

income tax—on the principle of ability to pay.

But, whatever the fate of this amendment as it now stands, the Congress must soon take a big fork into the Augean stables and clean up pension tax laws. The longer we wait the more difficult will be the task and the more adjustments will there be for more and more taxpayers.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by the Senator from Nebraska [Mr. CURTIS].

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

STATEMENT BY SENATOR CURTIS

I have always favored legislation which would provide incentives to the self-employed who wish to build private retirement income for themselves and their employees. This group is composed of our farmers and cattlemen, our individual craftsmen and our professional people. The self-employed in this country number around 6 million and it is estimated that they employ about 9 million people. Certainly they are entitled to the same benefits in providing for their own retirement as has been extended to both corporation executives and employees for many years.

The Self-Employed Individuals Tax Retirement Act which passed in 1962 provided only a partial answer. The original intent was that a self-employed individual could set aside a limited portion of his income for retirement and have the entire amount tax deductible and have the earnings on the retirement savings tax deductible. There was opposition to this from the Treasury and elsewhere and the result was that Congress had to pass a compromise. It limited the amount that could be set aside to ten percent of an individual's income of \$2,500 per year, whichever is the lesser. But, instead of allowing the full amount to be tax deductible, only fifty percent was allowed. No provision was made for income earned from capital invested by the self-employed person in his business. Only income from his personal services was permitted. These limitations made the law impractical and unsatisfactory and as a result at the present time less than one-half of 1 percent of all the self-employed workers are covered.

This year the House passed a bill, H.R. 10, which would ease the tax rules for self-employed pension plans. This bill would allow a one hundred percent tax deduction up to \$2,500 and in addition would lift the 30 percent ceiling on earned income allowed to those who must use capital in their business. To enact these provisions into law would go a long way toward assisting the self-employed in saving their own money for retirement. This is right and just and encourages thrift. It would give the self-employed equal opportunity with both executives and the employees of corporate employers. It would encourage people to provide for some of their additional wants and needs through their own savings from money they have earned.

I stated many months ago that I would fully support this bill and that I hoped it would be reported from the Senate Finance Committee and passed by the Senate. I

would likewise favor an amendment embodying these provisions, I think such a step is important for our future aged.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). The question is on agreeing to the amendment of the Senator from Indiana.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON (after having voted in the negative). On this vote, I have a pair with the senior Senator from Kentucky [Mr. COOPER]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. WILLIAMS of Delaware (when his name was called). On this vote, I have a pair with the junior Senator from Kentucky [Mr. MORTON]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. BENNETT (after having voted in the negative). On this vote, I have a pair with the junior Senator from Nebraska [Mr. CURTIS]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Maryland [Mr. TYDINGS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. BASS], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS], are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Florida [Mr. SMATHERS], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Nebraska [Mr. CURTIS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], and the Senator from Texas [Mr. TOWER] are necessarily absent.