Mr. BUSH. And I suggest to the gentleman that this is only part of the story and what I would like to suggest if we had time to develop it is that if you look at the First National City Bank record of corporations and their tax burdens, their overall tax burdens related to their assets, for example, the oil industry bears its share and we can't develop this in 5 minutes but I would be happy to continue the discussion at a later date.

The CHAIRMAN. Mr. Tenzer, we thank you, sir, for coming to the committee and without objection the committee will reconvene at 2 o'clock this afternoon.

Mr. TENZER. Thank you very much, Mr. Chairman.

(Whereupon, at 12:32 p.m., the committee recessed to reconvene at 2 p.m., the same day.)

AFTER RECESS

(The committee reconvened at 2 p.m., Hon. Al Ullman, presiding.)

Mr. ULLMAN. The committee will come to order.

Our next witness is Mr. John C. Davidson.

We are happy to have you before the committee, Mr. Davidson. We will welcome your counsel on this matter.

Will you please identify yourself for the record and proceed as you see fit.

STATEMENT OF JOHN C. DAVIDSON, PRESIDENT, TAX COUNCIL

Mr. DAVIDSON. Thank you, Mr. Chairman. I am John C. Davidson, president of the Tax Council.

I appreciate the privilege of appearing in these hearings in behalf of the Tax Council. The council is a business-supported organization concerned primarily with encouraging a tax philosophy and structure in harmony with the economics of progress.

The second paragraph is directed to Mr. Mills primarily, Mr. Chairman, but I will read it because I like this paragraph, if I may.

To begin with, Mr. Chairman, may I say we are most mindful and appreciative that the grim fiscal facts of 1967 have not deterred you and your colleagues on this committee, the Secretary of the Treasury, and other top policy people, from reaffirming the goal of more and repetitive tax reduction from revenue growth at the earliest possible date.

To summarize this statement, our views on the current problem are:

First, in the interest of resuming strong and sound economic growth with its yield of new and better jobs, corporations should not be asked to take on a new tax burden which is any larger relatively than is imposed on individuals or, more specifically—

(*a*) the rate of a temporary surcharge should be the same for corporations as for individuals,

(*b*) the effective date of a temporary surcharge should be the same for corporations as for individuals,

(*c*) a temporary surcharge should be applied only to the final corporate tax bills; that is, after the foreign tax and investment credits have been given effect,