would be actually a demand-type inflation, which doesn't seem to be the issue. As I understand, some economists have said that they don't think that a tax increase is the proper medicine.

Mr. WILDE. Well, of course, Congressman, as you know, finally somebody has to buy something and this is done through money and credit, so if they have less money and credit to buy something, then the cost push will not be as influential, but it will be there.

Mr. CURTIS. But the remarkable thing to me in our economy is the development of discretionary purchasing power. The economists now are following that and measuring it. This is a unique thing, I would say. It is something new in economic concepts. Our previous theories of economics, as I understand, were based on an economy of scarcity.

We are moving into a different kind of situation and I would say discretionary income is a pretty good indication of this, so it may be that people will buy in spite of these things.

On the other hand, they may not. Savings rates increased notably in the past year or so. I suppose they could increase more. I don't know.

Well, I wanted to examine some of these things with you because I certainly appreciate the great work your organization does and your willingness to come before this committee and give us the benefit of your judgment.

The CHAIRMAN. Thank you, Mr. Wilde, for coming to the committee again.

Mr. WILDE. Thank you, Mr. Chairman and gentlemen.

The CHAIRMAN. Mr. Bryant. Mr. Bryant, we will ask you to please identify yourself for the record by giving us your name and capacity in which you appear.

STATEMENT OF F. LEONARD BRYANT, MANUFACTURING CHEMISTS ASSOCIATION; ACCOMPANIED BY JAMES MORTON, DIRECTOR OF GOVERNMENTAL RELATIONS; MICHAEL PANCINI, MEMBER, TAX POLICY COMMITTEE; AND RAPHAEL SHERFY, COUNSEL TO TAX POLICY COMMITTEE

Mr. BRYANT. Thank you, Mr. Chairman and members of the committee. My name is F. Leonard Bryant. I am chairman of the board of directors of Hooker Chemical Corp. I am appearing before you today in my capacity as a representative of the Manufacturing Chemists Association (MCA), a nonprofit trade association with 185 U.S. member corporations, large and small, which account for more than 90 percent of the Nation's chemical productive capacity.

The American chemical industry contributes $39 billion to the gross national product and employs nearly 1 million workers.

With your permission, I have with me today a few associates. On my right Mr. Morton, director of governmental relations for MCA; on my left Mr. Pancini, a member of the tax policy committee of MCA; and Mr. Sherfy, who is counsel to the tax policy committee.

The CHAIRMAN. We are pleased to have you gentlemen here with Mr. Bryant. Mr. Bryant, you are recognized.

Mr. BRYANT. Thank you, sir. We appreciate the opportunity to address you today. I will follow pretty generally the prepared statement