The OASDHI-induced increase in the discounted cost of an average worker for selected industries appears in table 1. The discounted present values (at 5 percent) of the OASDHI tax on one worker under previously scheduled rates and under the new rates [6] are computed for a 10-year period. Since in all but a few of the industries listed, the average annual wage exceeds the $4,800 base, the present value of the tax exhibits a relatively small range under the old rates. On the other hand, because the $6,600 base lies above the average for many of the listed industries, the present value of the tax under the new law varies widely by industry.

TABLE 1.—PRESENT VALUE OF EMPLOYER OASDHI TAX ON 1 WORKER, 1966–75, BY INDUSTRY

	Average annual earnings [1]	1966 value of 1966–75 tax on 1 worker [2]		
		Under prior law	Under 1965 amendments	Additional tax under 1965 amendments
All mineral industries	$6,800	1,670	2,459	789
Metal mining	7,200	1,670	2,459	789
Anthracite mining	-----------	-----------	-----------	-----------
Bituminous coal and lignite mining	6,400	1,670	2,385	715
Oil and gas extraction	7,000	1,670	2,459	789
Nonmetallic minerals mining	6,500	1,670	2,422	752
All manufacturing industries	6,400	1,670	2,385	715
Food and kindred products	5,800	1,670	2,161	491
Tobacco manufacturing	4,800	1,670	1,788	118
Textile mill products	4,600	1,600	1,714	114
Apparel and other	3,900	1,357	1,453	96
Lumber and wood products	4,700	1,635	1,751	116
Furniture and fixtures	5,100	1,670	1,900	230
Paper and allied products	6,600	1,670	2,459	789
Print, publishing, etc	6,500	1,670	2,422	752
Chemicals and allied	7,600	1,670	2,459	789
Production of petroleum and coal	8,300	1,670	2,459	789
Rubber and plastic products	6,200	1,670	2,310	640
Leather and leather products	4,200	1,461	1,565	104
Stone, clay, and glass	6,300	1,670	2,347	677
Primary metal industries	7,600	1,670	2,459	789
Fabricated metal products	6,700	1,670	2,459	789
Machinery, except electric	7,300	1,670	2,459	789
Electrical machinery and services	6,600	1,670	2,459	789
Transportation equipment and ordnance	8,000	1,670	2,459	789
Instruments, etc	7,000	1,670	2,459	789
Miscellaneous manufacturing	5,200	1,670	1,937	267
All wholesale and retail trade	5,400	1,670	2,012	342
Wholesale trade	7,200	1,670	2,459	789
Retail trade	4,700	1,635	1,751	116
All services	4,300	1,496	1,602	106
Hotel, roominghouses, etc	3,700	1,287	1,378	91
Personal service	4,200	1,461	1,565	104
Miscellaneous business service	6,200	1,670	2,310	640
Automobile repair service	5,000	1,670	1,863	193
Miscellaneous repair service	6,600	1,670	2,459	789
Motion pictures	6,000	1,670	2,236	566
Amusement and recreation	4,900	1,670	1,826	156

[1] For 1965, rounded to nearest $100.
[2] At 5 percent compound interest, computed as follows: Value under prior tax=.34789W, W $4,800. Value under 1965 amendments=.372587W, W $6,600.

Source: U.S. Department of Commerce. The National Income and Products Accounts of the United States, 1929–65, table 6, 5, p. 109.

The differences between the two sets of discounted OASDHI tax values suggest how much more an employer can now consider paying for laborsaving machinery per labor unit replaced, as a consequence of the tax increase. The largest difference occurs in the industries with average salaries equal to or exceeding the new base. For instance, in

[6] The new rates for the employer portion of tax are 4.2 percent in 1966; 4.4, 1967–68; 4.9, 1969–72; 5.4, 1973–75. The rates continue to rise until they reach 5.65 percent in 1987; the base remains at $6,600 annually throughout. The old rates are: 4.125 in 1966–67; 4.625 in 1968; and thereafter, on a $4,800 base.