going to have some continued ready availability of money and credit, which the private economy needs so much.

That access can be denied for a period of months or for a period of time, in order to curb things, but to have it over a long, long period of time is a very risky business. Taking all these factors into account, I feel now, although we will certainly look at the situation again, that in treading this narrow path, we will need the combination of monetary ease and some additional taxes, particularly since they are needed for other purposes. While we are able to make out a fairly good case now; it will depend, of course, on the circumstances at the time.

Chairman PROXMIRE. And I particularly urge you to give careful consideration to repealing the suspension of the investment credit, either promptly or at the rate of 1 percent a month, which is an appealing idea.

At any rate, you are going to have a real problem in the fourth quarter of this year, with the postponement of purchases of machinery and equipment. It could be very, very serious.

Secretary FOWLER. I am quite conscious of that.

Chairman PROXMIRE. In the light of these circumstances, you might repeal it. But I hope you won't, as was indicated in the story in the Washington Post on Saturday, feel that because you have repealed the investment credit, you would compensate the equity and add a little more of a surtax on corporations. It would seem to me that the across-the-board neutrality which you emphasized this morning in answering another question should apply, disregarding whatever effect the investment credit suspension may have.

Thank you very much. Senator Miller?

Secretary FOWLER. Senator Miller, in dealing with your question of price increases, I want to present two or three charts which I think show comparable conditions.

We share with you a great regret that we do not have the price stability and have not had the price stability last year that we had in the previous period, running from about 1958 to 1965. Chairman Ackley has stated our concern about that.

But to get it in perspective, I had some charts prepared for a presentation tomorrow to one of the other committees, and I thought I would bring them along here today in case this question arose.

Chart 7 shows "Consumer Price Increases in Selected Countries, 1965 to 1966."

Despite the fact that we are engaged in southeast Asia in a situation which creates heavy and unusual demands on the economy, it shows that the United States has a very good price record compared to the other major industrialized countries in the Western World whose economies are operating in a normal peacetime environment.

This chart shows the 2.9 percent increase for the United States; 3.9 for the United Kingdom; 3.5 for West Germany; 2.6 for France; and 2.3 for Italy.

Senator MILLER. May I ask you a question on that chart, Mr. Secretary? What about the statement I hear that we still have to be very concerned about this, even though from a comparative standpoint it may not look so bad, because of the lower base which these other countries have with many of their prices, which means that they can have even a larger increase in the Consumer Price Index, a larger