Vide the increasing weight and number of schemes like the Baker-Herlong plan, liberty amendment, State sharing of Federal income tax, et cetera. If my plan should ever be worked on in consultation with myself an uncountable number of advantages inherent in it would be developed. The booklet describes many more than I have named here—both economic and sociological.

ACKNOWLEDGMENT

I thank the committee for the invitation to speak; and I hope I may be asked a few questions testing my plan for availability. (For additional material submitted by Mr. Crehore see p. 795.)

The CHAIRMAN. Thank you for coming, Mr. Crehore.

Mr. Hicks is now present. Mr. Hicks, come forward please.

Mr. Hicks, if you will identify yourself for our record by giving us your name, address, and capacity in which you appear we shall be glad to recognize you, sir.

STATEMENT OF W. B. HICKS, JR., EXECUTIVE SECRETARY, LIBERTY LOBBY

Mr. HICKS. My name is W. B. Hicks, Jr., executive secretary of the Liberty Lobby, 132 Third Street SE., Washington, D.C.

The CHAIRMAN. Glad to have you, Mr. Hicks, and you are recognized.

Mr. HICKS. Mr. Chairman and members of the committee, I am W. B. Hicks, Jr., executive secretary of Liberty Lobby. I am here to present the views of our 11,000-member board of policy, on behalf of the 170,000 subscribers to our monthly legislative report, Liberty Letter.

Mr. Chairman, Liberty Lobby is opposed to these proposals. Our board of policy voted overwhelmingly to advocate lower taxes, both in 1966 and in 1967. We feel that our position against a tax increase reflects the general attitude of the American people, as well.

This is not a mere instinctive reaction, either. There are good, sound reasons why the Congress should not raise taxes. The main reason, we believe, is that a tax increase would have inflationary effects that could trigger the very chain of events that the President described so well in his message containing these proposals: Strong inflationary pressures, intensified wage-price spiral, spiraling interest rates, tight money, and recession in the housing industry.

It seems clear to us that the economic advisers who are calling for an increase in taxes are searching for an easy way out of the tight spot we are in as a result of 30-odd years of error. They seem to have grabbed onto an old, standard formula that describes what inflation is, and by approaching it in a new direction, they hope to solve the inflation problem.

You know what the equation is, of course; the one that says: "Inflation is the result of an increase in the supply of money and credit relative to the increase in production of goods and services."

Now, the new approach is, that they hope to lay a tax on the supply of money and credit, and thereby the magic of algebra will reduce the rate of inflation.

It won't work that way. The reason it won't work that way is a simple one: Whatever tax you attempt to apply to the supply of money and credit is inevitably going to be shifted right onto the half of the equa-