As a businessman—certainly we heard a great deal last year about the overall problems of corporate liquidity or to put it in commonplace terms, the need to have credit and to have it readily available.

When they wanted to go to the bank and borrow and their business was good they did not want to be turned down because there was not any credit available there.

The Congressional Record is full of comment about the unavailability or the tightness of credit or the excessively high interest rates that were of concern.

Similarly I think a businessman wants to think of his customers as confident. He is worried always about his market.

That raises the question, is the kind of an economy that will come about as a result of this program that is before you, both the taxing part and the expenditure control part, designed to give confidence to purchasers from business whether they be consumers or other businesses.

Then we have to think of ourselves as home buyers. You have to think of the young family that wants to borrow money and take on a mortgage and assume an obligation for 20 or 30 years to provide a home.

Now, both the availability of credit and the interest rates that would have to be paid are of great concern to that individual and that family.

Now, finally those that are elderly, who live on a fixed income, who are on relief, who are very poor, who have limited resources that are not readily expandible. They are not even taxed by and large, the great body of the elderly and the retired and the poor.

But inflation is an indirect form of taxation and therefore their interest in this tax bill it seems to me is a very positive and direct one.

Now, this is the best I can do. I am not skilled in relating to constituents why this is necessary but I think if you can get them to look at themselves as citizens in all these other capacities rather than just looking out here how much more is going to be taken out of my paycheck, that is the only way that we can bring this home to the American people as to the necessity and desirability of it.

Now of one thing I am sure, that if this tax bill is not passed and you have a situation and next year in which the economy gets out of control and gets badly overheated and interest rates go beyond the very high levels that they are now, and you have the kind of shutoff of availability of credit, for example, in housing and in small business and to the farmer whose very life blood is credit, there is going to be a great deal of question about why we did not do something in the fall of 1967 about this situation.

Mr. GILBERT. Would you think that if you increase taxes at this point you are going to be taking a great deal of money out of the hands of the consumer?

Secretary FOWLER. Taking not a great deal but some; yes.

Mr. GILBERT. Would you not think that would have an adverse effect on retail trade?

Secretary FOWLER. It will have the effect we think, and this is a matter of judgment, of keeping the steady increase in the volume of purchasing at levels that can be satisfied by the productive capacity of the economy and avoiding the price inflation that would otherwise be likely to occur if the volume of that market grew excessively.