

Mr. MEEDS. Thank you, Mr. Chairman.

At the outset I would like to compliment you, Mr. Fancher, and your entire staff on what seems to me to be a very, very well prepared and well presented piece of testimony.

Mr. FANCHER. Thank you.

Mr. MEEDS. I have to confess to substantial ignorance in this field because no one had ever really brought it and its effects to my attention like you just have in your statement.

Second, I would like to express my extreme interest in this from the standpoint of a substitute for the 10-percent surtax.

I notice on page 6 that a 10 percent increase in activity in the Laborers' International Union would result in an 18½ percent income tax increase for the Federal Government and I just wish I would have known about this sooner.

I sure hated to vote for that tax bill and if I had had a good substitute I could have used it. I am being facetious, of course, but aren't we really faced in this situation with somewhat the same thing President Kennedy was faced with in 1960 and 1961, when he came in and found this country functioning at about 70 percent of its industrial capacity and through various tools raised that industrial capacity some 16 percent and produced about \$30 billion in additional revenue for the Federal Government and a better living for millions of Americans. Isn't this the same type of problem?

Mr. FANCHER. It has a remarkable similarity.

Mr. MEEDS. And as we used to operate on the economic theory that there had to be peaks and valleys and economic cycles and we lived with them, we have now discovered that we don't have to live with it. Isn't there a similarity here?

Mr. FANCHER. That is true, sir. I think that you can say that this is what happens when you devote time and attention and study to a subject. This is an industry that does not operate at peak efficiency.

Mr. MEEDS. Absolutely.

Mr. FANCHER. And I think that we are certainly overlooking a great possibility if we don't give this subject a great deal of our time and attention in order to correct this situation and to create an industry that will operate at peak efficiency. I think your remarks are very well taken.

Mr. MEEDS. Isn't it true further that the best way to sell this program is the economics of it. It makes sense. It just makes good economic sense.

Mr. FANCHER. Well, sir, the economics are tremendously important but I just think the impact that correcting this subject, the impact that it would have on the family lives of thousands and thousands of people I think also is a tremendous thing. I think it will be a tremendous thing for our entire country to develop a better pattern for this group of people.

Mr. MEEDS. Well, Mr. Chairman, I certainly am impressed with this testimony and the eye-opening effect it has had for me. I hope that we can get behind something like this and push it so it can have the same eye-opening effect on the other Members of the Congress and hopefully the Nation.

Mr. FANCHER. We appreciate your efforts.

Mr. O'HARA. Thank you.