

Now, our competitive position would be improved if we had more investment. I admit that.

Senator BUSH. You do not think this factor I am discussing with you is inhibiting the expansion of investment?

Mr. KEYSERLING. I think what is inhibiting the expansion of investment is unused plant and an inability to sell what they can produce now. Investment is based on a prognosis of markets.

Senator BUSH. That does not bear out some of the testimony we have had here, like that of Mr. Ellis of the Du Pont corporation. I do not know whether you saw his testimony. He was in here a couple of days ago.

Mr. KEYSERLING. If Mr. Ellis puts before this committee, I do not mean the same facts, but the kind of analysis that I have tried to put before the committee, which looks at the factual situation instead of mere generalities, and if his facts and his analyses are as careful as mine and lead to different results, I will be perfectly willing to withdraw from my position and ask your committee to take his point of view. All that I ask is whether Mr. Ellis, in examining this question of prices, wages, and profits, and what the real inhibiting factors are, is presenting to you as relevant data, and as carefully related to the facts, as what I am trying to do. All too frequently, I find, in a lot of these big corporations, as well as in others, and I am not criticizing them, a tendency to say that wages are too high, and costs are too high, and profits are too low, and taxes are too high, all by way of generalities rather than careful factual analyses.

Senator BUSH. But this administration has expressed a strong interest itself in a hold-the-line policy, so to speak, because of our competitive position.

Mr. KEYSERLING. I am not here as an unthinking devotee of the economic policies of this administration. I am trying to be nonpolitical about it. I do not think this administration has thus far satisfactorily met the growth problem nor the unemployment problem, and neither did the previous administration. I cannot, and I do not mean to imply that anyone else is trying to treat this on a basis of the fact that, because I am a Democrat, this administration is right on everything. I think that both administrations have swung in a direction of economic policy which has not worked. If I had said this only in 1953 at the beginning of the Eisenhower administration, or only in 1961 at the beginning of the Kennedy administration, I might have had to await events to test my conclusions. All I am saying now is that what has happened squares with what I have been saying, and, therefore, if policies have not worked, there is something wrong with them.

Senator BUSH. My time is up, Mr. Chairman.

Representative REUSS (presiding). Mr. Saulnier, you have stated that the economic situation is disappointing, and you have suggested an economic program. First, you favor the recent increase in depreciation allowances. Next, you favor the proposed 7-percent investment credit, though you say you would prefer an even larger increase in the depreciation allowance. Then, you favor a cut in the corporation income tax by about 5 percentage points, and a cut in the personal income tax down to the 50-percent level. The proposed personal income tax reduction would assist families with incomes of more than \$32,000 a year, as I understand it.