persuade the Federal Reserve Board, our money managers to make a specific analysis of the impact of tight money on prices when they act, especially recognizing the difference.

If you have a demand-pull situation, then the impact can be quite stabilizing. On the other hand, if you have a cost-push situation, it is conceivable that tight money might not have much impact or might even have a reverse impact. Don't we need that kind of a specific analysis?

Mr. HELLER. Yes, I think that could be very useful. The BLS probably, because of the fact that it has to compute the price indexes—and it does show that a good bit of that price increase in services last year was due to higher interest rates—would be able to be very helpful to you on this subject, and for that matter, to the Federal Reserve as well.

I agree entirely with the implication of your comment, that increased interest rates are at the very best a blunderbuss way of han-