

times the fiscal 1968 Federal budget proposal for housing and community development, about $2\frac{1}{3}$ times the proposal for natural resources, almost three times the proposal for education, about 80 percent higher than the proposal for health services and research, about five times the proposal for labor, manpower, and other welfare services, about $2\frac{2}{3}$ times the proposal for agriculture and agricultural resources, and more than four times the proposal for the Office of Economic Opportunity.

And what does my estimate of a nationwide excess interest cost, public and private, in the neighborhood of \$25 billion annually over the next decade really mean? This is roughly equivalent to \$3,600 per year for every American family of four. Less than half this annual amount would measure the difference between the current incomes of all of the more than 30 million poor families in the United States and the incomes that all of these people would need to rise above the poverty-income level. This shows dramatically how much we could easily afford to do, if only we redirected our efforts along lines of economic commonsense and social justice.

Now, what are the reasons given for this monetary travesty? The first reason given is that it stops inflation. I do not understand how it stops inflation to increase the cost of that precious commodity which everybody in need has to use, even though everybody does not have to use bread and some would be better off if they do not use it.

A second reason given is that it is necessary to slow down the rate of economic growth. As a matter of fact, our economy has been in a period of stagnation for the last couple of years. And now we are in a fantastic position where we are asked to enact a 10-percent surcharge, which will bear down excessively upon the low- and middle-income families who have already been so seriously hurt by these rising interest rates, on the alleged ground that we need to increase taxes in order to be able to have lower interest rates. This is one of the most fantastic economic propositions ever conjured out of the minds of misguided people.

If a large portion of the American people are being burdened too heavily, relative to their resources, and relative to the wealth and power of the U.S. economy, how do we help them by taking one step forward and one step backward, by increasing the tax burden on them in exchange for lowering the interest rate burden on them, even assuming that the Federal Reserve Board in its construction of good conscience would respond to the increased taxes by lowering the interest rates, which it has not done before?

Actually, the dollar amounts by which the tax burden on the lower middle income people would be increased by the proposed 10 percent surcharge would be much greater than the dollar amounts by which these same families would benefit from any conceivable reduction in interest rates which might follow in consequence of the proposed tax increase.

The truth of the matter is that the Federal Reserve System, which in recent years has proved itself unworthy of the trust imposed upon it by the Congress to deal with monetary policy, is now taking over fiscal policy as well. Having succeeded in disengaging itself from its appropriate duty to cooperate with the purposes of the fiscal policies of the Federal Government, the Federal Reserve System has