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January 13, 1975

**MEMORANDUM FOR: HONORABLE WILLIAM SIMON
SECRETARY OF THE TREASURY**

Attached is a table given to the President this afternoon by Senator Russell Long.

The table is based on data collected in 1965. The President would like to have the table updated by you and returned to him as soon as possible.

**Richard B. Cheney
Deputy Assistant to the President**

Attachment

bcc: Jerry Jones



Wants to refund

$\$ / \$$ ^{tax} to low income

taxpayers (who don't
pay income tax)

Get to Simon



*Rich Man, Poor Man.
 up date
 Treasury or
 Census.*

Taxes and Transfers as a Percentage of
 Income: 1965

Income class	Taxes			Transfer Payments	Taxes less transfers
	Federal	State and local	Total		
Under \$2,000	19%	25%	44%	126%	-83%*
\$2,000-\$4,000	16	11	27	11	16
\$4,000-\$6,000	17	10	27	5	21
\$6,000-\$8,000	17	9	26	3	23
\$8,000-\$10,000	18	9	27	2	25
\$10,000-\$15,000	19	9	27	2	25
\$15,000 and over	32	7	38	1	37
Total	22	9	31	14	24

*The minus sign indicates that families and individuals in this class received more from federal, state, and local governments than they, as a group, paid to these governments in taxes.

Joseph A. Pechman, "The Rich, the Poor and the Taxes They Pay,"
 The Public Interest, November 1969. The data are from the Economic
 Report of the President, 1969, p. 161.

Source: Herman Miller, Rich Man, Poor Man, p. 17.



paragraph on account of any award shall not exceed \$500,000."

(b) Section 213(a) of such Act is amended by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) Thereafter, payments from time to time on account of the other awards made to corporations pursuant to section 202 and not compensated in full under paragraph (1) or (2) of this subsection in an amount which shall be the same for each award or in the amount of the award, whichever is less. The total payment pursuant to this paragraph on account of any award shall not exceed \$50,000."

And to amend the title so as to read: "An Act to amend the War Claims Act of 1948 to increase benefits provided to American civilian internees in Southeast Asia and to provide for additional payments on awards made to individuals and corporations under that Act."

Mr. BURDICK. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BURDICK, Mr. BAYH, and Mr. FONG conferees on the part of the Senate.

SOCIAL SERVICES AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

Mr. LONG. Mr. President, in order that the Record might show what a shocking amount of taxes are actually paid by the poor, I ask unanimous consent to have printed in the Record a chart demonstrating the percent of taxes estimated to be paid by the poor and their income.

There being no objection, the chart was ordered to be printed in the Record, as follows:

TAXES AND TRANSFERS AS A PERCENTAGE OF INCOME: 1965

Income class	Taxes			Transfer payments	Taxes less transfers
	Federal	State and local	Total		
Under \$2,000.....	19	25	44	126	-183
\$2,000 to \$4,000.....	16	11	27	11	16
\$4,000 to \$6,000.....	17	10	27	5	21
\$6,000 to \$8,000.....	17	9	26	3	23
\$8,000 to \$10,000.....	18	9	27	2	25
\$10,000 to \$15,000.....	19	9	27	2	25
\$15,000 and over.....	32	7	38	1	37
Total.....	22	9	31	14	24

¹ The minus sign indicates that families and individuals in this class received more from Federal, State, and local governments than they, as a group, paid to these governments in taxes.

Source: Herman Miller, Rich Man, Poor Man, p. 17. Joseph A. Pechman, "The Rich, the Poor and the Taxes They Pay," The Public Interest, November 1969. The data are from the Economic Report of the President, 1969, p. 161.

Mr. LONG. Mr. President, according to this chart, which was prepared by Mr. John A. Pechman and which was included in an article entitled, "The Rich, the Poor, and the Taxes They Pay," No-

member of 1969, it is pointed out that people whose income is listed as being \$2,000 and under pay a shocking figure of 44 percent of their income in taxes. Mr. President, that is a higher percentage than is paid by those who are making \$15,000 and over, at the bottom of that column.

One can say, well, how could it be so high? I assume the reason it is so high is that some of those people are drawing welfare payments, which are not counted as income, and which are shown in the column of that table headed "Transfer Payments."

Mr. President, there are a lot of poor people who have no income other than their earnings. For those people who make \$2,000 or less, the taxes are amazingly high. For example, even though they pay no income tax, when they buy a product, they absorb somewhere between 50 percent and 75 percent of the income tax levied on corporations, which has been passed on to them in the price of their product. All economists agree, so far as I have been able to determine, that that figure has to be at least 50 percent, and it probably would be nearer to 75 percent, if one takes into account the extent to which corporations necessarily must pass along the tax expense, just as they must pass along all other expenses of doing business in order to make a profit and stay in business.

When the social security tax is paid, theoretically the worker is paying about 5 percent of his income in social security taxes. As a practical matter, he is paying more, because when he buys the article, the manufacturer or the producer, having paid that social security tax, adds it to the cost of doing business and it is in the price that a person pays.

So, if we look at who ultimately pays a tax, in many instances, it might appear that the tax is assessed on an employer, but it had been passed on to the consumer of the product.

Taking those things into account, Mr. President, it is amazing and somewhat shocking how the poor pay almost as much in taxes, measured against their meager income, as do the rich. That is why some of us have been contending for many years, and we have persuaded the Senate on at least two occasions, that, rather than tax income away from the poor, which then puts them on welfare, and rather than have working poor on welfare for small amounts of money—\$10 or \$15 or \$20 a month—it would be better simply to give those people a tax cut on taxes which are being passed through to them, give them credit on taxes we know they are absorbing. There is no way of their buying the necessities of life without absorbing the social security taxes, the corporate income taxes, and other taxes passed on to them.

When people pay rent, it is true that they are paying no direct taxes on the property, but the landlord is paying those taxes, and he is including the cost in the rent. So it is not the landlord, in the last analysis, who is paying taxes on his property, it is the person who rents the property. That is why this chart indicates that for people making an income of \$2,000 or less, their State and local tax

rate is 25 percent of their income, being a large part of the rent that they pay when they seek to obtain housing.

This tax credit was once referred to, Mr. President, as the work bonus. That was the name suggested to us by the able Senator from Nebraska (Mr. CURTIS), at a time when he was supporting this proposal. Subsequently, when we offered it on a tax bill, he suggested it should be named the low-income tax credit. I suppose it would be just as well to let it be named the low-income tax credit, because if the Senator feels that he must disown the baby to which he helped give birth, and it would be best that it not bear the name he gave it.

If it becomes law, it will be known as the low-income tax credit, which I think might help avoid confusion as to the paternity of the legislative proposal.

It is not really the suggestion of the Senator from Louisiana, Mr. President. This was suggested to me the first time by Gov. Ronald Reagan of California. He suggested that we should try to give back to low-income working poor that 5 percent social security tax that they were paying. This Senator, in turn, concluded that if we are going to give them back something, since they are actually absorbing the whole 10 percent, we may as well give them back the whole 10 percent, in order to avoid helping the poor on to the welfare rolls.

When we debated this welfare reform proposal back and forth, there was one suggestion generated by those of us who studied the matter on the Committee on Finance, which at that time both the liberals and the conservatives were able to agree upon. That was this proposal which is now referred to as the low-income tax credit, part of the amendment to this bill. I hope, Mr. President, that the Senate, having voted for it by large majorities every time it voted—I think the last time it was voted on, it received better than a 2-to-1 margin, almost a 3-to-1 majority—the Senate will again give its approval to this measure.

We just passed a proposal to provide public service jobs for several billion dollars to try to help the poor who have no jobs. While we are at it, I think we would be well advised to see if we cannot do something for those who are very distressed, partly because of the taxes they are having to absorb. They have jobs, although those jobs have so little to recommend them that many of these people must apply for welfare assistance, which would not be necessary if they were not having to bear an unconscionable burden on the very meager income that they earn.

Mr. President, if there is no other Senator desiring to speak on this measure, I am prepared to yield back the remainder of my time and permit the clerk to call the roll.

The PRESIDING OFFICER (Mr. HASKELL). The time of the Senator from Louisiana has expired.

Mr. CURTIS. Mr. President, I yield such time as he desires to the distinguished Senator from New York (Mr. BUCKLEY).

Mr. BUCKLEY. Mr. President, I wish to reiterate a point I have been making

to taxable years beginning after December 31, 1973, but no advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before July 1, 1974.

Mr. ERVIN. Mr. President, before I address myself specifically to the amendment, I ask unanimous consent that table 2, entitled "Social Security Tax Rates," which appears on page 14 of the committee report, be printed at this point in the body of the RECORD.

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

SOCIAL SECURITY TAX RATES

(In percent)

Calendar years	OASDI		HI		Total	
	Pres-ent law	Com-mit-tee bill	Pres-ent law	Com-mit-tee bill	Pres-ent law	Com-mit-tee bill
Employer-employee, each						
1974 to 1977.....	4.85	4.95	1.00	0.90	5.85	5.85
1978 to 1980.....	4.80	4.95	1.25	1.10	6.05	6.05
1981 to 1985.....	4.80	4.95	1.35	1.35	6.15	6.30
1986 to 2010.....	4.80	4.95	1.45	1.50	6.25	6.45
2011 and after.....	5.85	5.95	1.45	1.50	7.30	7.45
Self-employed						
1974 to 1977.....	7.00	7.00	1.00	0.90	8.00	7.90
1978 to 1980.....	7.00	7.00	1.25	1.10	8.25	8.10
1981 to 1985.....	7.00	7.00	1.35	1.35	8.35	8.35
1986 to 2010.....	7.00	7.00	1.45	1.50	8.45	8.50
2011 and after.....	7.00	7.00	1.45	1.50	8.45	8.50

Mr. ERVIN. Mr. President, the amendment which I am going to discuss is, in my opinion, a most important amendment, because it is designed to prevent a serious impairment of the entire structure of the social security system.

Before I address myself to the amendment, however, I would like to call the attention of the Senate to the fact that under this bill social security taxes imposed jointly upon the employee and the employer will rise on January 1, 1974 to a total of 11.7 percent; that social security taxes imposed upon the employer and employee jointly will rise to 12.1 percent on January 1, 1978; that social security taxes imposed upon the employer and the employee jointly will rise on the first day of January 1981, to 12.6 percent; that social security taxes imposed upon the employer and employee jointly will rise, on the first day of January 1986, to a total of 12.9 percent; and that social security taxes imposed jointly upon the employer and employee will rise, on January 1 of the year 2011, to 14.9 percent.

Mr. President, I have misgivings about the habit of the Congress constantly raising social security taxes. As I recall, if this bill is enacted in its present form, it will constitute the fourth or fifth increase in social security taxes in the last 4 years. I just do not believe business and the country can continue to pay taxes which will run from almost 12 percent of the covered payroll to almost 15 percent of the covered payroll and still be able to prosper. I do not think the products of the business or the services of the business on which such drastic payroll taxes can possibly compete in the world market with the products or services of other Nations.

It can be said, of course, that the highest rate that this bill provides will not take effect until the year 2011, and so we might apply a flattering function to our political souls by taking the toast which the Kings and courtiers of France took just before the monarchy was toppled, "After me, let the deluge come."

This amendment does not refer specifically to those tax rates, but I do have misgivings about these rates. I think the American people in general and the working people of America in particular are becoming tired of being taxed for such a large proportion of their earnings from the time they start working in their early twenties until they are 65 years of age. I think we are eventually going to have a rebellion against the constant increase in social security taxes. And under the bill self-employed persons will pay social security taxes through the nose.

In addressing myself specifically to this amendment, I read the explanation of part B which appears in the paragraph entitled "Tax Credit for Low-Income Workers with Families" on page 4 of the report of the committee:

Under another provision of the Committee amendment low-income workers who have families would be eligible for a tax credit equal to a percentage of the social security taxes payable on account of their employment during the tax year (equivalent to 10 percent of their wages taxed under the social security program). The maximum tax credit would apply for families where the total income of the husband and wife is \$4,000 or less. For families where the husband's and wife's total income exceeds \$4,000, the credit would be equal to \$400 minus one-quarter of the amount by which their total income exceeds \$4,000; thus, the taxpayer would become ineligible for the credit once total income reaches \$5,600 (\$5,600 exceeds \$4,000 by \$1,600; one quarter of \$1,600 is \$400, which subtracted from \$400 equals zero).

Under this provision, the Government will collect social security taxes, as it does now, from every person who works, and take such taxes into the Treasury of the United States.

If the Congress wants to give \$400 out of the Federal Treasury to everybody who is an eligible worker—that is, every person who has one child, as this bill provides—the Congress ought to do it out of the general funds as welfare benefits, and not as social security benefits.

This provision would not only rob the social security fund, which is a trust fund, of \$400 for every eligible person earning as much as \$4,000, and further sums up to \$5,000, but it gives to each of such persons more than he pays in social security taxes. It gives him not only what he pays as social security taxes, but also a substantial part of what the employer pays in social security taxes.

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

Mr. ERVIN. I yield.

Mr. LONG. Is the Senator aware of the fact that the payment to this poor person does not come out of the social security fund? I think the Senator would want to state the case correctly. This payment would come out of general revenues.

Mr. ERVIN. It really does not make any difference whether the provision robs

the general fund or the trust fund. It robs the taxpayers for welfare purposes and not for social security purposes.

Mr. LONG. I am not trying to quarrel with what the Senator contends, but what I am saying is that if he wants to call it robbery to help the poor, it nonetheless does not come out of the social security fund.

Mr. ERVIN. No, I do not say it is robbery to help the poor, but I think it is robbery to take social security money and use it for welfare purposes.

Mr. President, I think that welfare funds ought to come out of the general fund and not out of social security taxes.

Mr. LONG. Mr. President, the Senator can call it anything he wants to. However, I wanted to have the record straight that the payment to these poor people would come from the general revenue and not from social security.

Mr. ERVIN. Well, I have difficulty finding that in the bill. But whether it does or does not, it comes to the same end. The provision excuses some people from paying social security taxes and gives them a refund greater than what they pay as a credit against social security taxes. And when the provision gives them a refund as a credit against social security taxes, it exempts them from paying income taxes. Let us not disguise welfare as social security.

Part B perverts the social security system. And not only that, Mr. President, but it provides an entering wedge for a guaranteed annual income. I am not impressed by the argument distinguishing between people who work and people who do not work. If Congress wants to give some people special privileges or special aid because they are poor, it should do it in the name of welfare and not in the name of social security. It has no place in social security.

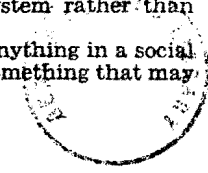
This provision gives a 10-percent tax credit to persons earning \$4,000 a year. However, a lot of other people have a lot of political power and a lot of votes. In subsequent years, Congress will apply this provision to persons earning \$5,000, \$6,000, \$7,000, and upward. Thus Congress will ultimately destroy the social security system by constantly increasing the number of voters who are excused from paying social security taxes through the device of giving them a credit against such taxes.

No amount of sophistry can erase the plain truth that part B gives to everyone receiving a credit against his social security taxes equal to the amount of the credit.

If Congress wishes to help people because of their poverty, it should help them by appropriate welfare benefits out of the general fund and not excuse them from paying social security taxes.

Part B poses a threat to the social security system. This is so because part B uses the social security system as an excuse for paying a guaranteed annual income out of the Treasury and an attempt to convert the social security system into a welfare system rather than an insurance system.

When one opposes anything in a social security bill, he does something that may



not be politically popular. When I am tempted to cast a vote that I know to be politically unpopular, I quote to myself these words of Edgar Guest.

I have to live with myself, and so, I want to be fit for myself to know.

I want to be able as days go by, always to look myself straight in the eye.

I don't want to stand with the setting sun, And hate myself for the things I've done.

If I voted for a provision that would convert the Social Security System into a welfare system by exempting some people from paying social security taxes, I would stand with the setting Sun and hate myself for the things I have done.

Congress should amend the welfare laws to help those who need help. It ought not to prostitute the Social Security System to accomplish such an objective.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, the thing that we are discussing here is the same thing that the Senate voted for by a margin of about 9 to 1 when we were considering H.R. 1.

This relates to what is probably the most unjust thing about the American structure of government, and that is that when one actually studies the matter of who is paying the taxes, he comes to the shocking and disappointing conclusion that a fair study by any economist would show that actually the poor people have actually paid their taxes to some of the richest people in the world.

There is a chart on the desk of each Senator that I have asked to have placed there. It appears in the back of the Chamber as well.

The information on this chart was taken from a study compiled by the U.S. Census Bureau. It demonstrates how much the poor actually pay in taxes in this country.

Here is what it shows. It shows who pays for the tax after the corporation passes along as much of it as they can to the consumer and absorbs that part which they cannot pass along, and after the employer pays the social security tax and passes it on to the customer, and after the landlord pays his tax and passes it on to those who pay the rents.

I do not think that any good economist will really dispute this, that people who are making under \$2,000 would pay a tax that would be equal to 44 percent of their earned income in taxes.

That is a shocking figure. However, it can be explained. The reason is that a lot of these people are receiving their income from transfer payments, or a great deal of them—social security payments, veterans' benefits, disability benefits, and things of that sort. So that many of these people have received the transfer payments, and the transfer payments more than offset the taxes they pay.

The next category is people who have \$2,000 to \$4,000 in income. These are people, by and large, who are not receiving a welfare check, who are not receiving social security, who are not receiving veterans' benefits, or any government gratuity of any sort whatever to help them. These people are paying about 27 percent of their income.

In this category of those who receive from \$2,000 to \$4,000, we can see that there is not as much transfer money received by people in that class. They are estimated to be paying 27 percent of their income in taxes.

One would say, how can that be? They are not paying income taxes, directly but they are absorbing the income taxes paid by the corporations.

I was dismayed to find that over 50 percent of the taxes paid by corporations are passed on to consumers. Some economists have claimed that the corporations can pass on more than that. And some tax experts contend that in certain cases corporations have passed on more than 70 percent of the corporate taxes they have paid.

When one analyzes the taxes that are paid and the taxes that are passed on—consumer taxes, real estate taxes, and various other taxes that are passed on to these people, as well as a relatively small amount of excise taxes and social security taxes that they pay directly—he will find that they pay the same percentage of their income in taxes as do those who are in the \$4,000 to \$6,000 group, the \$6,000 to \$8,000 group, the \$8,000 to \$10,000 group, and the \$10,000 to \$15,000 group, and that they even compare rather closely with those who are in the bracket of \$15,000 and over.

At that point, it would appear that the relatively well to do pay about one-third of their income in taxes. We know, however, that there are notable exceptions. That was the basis for our trying to see to it that all rich people do a least pay some taxes.

It was concluded by the Committee on Finance, by a vote of 11 to 1, and by a substantial floor vote when we studied the matter in connection with H.R. 1 last year, that it just is not fair that these poor people should be taxed so heavily, especially when you recognize the fact that in many instances we are actually taxing those people into poverty. Furthermore, for those who are not on welfare—and this provision does not benefit anyone who is on welfare—it is very discouraging to see how little better off they would be if they worked rather than remained on the welfare rolls, not working at all.

Therefore, it was felt that we should at least give these working people tax relief in an amount that would be about as much as they are paying in social security taxes, because, while they are theoretically only paying half of it, as a practical matter, they are absorbing all of it. Every blessed bit of it, every time they buy a can of beans or a pair of shoes or some diapers for the children.

The committee knows that these people are in poverty, that they are not receiving any help from their Government, and that they are being overworked, underpaid, and overtaxed. Admittedly their tax is not being applied directly to them, but in the judgment of those of us who favored this provision it gets down to one relying upon a technicality to say that these people are not paying 27 percent taxes.

It is like that story my father used to tell about the traveling salesman who

came back with a furcoat on his expense account. The boss would not permit him to deduct the furcoat, or to claim it as an expense, and he said, "Go out and bring that thing back in without the furcoat on it."

The man brought the thing back in, and he got the expense account approved.

A friend asked, "Did you put the furcoat in it?" He said, "I put the furcoat in it, but the boss just could not find it this time."

Those working people are paying for it. Do not take my word for it. The President's Council of Economic Advisers says they are paying for it. President Lyndon Johnson presented us a report that said they were paying for it. The Senate Finance Committee agrees they are paying for it. The Senate last year, by a vote of 90 to 10, agreed they are paying it.

That is the basis on which we are seeking to help these people, who are being taxed into poverty.

This is not a guaranteed income scheme. What it says is that the more poor people work to benefit themselves the more benefits they get by getting back some of the taxes that are being extracted from them, indirectly though much of it may be.

It is related to the social security tax because that is the only good information the Government has available to look to, to see how much these poor people actually earned, in view of the fact that they did not earn enough to pay an income tax.

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

Mr. LONG. I yield.

Mr. MONDALE. The distinguished floor manager probably recalls that when I first heard of this plan I was not too enthusiastic about it. But the more I look at it, the more sense I think it makes.

First of all, the rhetoric we hear from most politicians is to the effect that "where it is possible, prefer work to welfare."

Then how do we face the fundamental problem of how we make it preferable to work than to go on welfare? To do that, it seems to me we have to make it possible for a person who is near the welfare point to do better than he is doing now.

In the State of Washington they figured you have to make about \$3.50 an hour out there, with a family of four, to do as well as you would on welfare. That is a problem that is running through all of us, and there are several million people who work all year, usually unskilled but working hard and trying to care for their families, and we tax them 27 percent. Many of those taxes are completely regressive.

There is no deduction, for example, on the payroll tax, for the size of the family. There is no deduction on the payroll tax for medical costs. There is no deduction for anything; it is just a straight, flat tax, with no deductions, and they pay half again as much, I agree with the chairman, in the form of indirect taxes, because what the employer contributes obviously is either added to the cost of

the product or taken from wages, and as consumers or wage-earners they pay that tax indirectly, which is why we get the 10-percent figure.

These families, according to the Bureau of Labor Statistics' own figures, after working all year, probably do not have enough money to provide the minimum necessities, according to our own Department of Labor, that they need. So in terms of simple equity, in terms of incentives for employment, and in terms of trying to show we appreciate a person who works all year and stays off welfare, for all these reasons this modestly expensive program—and it is less expensive than a lot of other things which we did today—

Mr. LONG. We estimated it would cost about \$600 million. That would only go to poor people who are working who have families.

Mr. MONDALE. Yes, and it would bring a lot of relief to decent, hard-working American families who today, if they looked at the figures realistically, could say, "Better stop working; our Government has decided to tax me back on welfare."

Mr. LONG. Mr. President, the average family that would be benefited by this amendment would, under the existing system, be better off to move from the low-income States to those States that have relatively high welfare payments, such as New York or New Jersey, and go on welfare. They would have more income than if they stayed and worked.

Just look at how the present system works in Louisiana. Take a typical case, a poor mother with three children, out trying to support the family and making about \$200 a month. If she were not working at all, she could get about \$120 a month and she could get some food stamps. So really by working all year long, trying to find someone to look after her children while she is away, and enduring all the other complications of work, by the time the year is over she is only about \$800 better off for that whole year of hard work.

Now, in these poor little earnings, she is getting, she is made to pay about 27 percent in taxes. That is a lot more than a millionaire absorbs, if he has the advice of a tax lawyer to do a little tax planning before he goes to work and makes all that money.

We can be technical about it and say, "Oh, she does not pay that tax, the employer pays the tax, or the corporation pays the tax, or the landlord pays the tax, or someone else pays it."

But we know the President has a Board of Economic Advisers that has reported to him that it is that poor worker who is the one who pays that tax. We know it, the Finance Committee knows it, the Census Bureau knows it. Here is a book, entitled, "Rich Man, Poor Man," by Mr. Herman Miller, which has been a rather classic study on this subject, and it has been discussed many times in articles by Mr. Pechman and others. They all know it. This is generally known by anybody who has any credentials at all in the problems of the poor and the economics of poverty.

Why should we not do something to encourage these poor things to work and better their condition, rather than tax them into poverty? So we have proposed this very modest thing. Incidentally, no family would get a great amount of help. The maximum would be \$400 a year \$33 a month for a family making about \$330 a month. That is the maximum we are asking for, which I regret upsets some people's principles, but as a practical matter, it is a matter of giving back to the poor the taxes they have actually paid.

We have voted on this matter in other contexts. The Senator from South Carolina (Mr. HOLLINGS) came before the committee some time back and made an impressive presentation that some of us had not thought about before, the fact that the poor were being taxed a great deal more than conscience could justify and he offered a bill to give some tax relief for the poor. The Senate eventually agreed to an amendment directed towards that purpose.

Mr. MONDALE. Some of us, Senator MUSKIE and I among them, have introduced legislation designed in part to deal with the regressive nature of payroll taxes, particularly those in the low income level, which is part of what this is designed to do; that is, to return to about what the direct or the indirect cost of the payroll tax is for people working at the lowest income levels.

There have been many different proposals trying to get to this same point.

This amendment is a good one. I am glad it is in the bill. It passed by 11 to 1 in the committee, which is a pretty good cross section of the Senate.

Mr. LONG. There is another aspect of this matter. One can say that social security is a very good proposal for the poor, but if we compare a poor person working for a lifetime at low wages, such as those for whom I plead at this moment, to those who do not work at all, the poor who work for a lifetime are only a little better off than those who do not work at all.

At the present time, the poor person who works for a lifetime is about \$4.50 better off, because we do allow him to keep a small amount of benefits when we reduce his welfare check by his social security check. And under the new SSI program, we will permit him to keep a plum or two out of the social security check, to give him some recognition for a lifetime of hard work. We will permit him to keep \$20, we might say, out of his social security check to recognize that he has worked all his life and had to absorb the social security taxes, and the social security tax increases. But even though he works hard his whole life he winds up only \$20 better off than if he had never worked.

This point was driven home to me very forcibly in my own home. Someone mentioned to our maid who was working for us that she should be grateful for the fact that we were paying her social security taxes for her, both the employer and the employee parts.

Well, our maid must have been informed by someone who knew the facts,

because she said to us—God bless her sweet heart: "With all due deference. Mr. and Mrs. Long, just look at what my minimum social security benefit will be when it comes time for me to retire because that is what I am going to get, which, unless I am mistaken, will be the same thing as anyone on welfare gets for his whole lifetime."

Unfortunately, she was right, and I have never again tried to suggest to a maid working in my household that we were paying her social security taxes.

Mr. ERVIN. Mr. President, will the Senator from Louisiana show me where the bill states that these payments are to be made out of the general fund and not out of social security taxes?

Mr. LONG. Senator, I will be glad to find that. In due course, I will obtain it.

It is on page 44, and notice that this shows under the Internal Revenue Code. It is a tax credit paid back under general authority to pay taxes.

Mr. ERVIN. Well, here is what it says—

Mr. LONG. Just like the investment tax credit.

Mr. ERVIN. I disagree. In says on page 44, that—

There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter. . . .

The specified percentage of his wages subject to social security taxes.

This chapter is the chapter which imposes social security taxes. So it is clear that he gets a credit against his social security taxes.

Mr. LONG. Those words, "this chapter" refer to the chapter under the Internal Revenue Code which deals with income tax credits. I might say that—

Mr. ERVIN. It is a credit against his social security taxes and a credit against nothing else.

Mr. LONG. Senator, it is a credit—generally credited against income taxes, and it is paid from the general revenue which is financed by income taxes that we pay in.

It may shock the Senator to see us proposing something to help the poor here. It does not relate to a tax credit repaid on the basis of taxes assessed from the taxpayer but it does relate to taxes that the taxpayer has absorbed in the last analysis. That should not be any more shocking than the logic by which we pay a tax credit to a manufacturer, or a tax advantage to build a new plant, a tax allowance for an expansion that does not exist.

One can argue about the technicalities and all that, and those who want to concern themselves very much about that type of thing, I am sure can find all the reason they want to find to justify voting against it. But I personally am thoroughly convinced that if one thinks in terms of social justice, economic justice, of just plain humanity in general, on the relative merits of deserving people, and then looks at what we do in this bill to help various and sundry groups who have various and sundry needs, there is ample justification to also give some consideration to the working poor—and there are

about 20 million poor people in this country today—it would be very well justified. I believe the Senate would regret having stricken that from the bill.

I note that the Senator from North Carolina (Mr. ERVIN) voted for this same proposal on September 30, 1972, and I am sure he will tell us he did not know what it was—

Mr. ERVIN. I disagree. I voted for a work bonus which was set out in different language.

I am not shocked by aiding the poor, which I favor, but I am shocked by the effort to convert the social security system into a welfare system.

Mr. LONG. Let me make this clear, Mr. President. This proposal does not take one nickel from the social security trust funds. The entire payment comes from general revenues. There is revenue in the bill to pay the cost of it. We thought about that, that someone might be concerned about the cost, and so we provided the general revenue to pay for it, those of us who believe that this should be done. In no way does it go to the social security fund, but simply out of general revenues. We propose in this bill to shape the tax structure so that the working poor do not lose as much in taxes as those who are far better off in relative terms, and we provide the revenue in a much more equitable fashion to make this tax adjustment. I hope the Senate will concur in what the committee has done.

Mr. President, I have been particularly pleased that what we seek to do here has been endorsed and supported by two great former Secretaries of Health, Education, and Welfare. One of them happens to be on the floor of the Senate at this moment: the distinguished Senator from Connecticut (Mr. RIBICOFF). The other is a man who served with him during his tenure in that Department and who subsequently became the Secretary of HEW, Mr. Wilbur Cohen, who advised with regard to this matter and was enthusiastically in favor of it.

Mr. RIBICOFF. Mr. President, will the Senator yield for a comment and a question?

Mr. LONG. I yield.

Mr. RIBICOFF. First, I should like to pay great tribute to the chairman for his imagination and constructive thinking.

We have been arguing about welfare for many, many years. And every time we try to come up with a welfare reform program, it is shot down. There is no question that there are many abuses in the entire welfare system. Some day, we in the Senate and a President are going to try to straighten out the welfare mess—and it is a mess.

The Senator from Louisiana has been motivated by the objective of keeping the working poor working. How do we make sure that it is better to work for wages than to go on welfare? There is no question that what the Senator from Louisiana is trying to do is to make the person who is self-respecting, who wants to

work, realize that he can be self-respecting and still not be worse off than his neighbor next door, who is drawing a welfare check which under present law may exceed the wages he is getting for a full week's work.

It is not a question of changing the social security system; because, when all is said and done, our welfare program is a part of the social security system. It is in the same titles that we are working on.

We are really, to a great extent, making it possible for the individuals we are talking about to work. They are self-respecting, are not getting a supplemental welfare check, and we are making sure that they stay on their jobs.

We are going to say: "We respect you for trying to work, and we are going to make sure that we will not charge you with an extra tax that will put you on welfare and discourage you from working."

We should commend the Senator from Louisiana for an innovative idea and a step in the right direction—and many of them have been initiated by the Senator's alternative ways to get out of the welfare mess. This is one of the constructive proposals of the Senator from Louisiana. There are other proposals in this bill; perhaps some Senators know about them and some do not.

Another suggestion of the Senator from Louisiana is to allow pilot programs—3—in each State of the 50, which would give each State administration an opportunity to work out alternative methods of payment, or jobs, or programs, to see if somewhere in the 50 States an answer can be found that the bureaucrats in Washington have never come up with.

It would be a tragedy if the Senate struck out the opportunity it has for an innovative program for the working poor, where we are not actually paying them anything out of the Treasury, out of welfare funds. They do not have to go to a welfare office to get a check. They just get a credit against their social security taxes. The chart that has been placed here by the Senator from Louisiana indicates what takes place.

I hope that other Senators will encourage the Senator from Louisiana in his leadership and not strike down an attempt to do something constructive for the working poor of the Nation.

Mr. LONG. Mr. President, I thank the Senator from Connecticut.

Some time ago, President Nixon sent to us a proposal known as the family assistance plan, which was at least intended to help the working poor. We found objections to it. We thought it did not have the kind of work incentives that it should have. So that proposal failed to become law. Yet even those who could not agree with it, such as Governor Reagan, and others, suggested that something along this line would be fair as one thing that could be done to provide eco-

nomie justice for the poor who are working for what little they get.

It was for this reason that the Committee on Finance was persuaded that this provision should be in this bill.

At the time we were considering the family assistance plan I went to see President Nixon and told him that I would be glad to vote for as much money as he wanted to spend to help the working poor. He was talking about, roughly, \$5 billion. But I said it would have to be spent in such a fashion that it rewarded people who worked—rewarded them for working—rather than to pay them for doing nothing.

The provision in this bill is the type of thing that some of us, who feel we should encourage people to work and should help them to reach economic independence and to find their way out of poverty, consider to be very well justified.

I should think that the 20 million people who would be benefited by this would heartily approve of it. I should think that anyone who is familiar with the plight of those people and the relative merits of the proposal would heartily applaud our adopting this.

I can remember investigating the situation of a poor man who had 10 children, was working at a minimum wage, and should have been eligible for some kind of help. We looked into it, and the welfare people, and others, advised us correctly that he was not eligible for anything at all. But this is 1 program that a poor man with 10 children would have had available to him. I think we should encourage people to carry their own load. And I also think this is the least that we could be expected to do in considering their plight.

Mr. RIBICOFF. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. RIBICOFF. I think the justice and the equity being spoken for by the Senator from Louisiana can be found in a table that has been placed on each Senator's desk. In that table, it is shown what a fantastic distribution of taxes is paid by those in the lower income group. When we consider that the percentage of taxes on an income of a person in the \$2,000 class is 44 percent, and the class that is sought to be helped by the Senator's amendment, \$2,000 to \$4,000, is 27 percent, and from \$10,000 to \$20,000 it is 27 percent, it is a question of such a small modicum of justice that the Senator is trying to work out here.

I would hope that the amendment of the distinguished Senator from North Carolina will be rejected and that the Senate would uphold the position of the chairman of the committee.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the Record, a table entitled "Taxes and Transfers as a Percentage of Income: 1965."

There being no objection, the table was ordered to be printed in the Record, as follows:



TAXES AND TRANSFERS AS A PERCENTAGE OF INCOME,
1965

[In percent]

Income class	Taxes			Transfer payments	Taxes less transfers
	Federal	State and local	Total		
Under \$2,000.....	19	25	44	126	-83
\$2,000 to \$4,000.....	16	11	27	11	16
\$4,000 to \$6,000.....	17	10	27	5	21
\$6,000 to \$8,000.....	17	9	26	3	23
\$8,000 to \$10,000.....	18	9	27	2	25
\$10,000 to \$15,000.....	19	9	27	2	25
\$15,000 and over.....	32	7	38	1	37
Total.....	22	9	31	14	24

¹ The minus sign indicates that families and individuals in this class received more from Federal, State, and local governments than they, as a group, paid to these governments in taxes. Source: Joseph A. Pechman, "The Rich, the Poor, and the Taxes They Pay," *The Public Interest*, November 1969. The data are from the Economic Report of the President, 1969, p. 161. Herman Miller, "Rich Man, Poor Man," p. 17.

Mr. LONG. Quite apart from the merits, and I do think there is merit, I think Senators might want to look for one second at the politics. These are figures which show a very heavy burden on the poor, a burden which is unconscionable when applied to the working poor. I would not want my opponent to be able to present these figures and to say that I had an opportunity to do something about this situation, and I voted to leave the situation as I found it.

Mr. ALLEN. Mr. President, I think the Senator from Nebraska wanted to speak at this time. In his absence I will say a few words.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I rise in support of the amendment offered by the distinguished Senator from North Carolina, the distinguished Senator from Nebraska, and myself.

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. ALLEN. Mr. President, I am delighted to yield to the Senator from Nebraska. I merely took the floor in his absence.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I rise in support of the amendment to remove this provision from the bill.

It is not an easy task for me to perform. I never like to oppose my distinguished chairman, the Senator from Louisiana. He is always too fair and courteous in the deliberations of the committee. Also I feel the plan he has worked out here to encourage people to work has a great deal of merit. I think it should be used in an altogether different way than is proposed here.

Many of us supported this principle as a backfire, so to speak, against the family assistance plan submitted by the administration in the last couple of years. That plan was one that rewarded people for not working. If someone worked, he got less from the Government under the guaranteed income plan than if he worked. It was to a person's advantage not to work; and out of that situation was born in the Committee on Finance the concept of a reward for working.

Within a certain purview I would support that idea. The idea of a work bonus—which is no longer called that, but it is a reward for working—I would apply to the people on welfare for a limited time, for a limited number of months, so that it would be a reward, an inducement to take the risk of leaving the welfare rolls and becoming a self-sustaining citizen. We have in our great cities many people who have never held a job at all and any encouragement we give them to work would be a good thing.

But that is not what we have before us today. We have a proposal to send to every head of a family, a worker, who makes \$4,000 a year, a check for \$400. If the worker makes \$3,000 a year we send him a check for \$300. If he makes \$2,000 we send him a check for \$200. If he makes more than \$4,000, he still gets a check at a lesser amount, but it phases out at \$5,600.

What does that mean? It means the beginning of a new program that does not exist at this time. Right off the bat 5 million families will get a check from the Federal Government who do not get a check at the present time.

Here we talk about deficits and paying as they go and balancing the budget. We even have some pious votes in reference to it. In this bill is a program to make 5 million families will get a check from the Federal Government for a check they are not getting at the present time. Mr. President, this is not welfare reform.

As I say, they could take this idea of an incentive for workers, apply it only to people on welfare who are able-bodied, for a limited time, for them to get over the hump, and take the risk and go out and get a job. In that purview I would support it. I supported the idea in principle as a backfire against the family assistance plan which was taken up, a guaranteed income that provided that the less one worked the more he received.

What does this mean? It means a new plan to send a check to 5 million people right off the bat. It is estimated it will cost some \$700 million to \$1 billion a year. That is just the beginning. Let us look at the rollcalls in this Chamber yesterday and today. Somebody is going to say 10 percent of \$4,000 is not enough. It will be raised on this floor to 12 percent, 15 percent, and then 20 percent. It will then be decided that the working poor defined at \$4,000 a year is not enough, and that amount will be raised. It is not only a new program but it has built in the pressures to expand it both as to amount and as to the number of people it will reach. It is not welfare reform.

Mr. President, all sorts of charts can be brought in here about who pays the taxes. Well, we know that Congress is taking many steps lately to relieve the poor of their taxes. We have exempted enough people from the Federal income tax to elect a President of the United States. That is the situation right now.

Of course, the poor are paying a lot of indirect taxes. So is everyone else. We have taxed and taxed and taxed ourselves to death.

Mr. ERVIN. Mr. President, will the

Senator yield for a question on that point?

Mr. CURTIS. I yield.

Mr. ERVIN. Is it not imperative to every businessman to pass onto the consumer business taxes?

Mr. CURTIS. Yes; he had to, or go out of business.

Mr. ERVIN. If he does not do that he goes bankrupt, does he not?

Mr. CURTIS. The Senator is correct.

Mr. President, here is another point that I doubt has been thought through by those who represent rural States. This will be a new program to send a check to everyone who does not make more than \$5,600 a year. It talks about the working poor, except that the plan exempts the self-employed. That means that the great agricultural communities of the country are outside this program.

Mr. President, if you live in a great city and for some reason your earnings are only \$4,000, you will be sent a check for \$400. But if you live in North Dakota and run a farm, then you may work the clock around and only make \$4,000 and they will tax you to help send that check to somebody in the city. I cannot understand how anyone could vote to start a new program like this, a new program of sending checks out of Washington.

Why, Mr. President, we are mailing so many checks out of Washington now that is what is bogging the mail service down.

The information was presented here from the Social Security Administration that there are 30 million beneficiaries, and they cannot effectuate an increase in the payment in less than 4 or 5 months, even with modern machines.

We talk about how many people are working for the Government. I think most of them are busy sending out checks, or cashing them, themselves.

Here we have a proposal to start a new program, a new Federal subsidy, for 5 million people who are now self-supporting. We will send them a check. Mr. President, it is morally wrong. How many people, Mr. President, do you know in your own experience who had been self-supporting until somebody started to give them something for nothing? And so then they want something more for nothing.

There are many ways we can help the working poor. We can set our financial house in order. We can do something about halting this terrible inflation. We could adopt some labor-management policies that would increase production, so people could buy more with their money. But all these proposals are to the contrary.

When we feed the fires of inflation, we not only make it more expensive to run a household; we make it more expensive to run a hospital, and then people have to pay more. We have made it so expensive to operate a school that is not supported by taxation that those schools are going out of business by the hundreds.

So today we are asked to inaugurate another program to put 5 million people on the road to receiving a Government check who are not now getting one.

Even if we had the money to do that, even if we were all agreed that that was the thing to do, how on earth can you justify that and exclude all agriculture? The work bonus will be paid to everyone but the self-employed. Farmers are self-employed. So here is something to add to the tax burden of agriculture in a program in which they would not share at all—the rural people of America. And any student of poverty in America knows that rural poverty is the worst that we have.

Mr. President, I do not enjoy speaking so harshly of a proposal offered by my distinguished friend the Senator from Louisiana, because I believe that he has rendered a very great service in his leadership in the Finance Committee in the months gone by to save this country from going on a course of a guaranteed income, which was based upon the proposition that the less you work, the more you get. And so out of that came the idea, "Well, let us reward the person that works." I am for rewarding him by doing something about inflation, by lessening his costs, and on making it possible for him to send his children to a school that is not run out of business because of high costs. But this idea of sending a direct check when we do not have the money in the Treasury to do it—we will have to do it with borrowed money—is taking a much different turn than was anticipated when it was first proposed.

Mr. President, it can never be justified that this program of sending out checks would include everybody but rural Americans. If the Senate should adopt it and it should become law, those who represent a rural constituency will find that they have taxed their people to support a social program that they, by the very language of the proposal, are denied participation in.

Mr. President, it is the responsibility of the Government to help support people who cannot support themselves. The first claim on the Treasury of the United States for helping people should go to the handicapped, the blind, the victim of misfortune, the person who by age cannot produce for himself. We have no responsibility to support people who can support themselves.

Mr. President there never was a social program inaugurated that was forced upon people to take something they were getting along without that did not make them more dependent. How will this work? Well, here is how it will work. There will be people who are in on it and then they will talk about it in the community, "Well, so and so is getting it, and so and so is getting it. Let us apply for it." They will give it to anybody who applies, unless he lives in rural America. It is not for them.

Mr. President, the amendment ought to prevail. This provision ought to go out of the bill. It ought to be revised as part of welfare reform, and this reward for working should be used with people on welfare for a limited period of time to get them through that transition period of leaving the security of welfare and taking the risk of trying to support themselves.

Mr. President, I yield the floor.

Mr. ALLEN. Mr. President, I support the amendment which would eliminate part B, the so-called tax credit.

Mr. President, the social security amendments in recent years have not only increased the rate at which earnings are taxed; they have increased the amount of wages subject to tax.

At the present time, I believe a person's earnings up to \$10,800 are subject to tax, with the earnings subject to tax under the present law to go to \$12,600 on January 1. I believe the bill that is now pending would raise it to \$13,200 subject to tax.

Mr. President, the employees of the country, the employers of the country, the self-employed are groaning under these increases in tax rates, and the increase in the amount of their earnings subject to taxes. So what is the answer? What does the committee come up with? Well, as to a certain segment of the people, they will, in effect, exempt them from all social security taxes, thereby, of course putting a greater burden on the employee who might possibly be working side by side with one who is having his social security payments relieved of taxes. He might continue to be paying for the benefit of the person not now paying taxes.

So, in effect, as the Senator from Louisiana has pointed out, this comes out of the Treasury and does not come out of the social security fund. However, we all know that the Government is feeding out of both troughs and the Government is using all of these funds, the trust funds and the general revenue funds under a uniform budget. So it is all taken out of the same pot, under the present situation.

And, by the way, if this comes out of the general revenue, what is it doing in a social security bill anyhow? But here it is.

So, in effect, it would exempt certain people from paying any social security taxes. It would then give them the great bulk of what the employers pay. Why do I say that? On page 45 of the bill, part of the section sought to be removed gives to a person making \$4,000 a year on up \$5,600 a year 86 percent of the total amount paid in social security taxes by the employer and the employee.

If we take 86 percent of what they both pay, which would be 11.7 percent, we end up with 10 percent of the earnings that he is given back as a bonus.

An employer cannot get any of his tax back. He might be having trouble making both ends meet himself. But consideration is not given to him at all. Part of the amount paid by the employer is turned over to the employee.

The chairman of the committee said on the floor a moment ago that he was aware of the fact that some \$3.5 billion has been added to the bill. And this is the only amendment that has been offered since the bill has been pending that would cut down on the amount of money to be spent by the bill.

I have not had a single soul mention to me anything about voting for this type of provision. As far as I know, it is not being pushed by anyone other than the committee and of course some Members of the Senate. But here is an opportunity

to cut down on the amount of the expenditures provided by this bill.

Mr. President, I favor the concept of a graduated social security tax. I hope that someday the committee will come up with some sort of a graduated payment—that is, a lesser payment on the first, say, \$1,000 a year and a little larger percentage on the next thousand and then go up by degrees so that the person making more money will pay more taxes along the line of the income tax.

I do not think that it is fair for a man making \$50,000 a year to pay the same rate of tax on the covered earnings as a man who makes \$4,000, \$5,000, \$6,000, or \$7,000 a year.

This is kind of a graduated social security tax and it goes a little to the extreme. It carries it to the extreme, out of sight. It relieves a person from paying social security so that he gets the benefit of social security and he gets social security in the way of social security benefits at the other end. It hardly seems fair.

Mr. ERVIN. Mr. President, if the Senator will yield, I ask the Senator if the chart mentioned by the distinguished chairman of the Finance Committee does not show that persons earning incomes from \$2,000 to \$15,000 a year pay virtually the same percentage of their income in Federal, State, and local taxes.

Mr. ALLEN. The Senator is correct.

Mr. ERVIN. And I ask the Senator from Alabama if on the basis of the argument made by the chairman of the Finance Committee, Congress would be authorized, if this chart is correct, to grant a tax credit to every working person who earns \$15,000 a year or less?

Mr. ALLEN. Under that same theory, I think that we might well do that.

At one time it was explained that this money spent under this section would be offset by eliminating the deduction on gasoline tax payments to the States as a deduction from the Federal income tax.

I notice that an amendment is pending and possibly it will be acted on. I believe that somewhere along the line that provision will get lost. We can rest assured of that. However, I am sure that that provision which would eliminate the gasoline taxes in the form of deductions on Federal income taxes will get lost somewhere. And there will be no offsetting amount. It will all be a case of outgo and nothing coming in.

It hardly seems fair to pay a bonus of \$400 to someone. In effect he is getting all of his social security payments back and the great bulk of the amount that his employer has paid.

I do believe that this is no place where we should eliminate the expenditures of some \$600 million on up to \$1 billion. We can rest assured that if this ever takes root in our law, it will multiply in cost many fold as the years go by.

So, as the distinguished Senator from Nebraska said, this is a brand new program which puts some 5 million new names on the Federal list of the recipients of checks.

I feel that this is one place where we can save possibly \$1 billion a year



and many billions of dollars a year in the years to come.

I do urge the adoption of the amendment.

Mr. President, if the yeas and nays have not been asked for, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. PROXMIRE). Is there a sufficient second (putting the question). There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the Ervin-Allen amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Iowa (Mr. HUGHES), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Mississippi (Mr. STENNIS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that, if present and voting, the Senator from Wyoming (Mr. MCGEE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senators from Oklahoma (Mr. BARTLETT and Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The Senator from Idaho (Mr. McCLURE) and the Senator from Oregon (Mr. PACKWOOD) are absent on official business.

The Senator from New Hampshire (Mr. CORTON) is absent because of illness in his family.

The Senator from Arizona (Mr. GOLDWATER) is absent by leave of the Senate on official business.

The result was announced—yeas 21, nays 57, as follows:

[No. 539 Leg.]

YEAS—21

Allen	Fannin	Roth
Brock	Fong	Scott
Buckley	Griffin	William L.
Byrd	Gurney	Sparkman
Harry F., Jr.	Hansen	Thurmond
Byrd, Robert C.	Helms	Tower
Curtis	Hruska	Young
Ervin	Proxmire	

NAYS—57

Abourezk	Cranston	Jackson
Alken	Dole	Kennedy
Bayh	Domenici	Long
Beall	Dominick	Magnuson
Bentsen	Eagleton	Mansfield
Bible	Eastland	McClellan
Biden	Gravel	McIntyre
Brooke	Hart	Mondale
Burdick	Hatfield	Moss
Cannon	Hathaway	Muskie
Case	Hollings	Nelson
Church	Huddleston	Nunn
Clark	Humphrey	Pastore
Cook	Inouye	Fearson

Pell	Schweiker	Taft
Percy	Scott, Hugh	Talmadge
Randolph	Stafford	Tunney
Ribicoff	Stevens	Weicker
Saxbe	Stevenson	Williams

NOT VOTING—22

Baker	Hartke	McGovern
Bartlett	Haskell	Metcalf
Bellmon	Hughes	Montoya
Bennett	Javits	Packwood
Chiles	Johnston	Stennis
Cotton	Mathias	Symington
Fulbright	McClure	
Goldwater	McGee	

So Mr. ERVIN's amendment was rejected.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that on the vote on amendment No. 539, I be permitted to change my vote from "nay" to "yea."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER (Mr. PROXMIRE). The hour of 7 p.m. having arrived—

Several Senators addressed the chair.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended temporarily at this time. I would like to ask of the distinguished floor manager the result of any conversations he and the leadership might have had with the distinguished Senator from Alabama (Mr. ALLEN), the distinguished Senator from New York (Mr. BUCKLEY) who has two amendments, the Senator from Massachusetts who has one, and the Senator from Wisconsin who has one.

Mr. LONG. Mr. President, first, if I may be allowed—

Several Senators addressed the Chair.

Mr. FANNIN. Mr. President, I have one amendment.

Mr. LONG. Mr. President, so far as I can determine with regard to all the amendments that remain, we could enter into a brief time limitation and vote on them in short order. So I should think we might be able to finish this bill in the next hour or so.

The PRESIDING OFFICER. Is there objection to the unanimous consent of the request of the Senator from Montana?

Mr. CANNON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CANNON. Mr. President, reserving the right to object, I should like to know a little more precisely how many amendments we have, whether we have any time agreements, and how long they will take. If we are going to stay here until midnight, I am going to suggest that we go back on the other business.

Mr. LONG. I am pleased to agree, because every other Senator has told me that he would agree to a limitation on his amendment of no more than 10 minutes, say; so we should be able to dispose of them.

Mr. KENNEDY. Mr. President, I would be glad to agree to a 15-minute time limitation.

Mr. HUMPHREY. I have an amendment.

Mr. LONG. How much time?

Mr. HUMPHREY. Ten minutes.

Mr. LONG. Mr. President, I ask unanimous consent that debate on these

amendments be limited to 10 minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object—

Mr. WEICKER. Mr. President—

Mr. LONG. And I ask unanimous consent that amendments to the amendments have the same limitation.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, I think I can work out an agreement that will take less time than that.

Mr. LONG. Well then, might I suggest that we go amendment by amendment and I believe we can work out a limitation of 10 minutes on each side.

Mr. ALLEN. Mr. President, reserving the right to object, how much—

Mr. WEICKER. Mr. President, reserving the right to object—

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. WEICKER. Mr. President, reserving the right to object, I should like to inquire of the Senator from Louisiana how many amendments are on the floor?

Mr. MANSFIELD. If the Senator will allow me, we have counted eight, including yours.

Mr. WEICKER. I do not have an amendment. I am only making an inquiry.

Mr. MANSFIELD. Seven, then. We could possibly finish by 9 o'clock and have a final vote then.

Mr. CASE. Mr. President, let us include that in the unanimous-consent agreement, that we quit by 9.

Mr. MANSFIELD. I will glad to do that.

Mr. PERCY. Final passage by 9 o'clock.

Mr. WEICKER. Mr. President, reserving the right to object, I was on the floor earlier in the evening when the distinguished Senator from Louisiana (Mr. LONG) made the statement that the matters to be considered were rather important and that this was not something to rush through.

We are here for the weekend. I am prepared to be on the floor all day tomorrow and all day Sunday if necessary. But for the sake of convenience I am not prepared to rush through matters of this import.

Are we doing this, in other words, to go ahead and accommodate ourselves this evening, or is this going to give appropriate consideration to matters raised before this body? Could we have, for example—

Mr. MANSFIELD. I am not doing this to accommodate ourselves. We have been on this bill for 4 days now. The most difficult amendments are over with. What we are trying to do is to bring to a head a very important bill while we are all here and have a chance to do it.

Mr. WEICKER. I concur with the distinguished majority leader, but we are going to be here this weekend so that we can just go on and conduct our business—

Mr. MANSFIELD. Well, on that basis, there is no need to argue further.

Mr. WEICKER. Are there any votes scheduled for tomorrow?