

Secretary FOWLER. Well, you get differences of opinion about this.

The CHAIRMAN. Most of the opinion that I have heard is anywhere from 75 to 79.

Mr. ACKLEY. Could I make a point there, Mr. Chairman?

The CHAIRMAN. Yes, Mr. Ackley.

Mr. ACKLEY. This morning the Department of Commerce released the second quarter figures for corporate profits. The first quarter figure, which we previously had, was \$79 billion. The preliminary estimate for the second quarter shows an increase—a modest one—\$79.2 billion. And our economic projections do call, as the Secretary said, for further increases over the year ahead.

The CHAIRMAN. You better get that information out pretty quickly because it is a little more optimistic than some of the statements made to me by corporate executives.

Secretary FOWLER. Because of this increase in the estimates the decrease in revenues from corporate income is \$1.3 billion.

The CHAIRMAN. Is that in addition to that \$800 million?

Secretary FOWLER. Yes; it is additional to the \$800 million?

The CHAIRMAN. That means then that you have present corporate revenues estimated at \$31.8 billion?

Secretary FOWLER. No, sir. There are some more factors that have to be figured in to be complete.

The CHAIRMAN. All right. What are they?

Secretary FOWLER. A decrease in the basic yield of the surcharge due to profit declines. We estimated in the January budget that the 6-percent surcharge would increase receipts by \$200 million in fiscal 1967 and \$1.3 billion in fiscal 1968.

Late enactment of the surcharge means that \$200 million that we estimated we would collect in fiscal 1967 will now be collected in fiscal 1968 and the total 1968 effect estimated in January then with the present timing would be \$1.5 billion rather than the \$1.3 billion I have given.

At the current estimated levels of corporate profits the 6-percent surcharge is estimated to yield \$1.4 billion. Compared with the January estimate this is a reduction of \$100 million.

The CHAIRMAN. That is to come off then.

Secretary FOWLER. That is to come off. Now, the delay in the enactment of the surcharge noted, however, will increase, as I have said, the fiscal 1968 receipts as compared with the January allocations between 1967 and 1968 by \$200 million, so you put a plus \$200 million.

Now, the increase in the surcharge from 6 to 10 percent results in an increase in receipts of \$900 million.

Now, I come to the factor of rounding. The above figures computed in millions of dollars when totaled necessitate a rounding adjustment reducing receipts by \$0.1 billion. We would put that adjustment in by reducing another \$100 million, so that the total reduction in fiscal 1968 receipts on this corporate side is \$1.2 billion, and you take that \$1.2 billion from the January estimate of \$33.9 billion and you get the total contained in the table on the statement of \$32.7 billion, which is the now current corporate revenue estimate.

The CHAIRMAN. Now, again, I am trying to find out, Mr. Secretary, in the corporate area as well, what the amount would be of corporate