

PRESIDENT'S 1967 TAX PROPOSALS

MONDAY, AUGUST 21, 1967

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

The committee met at 10 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.

Our first witness this morning is the president of the National Association of Manufacturers, Mr. Gullander. We will ask you to identify yourself first by giving us your name and capacity in which you appear for the record.

STATEMENT OF W. P. GULLANDER, PRESIDENT, NATIONAL ASSOCIATION OF MANUFACTURERS

Mr. GULLANDER. Mr. Chairman, I am W. P. Gullander, the president of the National Association of Manufacturers. I am here to speak on their behalf with respect to the proposed tax bill.

The CHAIRMAN. We are pleased to have you with us this morning, Mr. Gullander, and you are recognized, sir.

Mr. GULLANDER. The economic effect of the 1964 income tax changes well demonstrated that over the long run maximum economic growth and maximum tax receipts result from moderate income tax rates which encourage expansion and risk taking.

Because of this, I find myself in a rather uncomfortable position, as I am certain this committee does, in discussing the need for a temporary tax increase.

No one can view the present fiscal situation with any degree of satisfaction. And the best that can be said for the alternatives that seem to be available for correcting it is that some are likely to be less damaging to the economy than are others.

Nevertheless, the problem must be faced, and it is my hope that I can contribute something that will be useful to you. In doing so, I have the guidance of a statement prepared by the NAM Taxation Committee, expressing its views on "Government Action in the Current Fiscal Crisis." This was carefully considered and unanimously endorsed by the committee at its meeting on July 11, and I emphasize the date July 11. It was prompted by concern with much the same problems as were brought up by the President in his message to Congress on August 3.

The full text of the taxation committee's statement is appended to my testimony and I ask that it be included in the record of these hearings.