Representative CURTIS. But does it? That is the whole point. That is the issue.

Mr. KATONA. By means of a few dollars to the low-income people.

Representative CURTIS. It doesn't go to the poorest. The poorest sectors of our economy are not taxpayers. We are talking about Federal income tax. We are not talking about the lowest income group.

Mr. KATONA. Quite a few people who are poor pay income taxes.

Representative CURTIS. There are a bulk of people who are not in the taxpaying brackets. I mean the income-tax paying brackets. I am happy that the American people have responded in this way and have not bought this "pig in a poke" that this automatically is going to do it. Maybe it does but I think it is about time for our economic professors and those in the profession to come forward and get into details and away from these aggregates. You transfer $5 billion from one place to another. There may be something about the mix. Some of the economists were forthright in saying we won't have the public buy the bonds, not in the beginning, at any rate. We would have the Federal Reserve System or our banking system buy them. That is not tax cutting. We are simply talking about printing more money. Maybe that kind of inflationary pressure would help, but that, too, is an issue that needs to be discussed.

Mr. KATONA. In one respect you point to the most important factor in my opinion; namely, we need more information about the factors influencing consumer confidence. We do not know enough. Our group has done extensive studies over many years. There are great difficulties in a financing these studies. We have over the last few years received practically no Federal money in contrast to previous years, and I fully agree with you it is not established. We do not know enough.

Representative CURTIS. No, we have never tried it. When we are talking about it we need to refer to it as a theory. I respect those who advance the theory, although I honestly disagree with them, because I don't think they have done the homework necessary to back this theory up. One of our witnesses, I won't identify him, said we had an example in 1954. I pointed out in 1954 we cut Federal expenditures. I can begin to see a shifting from the public sector to the private sector. Incidentally, one thing that has not been brought out in these hearings to date is the fact that we have a tax increase that is going to hit all workers including the lower income groups who were not Federal taxpayers beginning in January 1, 1963. This tax increase is going to hit each one of them.

It is an average increase of $24. I am referring to the increase in the social security taxes. It goes from $150—and this is the rate paid by worker, matched by employer—to $174.

Incidentally, in 1954 when we did cut the individual taxes I had thought we had done, incidentally, a politically astute thing and never could quite understand why the Republicans controlling that Congress got no political credit. It was then that I looked into the fact that at the same time we had increased social security taxes and just, by coincidence, almost the same amount we cut the individual income tax. A worker saw in his pay envelope the same take-home pay because the cut he got was almost eaten up by the increase in the social security