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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.

EXTENSION OF THE SURTAX

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

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CURTIS. Mr. President, it is true that the amendment is the result of the efforts of my beloved friend, the distinguished Senator from Delaware. It was adopted by the Committee on Finance. I am anxious to expedite the procedure outlined here. Will it be possible for the Senator from Delaware to withdraw that amendment, or will it require some further action?

Mr. MANSFIELD. He can withdraw it voluntarily by unanimous consent. He has indicated he would, and I would expect that any other foundation amendment would find its way on the tax reform bill, which we confidently expect will be reported by the Committee on Finance not later than October 31.

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

Mr. MANSFIELD. I yield.

Mr. WILLIAMS of Delaware. As indicated in the earlier colloquy, I told the Senator that if we could work out an arrangement we could use this bill as a vehicle to take care of the surcharge and the tax credit. I would be agreeable, but that amendment now being withdrawn will definitely be reoffered as a part of the tax reform package. In order to retain this as a bill dealing with these two subjects alone—namely, the questions of extending the surtax and of repealing the investment credit—I was willing to make that concession and would make the proper request immediately after the bill was called up.

Mr. MANSFIELD. Yes, that was the understanding, and the Senator from Delaware is a man of his word.

The ACTING PRESIDENT pro tempore. Does the Senator from Delaware ask unanimous consent at this time—

Mr. WILLIAMS of Delaware. The bill is not yet before the Senate.

Mr. MANSFIELD. No, it is not before the Senate at this time. I shall ask that it be laid before the Senate later.

To make the RECORD clear, before we lay aside the pending business and lay before the Senate this new proposal, I think it should be stated to the Senate that I am no parliamentary wizard, and there are lots of ways in which I could be cut short in handling such a delicate matter as this. But I am doing so because I have the utmost faith, trust, and confidence in the Members of this body, regardless of their positions on this particular bill.

In other words, what I am trying to say is that everything is on the table. Nothing in the way of subterfuge will be tried. We are trying to arrive, as men and women who have the interest of the Nation at heart and are aware of the present difficulties, at a solution to a most trying and most vexing problem, which confronts the Nation at this time.

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

Mr. MANSFIELD. I yield.

Mr. HOLLAND. What would happen to the investment credit matter under the course of action the Senator suggests?

Mr. MANSFIELD. Frankly, I would hope that the amendment on invest-

ment credit which I understand is to be offered by the distinguished Senator from Delaware (Mr. WILLIAMS) will be defeated, not that there is not any merit to it, but with the assurance that, at an appropriate time—and the membership would have to trust the majority leader in that respect—I would call up the bill now on the calendar which contains the matter which the Senator has referred to, as well as the continuation of the excise taxes on telephones and automobiles and the exemptions for the lower income groups. It would not be lost in the shuffle, because what we are trying to do now is tend to just the surtax and its extension for 6 months.

Mr. HOLLAND. What bill is it that the Senator proposes to take up? I understood that he was proposing to take up the so-called surtax bill, which includes the investment credit and also the other two matters the Senator has mentioned.

Mr. MANSFIELD. I missed the first part of the Senator's query.

Mr. HOLLAND. I said my understanding was that the Senator intended to take up the bill which covered both the surtax extension and the investment credit cancellation, and the two other matters which the Senator mentioned.

Mr. MANSFIELD. We are not taking up Calendar No. 312, H.R. 12290, but rather Calendar No. 272, H.R. 9951. So the matter of the excise taxes, the matter of the exemptions for the lower-income groups, and the matter of the investment tax credit would remain on the calendar, and the Senate, if it occurred, would have to allow the majority leader, in conjunction with the minority leader, to call those matters up at an appropriate time.

Mr. HOLLAND. As I understand it, then, the investment credit and the matter which would exempt a number of small-income people from the payment of income taxes, and also the matters affecting the extension of excise taxes, will come up positively at a later date?

Mr. MANSFIELD. Yes. May I say that the matter of the exemption for lower income groups does not, under the House-passed bill, go into effect until January 1, 1970, and the matter of the excise taxes on automobiles and telephones does not expire until December 30, 1969. The effective date of the repeal of the investment tax credit will be April 18, 1969; that has been categorically emphasized.

Mr. HOLLAND. I thank the Senator. I think he has made the matter very clear.

Mr. LONG. Mr. President, let me clarify one thing.

My understanding is that after this matter of the extension of the surtax is disposed of, we will, at the earliest convenient date, on some proper vehicle, pass whatever we think is appropriate in the way of the repeal of the investment tax credit. I am not wedded to the precise mechanics; I have some doubt whether the House-passed surtax bill would be the right vehicle. I hope we do not try to agree on that right now.

Mr. MANSFIELD. All right. But let me say to the distinguished chairman of the Committee on Finance that the Sen-

ator from Montana is firmly wedded to what he said previously relative to the scheduling of this bill, which passed the House and came out of the Finance Committee; and as far as I am concerned, and I must be honest, it is my intention to stick to those three items, because, as I have said before, this is not a matter of politics, it is a matter of conviction. I want to see these items kept in the bill and called up at the appropriate time, but I want to see tax reform, too. I am sure that every Senator feels as I do. If, in the course of this explanation, any Members on the Democratic side of the Committee on Finance or of the Democratic Policy Committee should find that I am not stating the facts as they are or am misinterpreting them, I hope that they will please stand and correct me, because I want the record to be clear.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Do I correctly understand that the bill that is proposed to be enacted would cover the extension of the surtax at the rate of 10 percent throughout the rest of this year?

Mr. MANSFIELD. That is correct.

Mr. HOLLAND. Would it deal with the 5-percent extension proposed for the first half of next year?

Mr. MANSFIELD. No; but that is something which is in the future; it remains a part of the House-passed surtax bill.

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

Mr. MANSFIELD. I yield.

Mr. WILLIAMS of Delaware. As I understand it, the Senator from Louisiana plans to offer an amendment to extend the surcharge 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 this 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 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 agreed upon, will be offered and voted upon tomorrow as a part of this package.

The repeal of the investment credit is, in my opinion, an important part of this tax bill. I appreciate the position of the Senator from Montana, but I feel that the Senate should decide this question now. I reserve the right to offer amendments dealing with both these points. I shall offer them and ask for a rollcall vote because I feel that both proposals should be agreed upon if we are effectively to cope with this inflation.

Mr. MANSFIELD. I have no doubt about that.

The Senator from Delaware is referring to an amendment he will offer tomorrow, if everything goes according to Hoyle.

Mr. WILLIAMS of Delaware. That is correct.

Mr. MANSFIELD. I am referring to the unanimous-consent agreement and

to the commitments which have been made, which I intend to uphold to the letter.

Mr. LONG. It is my hope that we can dispose of the investment tax credit matter prior to the major tax reform bill. It is a very important item. I think it is a reform which should be considered in and of itself, and I shall be glad to discuss it with the Senator from Delaware at any time. I hope that it will not have to wait until after October 31.

Mr. MANSFIELD. Oh, no; the Committee on Finance will report a tax reform bill before October 31, so I think what the Senator is now suggesting can be worked out. I merely want my position to be made clear. That position will be adhered to, and I think it will fit in with what the Senator from Louisiana has said.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. The Senator said he will present a unanimous-consent request at the appropriate time.

Mr. MANSFIELD. Yes.

Mr. JAVITS. Will that be tonight?

Mr. MANSFIELD. Yes.

Mr. JAVITS. I should like to lock in the reporting of a tax reform bill by October 31 as a part of the reason why I, and perhaps other Senators later, will not object to the unanimous-consent agreement.

Mr. MANSFIELD. Mr. President I appreciate what the Senator has said. However, if there is even one objection, that is it.

Mr. JAVITS. I understand that. We have all agreed on that. We will carry it out. We have to carry it out here within a given frame of reference.

Mr. MANSFIELD. The Senator is correct.

Mr. JAVITS. When an admission is made against interest, it is a lot more binding than one made in general conversation.

I have one other question to ask the Senator. It relates to the investment tax credit. The Democratic Policy Committee refers to the fact that it will have an ex post facto application. In other words, it will refer back to April 18, 1969.

Mr. MANSFIELD. Exactly.

Mr. JAVITS. Again, that had better be made extremely clear in all the give and take which now takes place so that the world may be warned about that date. That is the tradition in the tax business, even if one is not prepared to give warning, that that warning concerns a very important decision for businessmen.

I hope again that when the proper time comes, it will be made very clear by the majority leader, the minority leader, the chairman of the Finance Committee, and the ranking minority member that there is no departure from that respecting the whole economic community.

Mr. MANSFIELD. Mr. President, I have the definite assurance of the chairman of the Finance Committee and the ranking minority member of the Finance Committee and of the majority of the Finance Committee that that will be the case and that that date—April 18, 1969—

will be adhered to. So, at least in that area there ought to be some stability in the business community.

Mr. WILLIAMS of Delaware. Mr. President, the Senator will have a chance to offer amendments dealing with either of these two subjects.

Mr. JAVITS. The Senator is correct. If anyone has any alternate plan, he may offer that as a substitute in the proper parliamentary manner to the amendment.

Mr. MANSFIELD. The Senator is correct.

Mr. JAVITS. Of course, a lot of amendments cannot be offered.

Mr. LONG. Mr. President, the point I would like to make clear is that it would be my hope that the Senate tomorrow would not agree to any immediate repeal of the investment tax credit for the reason that the committee has some work to be done on the matter. The Senate might want to look at the matter and understand the House bill and see whether it thinks we are right or whether the House is right.

We would be ready to report on that matter within a week.

Mr. MANSFIELD. No. We have to consider the three together. We have to consider the excises and the low-income groups. And I hope that we can get together. I think that we can if my beloved friend, the Senator from Louisiana, will keep in mind what we agreed to when the two committees met.

Mr. LONG. I thought I understood what we agreed to. It is not in writing, but I will be glad to discuss the matter with the majority leader.

I hope that we can dispose of the investment tax credit without waiting until we have a comprehensive overall tax reform bill.

Mr. MANSFIELD. Mr. President, the Senator mentioned the date of October 31. That looks to me like a reasonable date to arrive at a constructive agreement in that matter.

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 the press 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 early next week. 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. 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, which involve the continuation of the excise taxes on automobiles and communications services for temporary periods, to terminate the investment credit, to provide a low-income allowance for individuals, and for other purposes. Do I understand that after this surtax bill has been passed, or 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 is it proposed that the other two, if we act on this measure and dispose of the surtax as now suggested, will be acted on? What do we mean by "at some appropriate time"? 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

the adjournment of this session of the Congress.

Mr. McCLELLAN. I thank the Senator.

Mr. MANSFIELD. Mr. President, if I may read 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 Calendar 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 pressing in the Finance Committee and on the Senate floor for the extension of the surtax. 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 undercurrent 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 it is my understanding that what we are agreeing on today is that we will make H.R. 9951 the pending business. That will be made 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 questions of 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.