We need easy money for awhile for that reason, relatively easy money, not throwing it out at all corners, but relatively easy money, and I think at the same time we need, on the stimulative side, the immediate restoration of the investment credit. On the other side, in order that as this stimulation and the continuing effect of the growing Government expenditures seeps through the economy, I think it is entirely logical and reasonable to expect that we will need a little restraint on the fiscal side.

Now, it is a very modest restraint which is proposed.

I certainly don't disagree with those who would try to find a comparable result in total fiscal impact through spending reduction, but I would start with the assumption that something in the order of $5 billion ought to be found, and if it isn't found through expenditure change, it ought to come through the surcharge, and I further say that it is important enough to do it, that Congress should be considering new techniques.

I know it is repugnant to one end of the Avenue to think about giving discretion to the other, but there is nothing wrong with the Congress giving discretion to itself. It seems to me that enactment could be effective the first of July as proposed, along with the provision—if it isn't constitutionally barred—that this effective date could be deferred if necessary by a calendar quarter, and from quarter to quarter, by joint resolution without the entire apparatus of congressional hearing and full review. This, I think, would be entirely appropriate.

What I am saying is that we are undergoing now a period in the economy when the immediate impact of a surcharge at this moment might be unduly heavy, because we are not yet clear on the ingredients, all the ingredients, of the adjustment taking place.

My own expectation is that this will have worked out and that the economy will be back on an expanding phase or can be by midyear. I think the greatest threat to that is the investment credit, not because there aren't, as McGraw-Hill shows us, a fair amount of capital expenditures coming through in the rest of this year, but what has happened is that all the orders have stopped. There have been no orders to speak of, in terms of the scale of capital investment that we need for expansion, since last October-November and the impact on the flow of capital expenditures needed for the economy will be tremendous in 1968.

It seems to me that is the delayed effect of the investment credit that we ought to be very concerned about. We don't want to get that impact by that time. If we don't want that slump in 1968, we should restore the investment credit now, or restore it at least at the same time that the surcharge is imposed. That is a long answer to a simple question, Mr. Widnall.

Representative WIDNALL. Mr. Chairman, my time is up, but may we have an answer from Professor Kindleberger to the same question?

Mr. KINDLEBERGER. This is a question, sir, that I really have no claim at all to expertise on. My intuition tells me, and it is not very useful in these matters necessarily, that it might be well to have it on the Walter Heller-Robert Roosa sort of conditions that you would be able to get rid of it quickly if the economy should take a turndown sharply, either because of a cutback in military expenditures through