not with respect to its effects on the overall economy but whether we want to run a situation in which the contributors mainly to social security are making large advance payments, so to speak, to finance the rest of the Government.

Now this may be an unwise situation. But for the purposes of the analysis in which we are engaged, the analysis of the effects of the budget on inflation, unemployment, and so on, we do think that some more comprehensive view which takes into account the effects of the trust funds is essential.

Senator MILLER. Well, would it be fair to say that on operating budget deficit of $6½ billion would case concern to the Council over the inflationary potential this would lay a foundation for?

Mr. McCRACKEN. It is very difficult to take any single dimension of the budget as a measure of the inflationary impact on the economy. Certainly for many budgetary reasons we do want to look at the operating budget, and in our own budgetary analyses we look at all of these.

Senator MILLER. But there would be no particular difference between the administrative budget and the unified budget so far as the inflationary potential to deal with it is concerned.

Mr. McCRACKEN. Well, it seems to me that as a first measure of the impact of the budget on the whole economy, one has to examine the total outflow of expenditures on the one hand, and the total receipts of the Federal Government, on the other hand, regardless of the account. There are economists who will differ a little bit about this, by the way, because many of them would feel that the budget on a national income accounts basis would really be a better first approximation of the economic impact of the budget. This is a little different from the unified budget because the unified budget—well there are several differences.

I think, in my own view, the unified budget is probably the best rough measure if one is talking about the impact on the overall economy.

Senator MILLER. But on inflation.

Mr. McCRACKEN. Well, even possibly on inflation. It seems to me in the issue of the operating budget versus the unified budget, the major significance comes in this question of the desirability of having the social security contributions in effect financing the operating aspects of the budget.

Senator MILLER. Thank you. My time is up.

Chairman PATMAN. Mrs. Griffiths?

Representative GRIFFITHS. Thank you very much. I think it would be very unfair if I left the idea that you belong exclusively to Iowa. As a Representative of Michigan, I would like to point out that the University of Michigan has been happy to have two out of the last three Chairmen of the Council.

I never realized there was such a glamorous future until I saw a picture the other day of your ex-colleague, Gardner Ackley, dancing with Gina Lollobrigida in Rome. Probably the recruitment will pick up.

Is it fair to ask, is this budget based on the theory that Vietnam will not be in this year?