

PRESIDENT'S 1967 TAX PROPOSALS

TUESDAY, AUGUST 15, 1967

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

The committee met at 9:30 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.

Mr. Burke?

Mr. BURKE. Mr. Secretary, the American public is quite concerned about the statements of General Charles de Gaulle who is going throughout the world advising all the countries what they should do, and I noted in your statements yesterday that this total tax bill will ask the taxpayers of America to pay approximately \$7.4 billion.

Yesterday I checked the debt outstanding owed by the De Gaulle government to the United States and the total debt as of yesterday was approximately \$7.1 billion. Do you think there could be some effort made on the part of the administration to contact General de Gaulle and ask him to get up some of this money that he owes the United States which would in turn relieve the taxpayers of some of the burdens that they are carrying as a result of the debt owed to us by France?

FURTHER STATEMENTS OF HON. HENRY H. FOWLER, SECRETARY OF THE TREASURY; HON. CHARLES L. SCHULTZE, DIRECTOR OF THE BUREAU OF THE BUDGET; AND HON. GARDNER ACKLEY, CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS

Secretary FOWLER. Congressman Burke, let me deal with that in terms of World War I debts and World War II debts and Marshall plan post-World War II debts.

With regard to the later category, post-World War II debts, the French Government has lived up to the payment schedule that was arranged at the time those loans were made, and, indeed, has prepaid portions of that debt over the last 4 or 5 years in a debt prepayment practice that is mutually advantageous.

With regard to the World War I debts, which make up most of the \$7 billion outstanding that you refer to, a moratorium was entered into in the early 1930's and since that time, although these obligations are in my judgment legal obligations outstanding, debts owed by these respective countries to the United States that are valid and binding, various efforts in the early 1930's and subsequently to explore repay-