PRESIDENT'S 1967 TAX PROPOSALS

MONDAY, AUGUST 14, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Wilbur D. Mills (chairman of the committee) presiding.

The CHAIRMAN. The committee will please be in order.

The purpose of the hearing this morning is to receive testimony from officials of the administration and from the interested public on the President's tax proposals contained in his message to Congress of August 3, 1967.

Without objection a copy of House Document 152, which contains the President's message of August 3 on this subject, will be made a part of the record at this point, along with a copy of the press release which was issued on August 3 announcing the hearings. We will also include at this point a copy of an explanation which was issued by the Department of the Treasury on the tax proposals.

(The information referred to follows:)

[House of Representatives, Doc. No. 152, 90th Cong., first sess.]

TAXES

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING RECOMMENDATIONS FOR TAXES

To the Congress of the United States:

THE HARD AND INESCAPABLE FACTS

Behind the accounts that make up the Nation's budget lies the pursuit of America's responsibilty and purpose at home and abroad.

As we enter this new Fiscal Year, the Congress and the American people should have an up-to-date report on the state of the budget, and on the steps that must be taken to protect the national security and to sustain the health and vitality of this Nation.

Last January we submitted our budget for Fiscal 1968. In that budget we estimated:

—Expenditures of $135 billion.

—Revenue of approximately $127 billion, including income from a 6% surcharge on corporate and individual taxes effective July 1.

—A resulting deficit of about $8 billion.

Since then much has happened to change these prospects.

For several weeks, I have reviewed with my advisers the entire economic and budgetary situation. I have consulted with leaders of the labor, farm and business communities. As a result of that review I am submitting today a financial plan for America's continued economic well-being.

No President likes to report a significant revision in the Nation's budget estimates. Treasury, budget and economic experts tried to be as realistic as possible