Mr. SCHNEEBELI. I thought it was more or less a 2-to-1 ratio.

Secretary FOWLER. You see the effective date on individuals is October 1.

Mr. SCHNEEBELI. Yes, but in 1968 is effective——

Secretary FOWLER. But the fiscal year 1968 we collect on the basis of——

Mr. SCHNEEBELI. I was referring to calendar year. Go ahead.

Secretary FOWLER. For fiscal year 1965 an 8-percent surcharge on individuals would be $3,080 million. A little over $3 billion. Corporations, $1,800 million, or a total of $4,880 million.

On the 6-percent surcharge, individuals, $2,310 million; corporations, $1,350 million.

Mr. SCHNEEBELI. That is fiscal 1968. How about fiscal 1969? That would be for the full year.

Secretary FOWLER. The 10-percent surcharge on individuals, $6,420 million; corporations, $2,320 million. A total of $8,740 million.

Individuals, on the 8-percent surcharge, $5,130 million; corporations, $1,860 million. Total of $6,990 million.

On the 6 percent surcharge, individuals $3,850 million; corporations, $1,395 million; or total of $5,245 million.

Mr. SCHNEEBELI. Now as to corporations, is this tax surcharge figured before or after the investment credit?

Secretary FOWLER. According to the bill that has been drafted and is now available, it will be applied before the investment credit.

Mr. SCHNEEBELI. So the investment credit will be then on 90 percent?

Secretary FOWLER. No. It keeps the investment credit constant at the 7 percent level.

Mr. SCHNEEBELI. Seven percent before the surcharge?

Secretary FOWLER. Yes. If you did it the other way, it would change the effective impact of the investment credit to a 7.7 percent investment credit.

Mr. SCHNEEBELI. Now this total of 10 percent for fiscal 1969, which is about $8.74 billion, would still be less than one-third of your anticipated deficit for fiscal year 1968, would it not?

Secretary FOWLER. That is correct.

Mr. SCHNEEBELI. In view of the fact that there does not seem to be too much conviction on the part of many people that we are going to have an outstanding rise in our economy in the next 6 to 12 months, is it worth the gamble to put a 10-percent surcharge on corporate taxes and on individuals income, risking a possible downturn in business which is entirely possible, in order to bring in less than one-third of the deficit? Is this considered a good gamble?

Secretary FOWLER. Congressman Schneebeli, two comments: No. 1, we don't find that large a number of people who think this is going to produce a downturn. I realize it is very easy for someone to find a reason not to vote a tax increase. But I do not believe that when the committee has assembled a solid body of economic and financial opinion that is available from those who make a specialty of these things, whether they are in public life or in private life, that you will find that sharp a division of opinion.

There will be those certainly who will be apprehensive and concerned, but I doubt that you will find many who will flatly predict, solidly and with the conviction that we have here, that this is going