

As consumers who want price stability.

As wage and salary earners who have or seek jobs in an economy characterized by sustained and steady growth rather than boom and bust.

As businessmen whose lifeblood is credit and steady expanding demand from confident customers.

As homebuyers and farmers to whom ever higher interest rates, tight money, and increased costs are far more cruel than taxes.

As poor, elderly, or living on a fixed income to whom a spiral of inflation is ruinous.

As fightingmen who dream of returning someday to a job, an education, and a home.

Members of this committee share with the Secretary of the Treasury the special responsibility of seeing to it that the bills of the Government are paid—whether out of borrowed money or revenues.

I hope you will share with me the conclusion that the prompt enactment of the President's tax proposals is a necessary and indispensable part of a program of fiscal responsibility.

(The tables referred to follow:)

TABLE 1.—COMPARISON OF 1963-66 TAX LIABILITY AND 1967-68 TAX LIABILITY UNDER PROPOSED TAX INCREASE FOR ILLUSTRATIVE TAXPAYERS¹ (SINGLE INDIVIDUAL)

Wage income	1963 tax ²	1964 Tax Act decrease	1966 tax ²	1967 tax ²	Tax increase over 1966 tax ³	1968 tax ²	Tax increase over 1966 tax ⁴
\$1,000.....	\$62	\$46	\$16	\$16	(⁵)	\$16	(⁵)
\$1,900.....	224	77	147	151	\$4	162	\$15
\$2,000.....	242	79	163	167	4	179	16
\$3,000.....	427	94	333	341	8	366	33
\$5,000.....	818	147	671	688	17	738	67
\$7,500.....	1,405	237	1,168	1,197	29	1,285	117
\$10,000.....	2,096	354	1,742	1,786	44	1,916	174
\$12,500.....	2,887	489	2,398	2,458	60	2,638	240
\$15,000.....	3,787	633	3,154	3,233	79	3,469	315
\$20,000.....	5,900	982	4,918	5,041	123	5,410	492
\$25,000.....	8,324	1,342	6,982	7,157	175	7,680	698
\$35,000.....	13,778	2,151	11,627	11,918	291	12,790	1,163

¹ Proposed tax increase of 2.5 percent of the tax in 1967 and 10 percent in 1968 which does not apply to single returns with taxable income of \$1,000 or less and joint returns with taxable income of \$2,000 or less.

² Tax liability computations assume minimum standard deduction or deductions equal to 10 percent of income whichever is greater. Tax liability from optional tax table where income is under \$5,000.

³ 1967 tax minus 1966 tax.

⁴ 1968 tax minus 1966 tax.

⁵ There is no increase in 1967 or 1968 for a single person whose tax at 1966 rates is \$145 or less.

TABLE 2.—COMPARISON OF 1963-66 TAX LIABILITY AND 1967-68 TAX LIABILITY UNDER PROPOSED TAX INCREASE FOR ILLUSTRATIVE TAXPAYERS¹ (MARRIED COUPLE, NO DEPENDENTS)

Wage income	1963 tax ²	1964 Tax Act decrease	1966 tax ²	1967 tax ²	Tax increase over 1966 tax ³	1968 tax ²	Tax in- crease over 1966 tax ⁴
\$2,000.....	\$122	\$64	\$58	\$58	(⁵)	\$58	(⁵)
\$3,000.....	305	101	204	204	(⁵)	204	(⁵)
\$3,600.....	413	119	294	301	\$7	323	\$29
\$5,000.....	660	159	501	514	13	551	50
\$7,500.....	1,141	227	914	937	23	1,005	91
\$10,000.....	1,636	294	1,342	1,376	34	1,476	134
\$12,500.....	2,213	382	1,831	1,877	46	2,014	183
\$15,000.....	2,810	475	2,335	2,393	58	2,569	234
\$20,000.....	4,192	708	3,484	3,571	87	3,832	348
\$25,000.....	5,774	978	4,796	4,916	120	5,276	480
\$35,000.....	9,601	1,604	7,997	8,197	200	8,797	800

¹ Proposed tax increase of 2.5 percent of the tax in 1967 and 10 percent in 1968 which does not apply to single returns with taxable income of \$1,000 or less and joint returns with taxable income of \$2,000 or less.

² Tax liability computations assume minimum standard deduction or deductions equal to 10 percent of income whichever is greater. Tax liability from optional tax table where income is under \$5,000.

³ 1967 tax minus 1966 tax.

⁴ 1968 tax minus 1966 tax.

⁵ There is no increase in 1967 or 1968 for a married couple whose tax at 1966 rates is \$290 or less.