

Between 1930 and 1962, the number of workers covered increased from 2,700,000 to 23 million, an increase of almost tenfold. Annual benefits paid moved up from about \$90 million in 1930 to approximately \$2,160 million in 1962. However, we found that the least progress in providing private pension coverage has been made in businesses and professional units with the fewest employees, most of which are owned and managed by those who are self-employed.

At our hearings, we were told that very few private pension plans have been adopted as a result of the Self-Employed Individuals Tax Retirement Act of 1962, due principally to the restrictions in that act which make pension plans unattractive to self-employed individuals. One witness testified that only 15,000 persons have been covered by plans under that act, compared with the 7 million which the Treasury Department estimated could be covered by such plans. Today, we have an opportunity to remove those restrictions and to make it possible for millions of self-employed persons and their employees to have the benefit of private pensions.

The only logical argument which can be presented against the progressive amendments to the Self-Employed Tax Retirement Act is that it would entail some revenue loss. We of the Subcommittee on Employment and Retirement Incomes believe it is more accurate to consider this not as a revenue loss, but as a wise investment in the material well-being of America's elderly and in the prosperity and health of the Nation's economy as it affects Americans of all ages. A pension expert testified at our hearing that each dollar of Federal revenue loss from funding private pensions contributes to the production of a minimum of \$5.50 and a maximum of \$12.20 of pension income in retirement. If any of us had an opportunity to buy a piece of land or purchase stock with the assurance that each dollar invested would be transformed into at least \$5.50, we certainly would not consider that we were wasting dollars without any return. We would consider that we were making a wise and sound investment. And that is how we should regard the so-called revenue loss.

By stimulating the adoption of private pension plans, we not only help the elderly who will receive the supplementary retirement income. We improve economic conditions for Americans of all ages. We do so, first, by encouraging the savings which go into pension plans, which finances an expansion of productive capacity. This, in turn, raises the standard of living. Furthermore, we make the Nation's elderly a buoyant influence upon the economy. This is especially helpful in times of depression and economic distress, when enhanced purchasing power of the Nation's elderly can help to im-

prove the economy. On the other hand, in times like the present when inflation threatens, contributions to pension plans can prevent overheating the economy. In these ways, there is an improvement in the health of the economy as it affects Americans of all ages.

[November 10, 1966]

[P. A5724]

Foreign Investors Tax Act—H.R. 13103

EXTENSION OF REMARKS OF

HON. RUSSELL B. LONG

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Saturday, October 22, 1966

Mr. LONG of Louisiana. Mr. President, at the end of the debate on the Foreign Investors Tax Act, I indicated that I had forgone making a speech in rebuttal to the statements of the Senator from Tennessee [Mr. GORE] and the Senator from Delaware [Mr. WILLIAMS] because the majority leader had urged that if I did so, we might lose the quorum then available on, or near, the Senate floor. At that time, however, I indicated that I would insert such a rebuttal in the CONGRESSIONAL RECORD. This is that reply.

The portion of the conference report on the Foreign Investors Tax Act to which both the Senator from Tennessee [Mr. GORE] and the Senator from Delaware [Mr. WILLIAMS] objected has been called the "Christmas tree" bill or the "grab bag" bill. Since these are quick and catchy names, these descriptions of the bill have also appeared frequently in the press. Of course, a description of this type is likely to be believed, or accepted as true, if repeated often enough. This is a well-known technique used to undermine a bill or provision, but that, of course, does not mean that the description is accurate.

It must have occurred to my many colleagues who voted with me on this conference report that if the opponents—who referred to it as being full of special interest provisions—can cite only three or four cases no matter how hard they try, their case must be questionable.

Let us examine the conference report from that point of view. First, as to title I of the bill which accounts for the first 10 sections and 100 pages of the bill, no questions have been raised. This is the Foreign Investors Tax Act portion of the bill and both the Senator from Tennessee [Mr. GORE] and the Senator from Delaware [Mr. WILLIAMS] agree that this is good, desirable legislation. It will both help our balance of payments and improve the equity of the tax system as it applies to nonresident aliens and foreign corporations.