

Senator PROXMIRE. If there is a tax cut it would be probably more stimulating for business if it were for consumers and individuals rather than corporations?

Mr. GREENWALD. I would like to see both. I think you have to have a combination.

Senator PROXMIRE. What you have said is not much of a case for a further tax cut.

Mr. GREENWALD. I agree. I see no case for a tax cut.

Senator PROXMIRE. I would like to ask Dr. Katona when you break down your statistics they are fascinating in what they tell about what people mean when they say they want a tax cut. On your final page you show that there is no group with incomes of over \$3,000 who favor a tax cut. The only group that favors a tax cut are those with incomes under \$3,000.

These are family incomes. I have computed the income taxes these people would pay and if there are four people in the family with a standard deduction they would pay about \$60 a year maximum. Therefore, I suggest these people are not talking about an income tax cut. When you say should we have a tax cut they're talking about a property tax cut.

These people pay about \$200 in property taxes. They pay close to \$75 or \$100 in sales taxes on the average. On the basis of my experience of talking with the people in my State they are very concerned about high taxes, but they are concerned about the local property and State taxes. The way your question is worded you say a tax cut, not an income tax cut. Therefore it is significant that those who are most conscious of the Federal income tax say no. Those who would be conscious of local taxes say, "Yes, we want a tax cut."

Mr. KATONA. You know, Senator, these are 1961 data and there was no income tax proposal at that time, so we formulated the question that way. It is easily possible that today the opinions are different. According to our knowledge, people mean both taxes. It is not correct to assume that they say no if they think of income taxes. According to the arguments made, mostly they think of income taxes. But any kind of tax cut would be a stimulus. I don't see any way to cut property taxes.

Senator PROXMIRE. I understand. But the question does not specify.

Mr. KATONA. That is right.

Senator PROXMIRE. It would seem a logical conclusion when you say you think taxes should be cut, without specifying an income tax and you get a response on the part of people whose taxes are concentrated in the nonincome tax area, they say, yes, a tax cut. Whereas, the people who pay the Federal income tax predominantly, and that is their principal tax, say no tax cut. Therefore, the action indicated for the Congress if we rely on public opinion would be not to cut Federal income taxes.

Mr. KATONA. I submitted this table primarily because of the lower part. I think the reasons people had in 1961 are still of interest. As to the division of opinion which says good idea or bad idea, the data are a year old and the data are of lesser value. In other words, I strongly emphasize the one point, that overwhelmingly those people who a year ago said a tax cut would be a bad idea had reasons which are erroneous, namely, the reasons that then we can't do what we