

With the President's tax surcharge proposal intended to raise only 25 percent of the \$29 billion deficit, it seems only fair, reasonable, and equitable that every taxpayer, individual or corporate, should pay something toward the tax revenue needed to prevent unbridled inflation.

Unofficial Treasury Department estimates confirm that my proposal will produce about \$7 billion in additional revenue. By spreading the tax burden to those who were previously untaxed, other taxpayers will be assured that the surcharge is only temporary.

My proposal can be used as an alternative or as an amendment to the President's surcharge proposal.

Under the President's tax surcharge proposal, the low and fixed-income taxpayer, one who earns less than \$5,000, is exempt. He may, however, be adversely affected if the budgetary cuts of \$7½ billion extend to the basic human needs which he requires to sustain himself and his family.

The additional tax revenues which my proposal will produce, together with the President's surcharge, will provide sufficient funds to safeguard against budgetary cuts in the areas of human needs such as health, education, and housing.

I have already stated to the President, in person and in writing, that I will oppose the surcharge in the absence of some sharing of the tax burden by the untaxed and those who have taken advantage of various tax shelters, legal though these actions may have been.

For the long term a complete overhaul of our tax laws is necessary. My proposal will answer the question for the short term and indicate to the taxpayer who will be called upon to pay the surcharge that others of their fellow citizens are not escaping their proportionate share of running the Government.

Let the tax and economic experts of this distinguished committee draft a proposal which will equitably distribute the tax burden required by the fiscal 1968 budget.

If a just and equitable revenue proposal is desired, then our policy should be, "Everybody pays or nobody pays."

The CHAIRMAN. Mr. Tenzer, we thank you, sir, for coming to the committee to discuss your idea with us. Any questions of Mr. Tenzer? Mr. Curtis.

Mr. CURTIS. Simply this, Mr. Tenzer. I welcome your support to get a tax reform bill before this committee. There are many areas that I felt we need to move in on. I would make the observation, though, that I doubt if a tax reform bill is going to end up with as much net revenue for the Government.

We may get some additional revenue, but some of the taxes or rather the return that you referred to that are paid on taxes need a little further explanation.

Some that you mention I particularly recognize are those that pay no tax because they give all their money to charities. I think our charities are fairly well established as to what the money goes for. Maybe we ought to revise it. Personally, I think if money is spent in this area it is true that it doesn't come to the Federal Government, but it doesn't go to these individuals either.

The same thing when you mention big-city problems. Another big area where the people do not pay taxes are those who buy municipal