

The CHAIRMAN. We do not normally invite specific people to testify. We ordinarily have enough who request appearance without our having to invite them. In this instance we so far only have about 20 organizations who have expressed a desire to appear before the committee.

Secretary Fowler, in his statement, said, "The tax reform message will require more deliberate consideration since it involves proposals for permanent structural changes and some redistribution of tax burdens in the interest of a fair sharing of the load." This is what I object to. The Secretary further stated "Its basic objective is not to raise revenue but to correct a number of inequities and abuses in our tax system." It seem to me our objective should be to do both things, to correct inequities reaction of revenue because in correcting the inequities I think we can come up with a greater contribution for Federal taxation than we now receive from many sources. I certainly hope some effort will be made to do both things, to provide for greater revenues, at the same time that we endeavor to correct inequities.

Mr. SURREY. Maybe that was misunderstood, Mr. Vanik.

Mr. VANIK. That is the only way I can read it.

Mr. SURREY. Certainly some of the recommendations would raise more revenue.

Mr. VANIK. The basic objective, it seems to me, should be to raise revenue.

Mr. SURREY. Some of the recommendations would correct inequities where taxpayers may be paying more than their fair share today. The revenue so raised would offset those cases in which taxpayers or groups of taxpayers are paying more than their fair share.

Now, the committee will have an opportunity to consider whether the revenue raised from those provisions which tighten up the law should be used to go into the general budget as increased revenues or should be used, as this statement suggests, to take care of those situations in which certain groups of taxpayers are bearing more than their fair share of the revenue.

Mr. VANIK. I think the word "not" should be removed. I think we should try to do both things.

Mr. SURREY. I think an opportunity will be given the committee to consider whether provisions that tighten up and increase the tax on those groups who are not paying their fair share should be used in turn to ameliorate the situations of those who are paying more than their fair share.

Mr. VANIK. Thank you.

The CHAIRMAN. Earlier we had suggested that if the Secretary would produce a bill carrying out the recommendations that it would appear in the record. I will suggest if there is no objection that it appear immediately following the Secretary of the Treasury's opening statement and that it be followed by the technical explanation which has also been prepared by the Treasury Department. Is there any objection? (See p. 32.)

Mr. Surrey, let me ask you a little bit about the bill, itself. We have talked about everything except the bill. As I understand, the bill imposes a temporary surtax on both individuals and corporate income tax liabilities at an annual rate of 10 percent, that it raises from 70 percent to 80 percent the percentage of its estimated tax which the corporation may pay by installment without incurring a penalty. Sec-