

tion, French citizens paid 38.5 percent in taxes; Germany 34.4 percent, Italy, 29.6 percent; United Kingdom, 28.6 percent; and the United States 27.3 percent.

As the President said in his message:

If Americans today still paid taxes at the rates in effect when I became President, a little over three years ago, they would be paying this year over \$23 billion more than they are paying now.

The enactment of the proposed surcharge would temporarily take individual tax rates less than one-half way up to the 1963 levels.

Attached to my statement are tables showing precisely how much better off taxwise each individual taxpayer will be in 1967 and 1968 even with the temporary surcharge, compared to his income tax liability in 1963.

For a little more perspective on what the surcharge means for the individual taxpayer, let me point out that the surcharge:

In the aggregate, would amount to only 1 percent of individual income before all taxes.

Would place a far lesser burden than the tax increase of the Korean war, when the average increase in tax rates was the equivalent of about a 28-percent surcharge.

Would be in no way comparable to the increase in tax burden in World War II when the ratio of income tax to total personal income rose from 1.3 percent to 10.8 percent, resulting from increased rates, reduced exemptions, and rising incomes. This was a 730 percent increase, starting from a very small base.

For the corporation, the surcharge will be an increase of 10 percent compared to an average rise of 52 percent during the Korean war. In World War II the effective rate on corporations due to a combination of rate increases and the excess profits tax resulted in effective rates that were higher by 174 percent.

Now once again armed conflict involves our security. As the President said:

There are times in a nation's life when its armies must be equipped and fielded, and the nation's business must still go on. For America that time is now.

The time has come when we must levy a temporary tax to defray a portion of the cost of the conflict in Southeast Asia and thereby forward the Nation's business.

The Nation is determined to see those hostilities terminated, but only under conditions consonant with a future for peace and freedom that offers no reward for Communist aggression or its cult of violence and subversion.

This is an occasion to recall the statement of a great American of another day, Justice Oliver Wendell Holmes, who said, "Taxes are what we pay for civilized society."

We cannot share the sacrifices our brave men are making in the field. But we can meet the fiscal challenge at home. We can provide the additional taxes that will help hold the budget deficit within limits conducive to the maintenance of a healthy, balanced economy, well fitted for the eventual transition to a peace with prosperity.

It is my firm conviction that, however unwelcome to Americans as taxpayers, the President's program is in the best interest of those same Americans—