This is where we are and I think that your presentation here is mainly rhetoric about cutting expenditures. I think that we have to have the hard figures. Otherwise I don't think that this tax increase would produce more revenue. We are already going to have the damage from the previous inflation.

These inflationary forces are still with us, as well as the high interest rates. These are creating real problems and the greatest danger of all in my judgment is the international balance of payments which is aggravated by our domestic picture. I think these are times that call for real frugality and the President has to show us the way.

If he doesn't lead us, if he lets the Congress drift, and then blames the Congress, as I interpret what he is doing, then things are just going to continue to get worse.

Mr. ULLMAN. Mr. Secretary, can you be back at 2 p.m.?

Secretary FOWLER. Yes.

Mr. ULLMAN. And Mr. Director?

Mr. SCHULTZE. Yes.

Mr. ULLMAN. The committee stands recessed until 2 p.m.

(Whereupon, at 12:41 p.m., the committee recessed to reconvene at 2 p.m., the same day.)

AFTER RECESS

(The committee reconvened at 2 p.m., Hon. Al Ullman presiding.)

Mr. ULLMAN. The committee will come order.

Mr. Schneebeli, you may proceed.

Mr. SCHNEEBELI. Mr. Secretary, for my information, will you give me the amount of money in tax income that will be forthcoming in various percentages, from 5 percent to 10 percent in both personal and corporate tax?

Secretary FOWLER. On a 5-percent surtax, 6-percent surtax, and 7 and 8?

Mr. SCHNEEBELI. Yes, for personal and corporate so that we might make up our mind as to what area we might settle on.

Secretary FOWLER. I can give you the figures now on the 10, 8, and 6 scale. I don't have them on 5, 7 and 9.

Mr. SCHNEEBELI. Will you give me on 6, 8 and 10 on personal and corporate?

Secretary FOWLER. I can give it to you in terms of liabilities, that is as it applies to the taxpayer or in terms of collections. Which do you prefer?

Mr. SCHNEEBELI. Treasury income.

Secretary FOWLER. I will take collections. That will be in terms of fiscal years.

Mr. SCHNEEBELI. Yes. I would like to have it for fiscal year 1968, the complete year.

Secretary FOWLER. The fiscal year 1968. Then I will take fiscal year 1969. We don't have economic projections for fiscal 1969 and the figures I will give you are based on calendar year 1967 incomes.

Mr. SCHNEEBELI. Thank you.

Secretary FOWLER. Fiscal year 1968, at 10-percent surcharge, individual tax increase in individual tax collections, $3,850 million; corporations, $2,250 million.

Mr. SCHNEEBELI. This is 1968?

Secretary FOWLER. That is right.