

in their families a deduction for hospital costs?

Yet this amendment provides a deduction for an investment for one's own retirement, but does not provide for a deduction for all the other expenses that are, as the Senator has said, more worthy and more emergent.

Mr. LONG of Louisiana. Mr. President, as among personal expenses, it would seem to me to make better sense to let a man deduct the cost of burying his wife than to deduct the cost of putting aside a large retirement fund for himself. As among personal expenses, this is one of the most unnecessary a person could have. It is entirely up to him whether he wants to do it. The adoption of this amendment would leave every workingman under social security paying taxes on every nickel he puts up for his retirement. He cannot deduct it. Yet the Senator would provide deductions for the lawyer and the doctor. We would pick out a few specially privileged people, a few wealthy

[P. 25365]

individuals, and prefer them over the whole rank and file of Americans.

This amendment would attempt to enlarge an already existing loophole in the tax law. We ought to close the loophole rather than enlarge it. If I could get enough votes, I would close it now. I do not think I could get the votes; that is the only reason I am not trying to do it. We would save \$500 million a year if we could close that loophole.

Mr. RUSSELL of Georgia. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. RUSSELL of Georgia. Did the Senator's committee conduct any hearings on this question?

Mr. LONG of Louisiana. Mr. President, we did not conduct hearings on it this year, but we have voted on this matter many times. We have conducted hearings on it in years gone by, and never agreed to it.

We have agreed that we would treat these people the same as if they were both employer and employee, and let them deduct 50 percent of it, so that they could put aside \$2,500 for their own retirement, and could deduct \$1,250 of it.

It was contended that farmers and small businessmen did not get much benefit from the self-employment retirement plan, so the bill was amended to help them.

But as far as the 100 percent deduction part of H.R. 10, we would not buy that. Mr. President, in all fairness, I think the amendment should be rejected.

I yield to the Senator from Michigan.

Mr. HARTKE. Mr. President, I ask the Senator, is it not true that the secretaries who work for those doctors

and lawyers would be covered, and are not covered now, under the same pension plan?

Mr. LONG of Louisiana. They are not asking for it. They would like to have a pay raise. They need the money to pay their current expenses such as rent and food.

Mr. HARTKE. The argument which the Senator makes is really against pension plans in toto.

I think it is wrong to fail to provide coverage for a person who sacrifices himself in electing to go ahead as an individual, and try to make his own way as an individual entrepreneur, and not sacrifice his soul to a soulless corporation—because the lawyer in the corporation can be covered, and his counterpart in the outside world who makes his own way cannot; the doctor in the corporation will be covered, but the doctor on the outside is not; the secretary in the corporation is covered, but the secretary on the outside is not.

When we speak of equity, that is the type equality we are talking about. I think there is no question but that there is discrimination in all of this. If the Senator wishes to eliminate pension plans, and suggest that as a substitute, I will be glad to see what the vote will be on that question.

Mr. LONG of Louisiana. Mr. President, I yield to the majority leader.

Mr. MANSFIELD. This amendment would double the tax benefits now available for the retirement savings of doctors, lawyers, and other self-employed individuals. Under present law, a self-employed individual may contribute 10 percent of his earnings—up to \$2,500—to his pension plan and take a tax deduction for one-half of this contribution. The proposal—which was the main purpose of H.R. 10 passed by the House in June—would make the full contribution tax deductible.

This amendment would result in an estimated revenue loss for the first year it is effective of up to \$30 million. For the second year, the estimated revenue loss would be increased to about \$50 million.

This amendment would divert substantial Federal tax revenue to provide tax reductions for a very narrow group of highly paid professional people, at a time when the possibilities of a general tax increase are very much in the public mind. Revenue-losing measures such as this could well push the President and Congress closer to such a general tax increase.

In more detail—

The experience to date clearly indicates that self-employed pension plans represent a tax reduction arrangement for the better-off professional man, with doctors heading the list. Over 75 percent of the revenue loss involved in the