There is talk of making tax surcharges larger for corporations than for individuals. Just remember that, taxwise, there is no such thing as a "corporation." Corporations are only millions of people pooling their invested savings together. The corporate income tax is one of the Treasury's major sources of income. They are paid only out of profits at a rate of 48 percent.

The remaining earnings distributed to individual stockholders are then taxed at rates from 14 percent to 70 percent. It is obvious that if the Treasury wants more income, they should go all out to encourage business expansion and creation of even greater profits. Whenever government attacks profits, it is simply attacking itself.

As Senator William Proxmire crisply summarizes:

> The crux of my opposition to the President's 10 percent surtax proposal is that it is dead certain to retard this Nation's economic growth.

Gentlemen, our entire Federal tax system must be overhauled. It has become a hodge-podge mess. Its policies must be established and controlled by Congress, and not by the executive branch or its bureaus who are only presumed to enforce our laws and not to make them.

In your tax thinking, gentlemen, just remember one other thing. There are over 24 million American investor-shareowners whose savings provide the jobs for our workers in industry and produce under our free enterprise profit system, the goods and services that have given this Nation the highest standard of living in this world.

And remember one other thing. This system is called "capitalism." Karl Marx, in his "Communist Manifesto," stated that the surest way to destroy capitalism was to impose a heavy progressive income tax and an even higher inheritance tax. We have already gone too far down this road.

Gentlemen, yours is a monumental task. God help you.

Thank you so much.

The CHAIRMAN. Thank you, Mr. Jackman. We appreciate your bringing to us your views this morning.

Are there any questions of Mr. Jackman?

We thank you, sir.

Mr. JACKMAN. Thank you.

The CHAIRMAN. Mr. Mitchell. Mr. Mitchell, if you will for our record identify yourself by giving us your name and capacity in which you appear we will be glad to recognize you.

STATEMENT OF C. R. MITCHELL, CHAIRMAN, LEGISLATIVE COMMITTEE, U.S. SAVINGS & LOAN LEAGUE; ACCOMPANIED BY STEPHEN SLIPHER, LEGISLATIVE DIRECTOR

Mr. MITCHELL. Thank you, sir. My name is C. R. Mitchell. I am president of the First Federal Savings and Loan Association in Kansas City, Mo. I am also legislative chairman of the Legislative Committee of the U.S. Savings and Loan League.[1]

[1] The United States Savings & Loan League has a membership of 5,100 savings and loan associations, representing over 95 percent of the assets of the savings and loan business. League membership includes all types of associations—Federal and State chartered, insured and uninsured, stock and mutual. The principal officers are Otto Preisler, president, Chicago, Ill.; Hans Gehrke, Jr., vice president, Detroit, Mich.; C. R. Mitchell, legislative chairman, Kansas City, Mo.; Norman Strunk, executive vice president, Chicago, Ill.; and Stephen Slipher, legislative director, Washington, D.C. League headquarters is at 221 North LaSalle St., Chicago, Ill.; and the Washington office is maintained at 425 13th St. NW., Washington, D.C.