Congressional Record S. 8841-44 - Extension of Surtax

Mike Mansfield 1903-2001

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Mr. MANSFIELD. Mr. President, as a result of conversations and conferences today with the distinguished minority leader, as well as his considerate remarks on the floor, other conferences and conversations with the distinguished senior Senator from Delaware (Mr. WILLIAMS), ranking Republican member of the Finance Committee, and other Senators on both sides of the aisle, on my own initiative I called a meeting of the Democratic Policy Committee, and the chairman of the Finance Committee and the Democrats on that committee were kind enough to accede to my request that they meet with us.

At that time we discussed the pros and cons of the situation which had developed. We were of the opinion that the Senate, as a responsible body, was at an impasse on a most vital question and that time was running out.

When I called the joint committee together, I stated to the members in attendance that, as far as I was concerned, I stood on the original 5-month extension and all the attributes thereto. That agreement was announced on the Senate floor last Thursday or Friday, and that agreement, by and large, still holds.

However, in an attempt to accommodate the Senate and the administration, the members of the joint committee discussed the matter of what could or should be done pro and con. Finally, the two committees unanimously—again, and every action taken by those two committees has been unanimous, I am happy to say—agreed that we ought to give heed to the suggestions made by the distinguished minority leader, and I believe the distinguished senior Senator from Delaware as well, that at least some consideration should be given to a 1-month's extension, from November 30 to December 31, because of the factors which they and others had enumerated as being of some urgency in this matter; the principal factor was the recomputation of the withholding rate from 10 percent to 9.165 percent and the difficulties caused to the business community thereby.

The distinguished chairman of the Finance Committee, who presided over most of the meeting, and other distinguished Senators then came up with suggestions which finally culminated in an agreement by the two committees that the chairman of the Finance Committee and I would meet with the distinguished minority leader, express to him what had happened in the meeting this afternoon, ask his advice and counsel, and see what, if anything, could be done to arrive at a mutually acceptable agreement—mutually acceptable in the sense that it was not necessarily satisfactory to any or all of us.

He informed us that he would be glad to give what consideration he could to our suggestion. We gave him, in outline only, the proposed unanimous-consent agreement which we had considered and agreed to unanimously. He said he wanted to take it up with the Senator from Delaware (Mr. WILLIAMS), the Senator from Colorado (Mr. ALLOTT), the Senator from North Dakota (Mr. YOUNG), the Senator from Maine (Mrs. SMITH), and others in the leadership, and would let us know later what the result was.

On the basis of what I consider to be a hard and fast agreement—and I emphasize hard and fast, and do so on the basis of good faith and mutual trust—it is my intention to ask unanimous consent—and I do this with the approval of the distinguished Senator from Mississippi (Mr. STENNIS), the chairman of the committee handling the pending business—at the appropriate time to lay aside the pending business and turn to the consideration of Calendar No. 272, H.R. 9951.

It is my understanding that when this is done, the distinguished senior Senator from Delaware (Mr. WILLIAMS) will at that time withdraw his amendment having to do with the question of taxing foundations. I ask the Senator, is that a correct statement?

Mr. WILLIAMS of Delaware. That is correct.

Mr. CURTIS. Mr. President, a parliamentary inquiry.
Mr. HOLLAND. What would happen to the surtax under this package? In order to retain the tax reform package, we could use this bill as a form bill, which we confidently expect will be reported by the Committee on Finance at this time. I shall ask that the unanimous-consent agreement and query be adopted by the Committee on Finance. I am anxious to expedite the procedure of my distinguished Senator from Delaware. It is true that after the extension of the surtax for the full year will be before the Senate tomorrow. Likewise, the amendment to repeal the investment credit, with whatever modifications may be made upon, will be considered upon tomorrow as a part of this package.

The repeal of the investment credit is, in my opinion, an important part of this Senate. As I understand it, the Senator from Louisiana plans to offer an amendment to extend the surtax at the rate of 10 percent for the remaining 6 months of this calendar year. As a substitute for his amendment I will offer an amendment to extend the surcharge for a full year, or at a 10-percent rate for the remainder of the year and for the first 6 months of next year at the rate of 5 percent. What the Senate may decide to do will be its own decision. But the extension of this latter package for the full year will be before the Senate tomorrow. Likewise, the amendment to repeal the investment credit, with whatever modifications may be made upon, will be considered upon tomorrow as a part of this package.

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July 30, 1969

CONGRESSIONAL RECORD—SENATE

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Mr. MANSFIELD. The Senator is correct.

Mr. McCLELLAN. The Senator is correct.

Mr. MANSFIELD. He is going to call up another bill.

Mr. MANSFIELD. The Senator is correct.

The Acting President pro tempore. Will the Senator suspend until we have order?

The Senator may proceed.

Mr. McCLELLAN. Mr. President, the Senator will call up another bill and to that bill he will offer an amendment which would simply extend the present income tax surcharge until December 31.

Mr. MANSFIELD. The Senator is correct.

Mr. McCLELLAN. Having done that, we anticipate that a reform tax bill will come from the House.

Mr. MANSFIELD. The Senator is correct.

Mr. McCLELLAN. That will be some time later, of course. I do not know if the majority leader knows when that will be. With respect to those other provisions of H.R. 12290, the continuation of the excise taxes on automobiles and communications services for temporary periods, to terminate the investment credit, a low-income allowance for individuals, and for other purposes. Do I understand that after this surtax bill has been passed, the amendment which will be offered to the other bill, at some appropriate time the Senator will call up H.R. 12290 to give the Senate an opportunity to consider the other provisions which will not be considered under the unanimous consent agreement at this time?

Mr. MANSFIELD. The Senator is correct.

Mr. McCLELLAN. That means that the Senate will act on three separate tax bills.

Mr. MANSFIELD. The Senator is correct.

Mr. McCLELLAN. When it is proposed that the other two, if we act on this measure and dispense of the surtax as now suggested, will be acted on? What do we mean by "at some time later"? What is within that time contemplation?

Mr. MANSFIELD. I would say somewhere in the vicinity of October 31, not later than that.

Mr. McCLELLAN. In other words, we hope to get to the other provisions of H.R. 12290 not later than October 31.

Mr. MANSFIELD. The Senator is correct, and very likely before then because of the enthusiasm in the Finance Committee for tax reform.

Mr. McCLELLAN. Mr. President, I was trying to ascertain whether the Senator would wait until the tax reform bill comes over and then use it as a vehicle for the other provisions of H.R. 12290.

Mr. MANSFIELD. That is something which would be under consideration, but my initial reaction is that we will consider them both separately.

Mr. McCLELLAN. That is what I wanted to find out. So we can expect to consider three separate tax bills before the adjournment of this session of Congress.

Mr. MANSFIELD. The Senator is correct. All of the provisions of the three separate bills will be considered before

Mr. McCLELLAN. I would say that the committee will be working on the bill to be made extremely clear in the Senate that the tax reform bill to be made extremely clear in the House that the Senate is not in writing, that the Senate is not in writing, that the Senate is not in writing.

Mr. MANSFIELD. The Senator is correct.

Mr. JAVITS. The Senator mentioned the date of October 31. That looks to me a constructive agreement in the Senate.

Mr. MANSFIELD. Mr. President, the Senator mentioned the date of October 31. That looks to me a constructive agreement in the Senate.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. STENNIS. Mr. President, so that all may know and also so that it may be on record and in print will know, as I understand the unanimous-consent request—and I will agree to it as I understand it, of course—it will be that the pending business will be temporarily set aside for the disposition of this matter. When this matter is disposed of, then the measure that has been temporarily set aside will become the pending business again.

Mr. MANSFIELD. As some comedian said, "Indubitably."

Mr. STENNIS. Mr. President, we may get to a vote this evening. Does the majority leader contemplate finishing the tax matter tomorrow?

Mr. MANSFIELD. I say to the distinguished Senator from Mississippi, "If it ain't finished by midnight tomorrow, that's it."

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. Mr. President, the Senator is not going to call up H.R. 12290.
the adjournment of this session of the Congress.

Mr. McCLELLAN. I thank the Senator.  
Mr. MANSFIELD. Mr. President, if I may, Mr. Chairman, the agreement contained in the Record of Friday, July 25, it is the genesis of the understanding which hopefully will soon be arrived at:

The Democratic Policy Committee and the Democratic members of the Finance Committee have agreed upon the following understanding: (1) Support an extension of the surtax until November 30, 1969.

I would interpolate there and change that date as of now to December 31, 1969.

I continue to read:

This will be accomplished by attaching this temporary extension to a separate House-passed bill. The House-passed surtax extension containing the investment credit repeal, the extension of the excise taxes, and the change of the standard deduction will remain on the Senate floor until the tax reform bill is reported by the Senate Finance Committee.

2. The chairman of the Finance Committee and the Democratic members of that committee have given their assurance that the tax reform package will be reported to the full Senate not later than October 31, 1969.

3. The Democratic Policy Committee has endorsed the position of the Finance Committee that the date of the investment tax credit repeal—

I would call this to the attention of the Senator from New York.

will be identical to that date in the House-passed bill (April 18, 1969). The endorsement was at the specific request of the Democratic Finance Committee members to assure all that the investment credit repeal is endorsed and the date is specified as contained in the bill on the Senate Calendar. 

Pursuit of this understanding in the Senate is contingent upon its acceptance by the Administration and the Republican leadership which has been Nesing in the Finance Committee and on the Senate floor for the past 30 days. May I say that many of the Members present today went along with this understanding notwithstanding grave reservations about the usefulness of the continuance of the surtax as an antinflationary measure. The approach is offered as an accommodation to the Administration.

And this underscorement of feeling still exists on this side of the aisle.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WILLIAMS of Delaware. I think there may be some misunderstanding. I realize that that was the earlier proposal, but is it my understanding that what we are agreeing on today is that we will make H.R. 9951 the pending business. That will be the pending business, following which I shall ask for the removal of sections 5 and 6, which embrace the foundation amendments.

Mr. MANSFIELD. That is correct.

Mr. WILLIAMS of Delaware. And that would leave it a clean bill, dealing only with the acceleration of the payment of withholding taxes. From that point on, under this agreement, as I understand what has been agreed upon, any amendment dealing with the extension of the surtax, at what rates, and for what period, will be in order,

and also an amendment to repeal the 7-percent investment credit along the lines of the House bill or as modified will likewise be in order under this agreement.

On this bill amendments dealing with those two subjects—that is, the question of the extension of the surcharge, at what rates, and for what period and the question of whether we do or do not repeal the investment credit and, if so, at what date and what exemption there may be—all these would be eligible items to be voted on under this agreement.

Mr. MANSFIELD. Yes. All I was doing was restating the unanimous agreement on this side of the aisle, so that the Record would be clear as to the position of the Senator from Montana.

Mr. WILLIAMS of Delaware. I understand that, but some Members on this side just want to be sure that the record is clear and that they will not be precluded from the chance of voting on both these proposals.

Mr. MANSFIELD. No. But that is an understanding that I hope would be given recognition. The only substantive change is the change of date from November 30, 1969, to December 31, 1969.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. This unanimous-consent proposal calls for 1 hour of consideration on each amendment. Is that correct?

Mr. MANSFIELD. Yes.

Mr. CURTIS. Does that apply to an amendment to an amendment?

Mr. MANSFIELD. Yes.

Mr. President, do any of my colleagues have any comment to make as to what I should have said or what I did say that I should not have said?

Mr. LONG. Mr. President, if I might interject one point, I understand what the majority leader has said. I think I made the motion or part of the motion to which we agreed, and it was my hope that we would move to repeal the investment tax credit long before October 31. But I will seek to discuss that matter with the majority leader later.

It is my thought that as soon as the Committee on Finance could recommend what the committee thinks should be done, and as soon as the majority leader could schedule it, we would offer the Senate a chance to vote on the investment tax credit. I hope that will be long before we complete action on what the House is working on.

Mr. MANSFIELD. It could be, but it would not be any later than October 31.

Mr. WILLIAMS of Delaware. It could be that it would be repealed tomorrow, too.

Mr. MANSFIELD. Oh, no. I hope the Senator is not overestimating the appeal of his amendment on this bill. I feel confident of its repeal at a latter date.