

Chairman PROXMIRE. Under those circumstances, you would oppose the tax increase?

Mr. LEKACHMAN. I would oppose a tax increase. I would then rely upon—as your remarks suggest—I would rely upon a continuation of fiscal stimulus to do some further good in labor markets, and have some desirable effect in reducing unemployment. And I would add on that point that insofar as our very real balance of payments are concerned, I should be more inclined to pursue Sherman Maisel's suggestion in a speech of a month or so ago, that we should address ourselves to specific policies aimed at the balance of payments. What I am suggesting in effect is that if our employment policies do in fact tend to aggravate our balance-of-payments difficulties, then if need be, we should impose additional controls on the outflow of capital, or indeed that widely unpopular notion, some control on the movement of tourists abroad.

I think, in other words, that it is possible for us simultaneously to decrease unemployment and to cope with the balance-of-payment situation, quite possibly using a series of ad hoc measures addressed to the balance-of-payments situation.

Chairman PROXMIRE. Thank you. My time is up. Congressman Reuss?

Representative REUSS. Thank you, Mr. Chairman.

I welcome the general theme that runs through much of your testimony, gentlemen, that we ought to do everything we can, and more than is proposed to be done, to keep prices as stable as possible, not only for domestic but for international economic reasons.

In that connection, I am struck by two events in the current news that a number of oil companies, including notably Standard Oil of Indiana, which have been enjoying a fantastic profit level—fantastic enough to cause Standard of Indiana to take advertisements in the Wall Street Journal bragging about their unprecedented profit picture—these companies are now in the act of raising the price of gasoline to the consumer by I believe about a cent a gallon.

Another current item is that American Motors will later on today lower the price of its American line by \$150 a car, which is a very substantial price decrease.

Chairman PROXMIRE. If the Congressman will yield at that point, it is my understanding it is up to \$234 a car—the Rambler American.

Representative REUSS. Is that so? That is even more public spirited. In any event, if the Joint Economic Committee had medal powers, I would certainly award the Medal of Honor to American Motors, and a booby prize to Standard of Indiana and others that are being irresponsible.

I would hope that out of these two examples, which happen to occur at the same time, there could be some expression from Washington that American Motors is moving in the right direction and Standard of Indiana is moving in the wrong direction. I would hope that this might induce consumers to buy their gasoline, particularly in the midwest, at an unheralded filling station which isn't raising prices, and I would hope also that consumers would tip their hats to American Motors by buying some of these excellent Rambler Americans, which will shortly be priced at \$150 to \$240 less a motorcar.