

University of Montana

## ScholarWorks at University of Montana

---

Mike Mansfield Speeches, Statements and Interviews

Mike Mansfield Papers

---

9-24-1969

### Congressional Record S. 11182 - Taxes

Mike Mansfield 1903-2001

Follow this and additional works at: [https://scholarworks.umt.edu/mansfield\\_speeches](https://scholarworks.umt.edu/mansfield_speeches)

**Let us know how access to this document benefits you.**

---

#### Recommended Citation

Mansfield, Mike 1903-2001, "Congressional Record S. 11182 - Taxes" (1969). *Mike Mansfield Speeches, Statements and Interviews*. 777.

[https://scholarworks.umt.edu/mansfield\\_speeches/777](https://scholarworks.umt.edu/mansfield_speeches/777)

This Speech is brought to you for free and open access by the Mike Mansfield Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Mike Mansfield Speeches, Statements and Interviews by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

review of the review committee's determination.

COMMITTEE AMENDMENT

Existing law provides that the bill of complaint (in a proceeding brought by a farmer) shall be served upon a member of the review committee. The bill is silent as to who shall be served in a proceeding brought by the Secretary. The Committee amendment would clarify this situation by specifying that review proceedings instituted by the Secretary shall be "against the farmer as defendant".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, with the permission of the distinguished Senator from Idaho (Mr. CHURCH), and while awaiting the arrival of another Senator, I ask unanimous consent that, notwithstanding the unanimous-consent agreement, I may proceed for 6 or 7 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

TAX LEGISLATION

Mr. MANSFIELD. Mr. President, conflicting reports, statements, and stories make it necessary to set the record straight on the matter of tax legislation. It will be recalled that last July, pursuant to the urging of the administration, the Senate extended the 10-percent surcharge on the income tax. The extension was for 6 months—that is, through the remainder of 1969—but not until June 30, 1970, as had been sought by the administration.

Frankly, as one Senator, I would have preferred not to see any extension of the surcharge except as part of a here-and-now tax reform and relief measure. Nevertheless, together with the other members of the majority policy committee I concurred in the scheduling of the 6-month extension because of certain conditions and understandings which occurred at the time.

In agreeing to a callup of the surtax, the majority policy committee insisted that tax reform and relief should not be left in a pigeonhole. It sought and received assurances that such a measure would be brought forth with dispatch for consideration by the Senate. In this connection, it was made clear that there would be reported to the Senate either the far-reaching bill then in the House, that bill as amended, or some other bill dealing, in block, with the more flagrant escape hatches which benefit a few in the present income tax law and providing some relief for millions of others.

May I say that the wage earners and other moderate and lower income groups are properly impatient for a more equitable distribution of the tax burden. They have a right to expect changes in the present income tax law after years of inertia in the face of the accumulating inequities—inequities which have placed on their shoulders an inordinate share of the cost of government.

Insofar as the majority leadership of the Senate is concerned there will be no

countenancing of a back-door effort to put off or delay tax reform and tax relief. In all frankness, I must express concern, therefore, with the reports which have recently appeared in the press. I am astonished at some stories which indicate, for example, that I have agreed to take up now the repeal of the investment credit as distinct and separate from a general tax bill.

A clamor for repeal of the investment credit raises a lot of dust because the reform is a desirable one. I think Senators should be wary lest other essential tax reforms and tax relief be lost in the resulting obscurity. Insofar as the leadership is concerned, it will always try to be reasonable but reasonable does not include being a party to smokescreens.

A specific representation was made to the Senate last July when it was agreed to call up the extension of the 10-percent surtax through 1969. That representation was made on the strength of a decision of the majority policy committee. The decision, in turn, was influenced by strong statements by the administration in support of prompt action on tax reform and relief and by many Members of the Senate along the same lines. It was made, finally, on the basis of innumerable conversations and several meetings with the chairman and Democratic members of the Finance Committee—the committee in which the tax legislation was being considered.

On that basis, the leadership represented to the Senate, without contradiction from any source, but rather with at least the tacit concurrence of the Finance Committee and the minority leadership, that a full tax reform package—to go along with the investment tax credit and the final 6-month extension of the surtax at 5 percent which was requested by the administration—a full tax reform and tax relief package would be reported by the Finance Committee no later than October 31, 1969.

A promise of general tax reform has been made to the Nation by the President and his administration and it has been echoed by Members of Congress. Taxpayers will be reminded of that promise when tax forms are received next January. These forms will require payment of the 10-percent surtax for the 6 months extension voted last July by a Senate which has also held out great promise of tax reform and tax relief. I would hope, therefore, that those who pay the surtax will be able to say, in the end, that the 6 months extension at least purchased a fairer and more equitable tax system.

That is the promise which has been held out to the American taxpayer—I repeat—by the administration and by Members of Congress. To date, only the House has delivered on that promise. It would be my expectation that on the basis of the understandings of last July, the Finance Committee will also deliver in the next few weeks and that the Senate will follow suit as soon as possible thereafter.

In considering tax reform and relief when it is reported by the committee, the Senate will also consider repeal of the investment tax credit, retroactive to

April 18, 1969. That is what was understood at the time the tax surcharge was extended last July. That is still the case today and I cannot understand why there should be any doubts or uncertainties on that score. Indeed, if one wishes to pursue this business of uncertainty as a basis for urgent action, one might well ask of the uncertainty which confronts tens of millions of the Nation's moderate and lower-income taxpayers who are still waiting for the long-promised general tax reform and tax relief.

The fact is that the central problem which faces the Senate in this matter is not the repeal of the investment tax credit. The central problem has been and remains: When and in what context should the investment credit be repealed in order also to assure prompt consideration of a general tax reform and relief measure? In essence, the problem is the same that confronted the leadership in the case of extension of the tax surcharge a few months ago. It is the practical problem of how best to proceed in the light of the procedural realities of the Congress. To refresh memories on this point, let me quote the remarks of Senator PASTORE, a member of the majority policy committee, who put it so well last July when he said on the Senate floor:

The thing that disturbs me is not so much the 6 months as against the 12 months. As a matter of fact, I would be for the 12-month extension providing I would have assurance that we are going to have tax reform. There is no Member of the Senate who knows more about the parliamentary gimmicks than does the Senator from Delaware. And he knows that if we dispose permanently of the surtax problem and then treat the tax reform independently, we will have no chance to have tax reform.

In a similar vein, to dispose of the investment tax credit at this time, in my judgment, might well diminish the prospects of a meaningful general tax reform and tax relief during this Congress which would most benefit middle and lower income taxpayers. That was also the judgment of the majority policy committee last July. That is still my judgment and I have no indication whatsoever that it is not still the judgment of the policy committee.

For those who have concerns about the investment credit, I repeat that, as far as I am concerned, any repeal will be retroactive to April 18, 1969; the date is firm. Repeal of the investment credit, as of April 18, is on the calendar now. It was on the calendar last July as part of a House-passed bill and remained there when the surtax was extended. Repeal, as of April 18, will be on the calendar when the Finance Committee reports the tax reform and tax relief bill, as expected, no later than October 31.

It has been by understanding all along that the investment credit was not to be brought up and disposed of before the general tax reform bill was available to the Senate. That was pledged to the majority policy committee last July and it was, in part, on that basis that the Committee agreed, at that time to taking up the extension of the income surtax, even for 6 months.

That is the whole story. There have been no deals, no agreements, and no

commitments to the contrary. So let me dispel any doubts which may have arisen because of recent reports. The leadership has not broken its pledge nor has the chairman of the Finance Committee (Mr. LONG). The leadership has not agreed to schedule the investment credit repeal now, as a separate tax item. Nor has the distinguished chairman of the Finance Committee (Mr. LONG) or anyone else, so far as I am aware, abandoned the understanding.

Mr. President, I ask unanimous consent that a Harris survey dealing with this question be inserted in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Sept. 22, 1969]  
EIGHTY-THREE PERCENT OBJECT TO SPECIAL TAX BREAKS FOR RICH

Passage by Congress of legislation to close "tax loopholes for the rich" would be important toward making 62 percent of the rank and file of Americans "feel better" about the taxes they pay.

High taxes are second only to high food prices on the public's list of current financial problems. And by an overwhelming 83 to 7 percent, the public is critical of special benefits for wealthy individuals.

The issue of tax "loopholes" is one of the main orders of business now before Congress. The public outcry against extending the 10 percent surcharge on incomes taxes, opposed 69 to 17 percent nationwide, was so great that Democratic leadership in both the House and Senate has insisted on tax reforms aimed at spreading the tax load more evenly.

In a recent survey of a cross-section of 2074 people across the nation, the public was asked:

"Do you feel there are a lot of tax loopholes for the rich to avoid taxes or do you think the rich have to pay higher proportionate taxes under our tax system?"

Fairness of tax system	
[In percent]	Total public
Rich avoid taxes.....	83
Rich pay proportionately.....	7
Not sure.....	10

There is little doubt that most taxpayers in America are resentful over a system which they believe "allows the rich to avoid high taxes." The degree to which the "loopholes" have fueled the growing tax revolt was evident in the result of this question:

"If many of the tax loopholes for the rich were closed, would you feel better about the taxes you pay or would you still feel the same?"

Impact of closing tax loopholes	
[In percent]	Total public
Would feel better about my taxes.....	62
Still feel the same.....	29
Not sure.....	9

Some economists have pointed out that the added revenues to be derived from closing the so-called loopholes would not bring in an appreciable amount of new money to the Federal government. Clearly, these results show, however, that the loophole legislation would have a rather important psychological effect on a taxpaying public which now feels put upon financially. The chief target of the people's ire is the inflationary spiral, but taxes and government spending are viewed as major culprits.

The public concern over the high cost of living was evident when the cross-section was asked:

"What are the two or three major financial problems facing you and your family these days? Any others?"

Major family financial problems  
(In percent)

	Total public
High food prices, mainly meat.....	38
High taxes.....	27
High rent, mortgage payments.....	24
High cost of everything.....	19
High medical, dental costs.....	17
Cost of educating children.....	16
Clothing costs.....	11
Auto installment payments.....	11
Insurance premiums too high.....	8
High interest rates.....	6
High labor costs for help.....	6

NOTE.—Percentages add to more than 100 percent because most people named more than one financial worry.

The irony of the tax situation, of course, is that both the Administration and Congress are aware of the argument that one of the ways to halt rising prices is to take consumer money out of circulation through higher taxes and by raising interest rates. The public is adamantly opposed to either solution. To the contrary, higher taxes are viewed as an added burden on the individual family in a period when it cannot make ends meet.

Mr. HARRIS. Mr. President, I wish to comment on the Senator's statement. As a member of the Committee on Finance, I am very much in accord with what the majority leader has said. I commend him for his excellent leadership on the issue. I believe he has been headed in the right direction, and still is. I applaud him.

Mr. MANSFIELD. I thank the Senator. I wish to reiterate that the purpose in making these full remarks this morning was to set the record straight.