Mr. JACKSON. Yes, sir.

The CHAIRMAN. We appreciate your bringing these views to the committee this morning.

Mr. FULTON. Mr. Chairman.

The CHAIRMAN. Mr. Fulton.

Mr. FULTON. I would just like to express my personal appreciation to my good friend Don Jackson for giving us his time and the benefit of his vast knowledge with reference to taxation.

Don, we are certainly pleased to have you.

Mr. JACKSON. Thank you.

The CHAIRMAN. Any further statements or questions?

If not, we thank you, Mr. Jackson, again.

Mr. JACKSON. Thank you.

The CHAIRMAN. Mr William Jackman. Mr. Jackman, you have been before the committee on other occasions in the past. We welcome you back, but for purposes of this record will you identify yourself.

STATEMENT OF WILLIAM JACKMAN, PRESIDENT, INVESTORS LEAGUE, INC.

Mr. JACKMAN. Thank you, sir. My name is William Jackman. I am president of the Investors League, a nonprofit, nonpartisan organization with thousands of individual investors from every State in the Union. Our officers are located at 84 Fifth Avenue, New York, N.Y.

The CHAIRMAN. You are recognized, Mr. Jackman.

Mr. JACKMAN. Mr. Chairman and distinguished members of your committee I wish to thank you for the privilege of presenting to you our views on the President's proposals to increase corporate and individual income taxes now before you for consideration.

The President asks for an individual and corporate income tax surcharge of 10 percent starting on October 1, 1967 for individuals and July 1, 1967 for corporations. These surcharges would be temporary and expire in June 1969. He also asks for an extension of automobile and telephone excise taxes.

The principle reasons given by the administration for these recommendations are to head off inflation and soaring interest rates.

The proceeds of $7.4 billion presumably would be used to reduce the 1968 Federal budget deficit now estimated at $29 billion (instead of the $8 billions estimated at the beginning of the year.)

PROPOSALS WOULD BE INEFFECTIVE

Gentlemen, it is our opinion, that these tax increases are unnecessary at this time and would prove ineffective. The only way to put our Government's financial house in order would be to drastically curtail nondefense Federal spending programs and to defer other ones now under consideration.

Every businessman knows that high taxes, just like high wages, are inflationary. They represent costs of doing business, and these increased costs, when they exceed increased production, must be passed along in higher prices to the consumer.

As regards higher interest rates, excessive Government debt competes for the people's savings and naturally forces up interest rates. This is exactly what has been happening in recent years. In the long