step in helping to solve these problems. This could be accomplished by legislation which I introduced in the House of Representatives over the last several Congresses. My bill, H.R. 241, to do this is pending in the House Ways and Means Committee.

This bill would reduce the income tax to $5 for those citizens classed in the poverty status to eliminate the need for handouts from the Federal Government.

This bill, amending the Internal Revenue Code of 1954, relating to income tax on individuals, including married persons filing joint returns, heads of households, and single persons, is a technically drawn bill to halt the tendency of Government to tax those low-income groups, while keeping them in the subsidy and welfare class.

In drafting the legislation, the poverty-class definition adopted by the administration, which includes those persons making $3,000 or less annually, was used.

In taxing the person making $3,000 or less annually, the Federal Government is going to the source of a man's livelihood, and returning to him a dole subsidy putting him squarely under the thumb of the "great white father."

Rather than pay his rent or give him a welfare check, why not almost eliminate his income tax? My bill would accomplish this.

This bill could probably take the place of a major new spending program and make the individual less dependent on a paternal Federal Government and more dependent on himself. A copy of H.R. 241 is attached.

Former Secretary of the Treasury Douglas Dillon, in his final public speech in March 1965, urged a further tax reduction for the Nation's low-income families, adding support to this legislation.

Thank you for the opportunity to submit this statement.

(H.R. 241 follows:)

[H.R. 241, 90th Cong., first sess.]

A BILL To provide assistance to individuals with low incomes by reducing the amount of income tax on individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part I of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to income tax on individuals) is amended by renumbering section 5 as section 6 and inserting after section 4 the following new section:

"SEC. 5. REDUCTION OF INCOME TAX ON INDIVIDUALS.

"(a) MARRIED PERSONS FILING JOINT RETURNS.—In the case of a joint return of a husband and wife under section 6013, if before applying this subsection the amount of tax determined under section 1(a)(2) (after the application of section 3) or table III in section 3(b) exceeds $5, then the tax imposed by section 1 or section 3 on the taxable income of such individuals shall be reduced (but not below $5) by $200.

"(b) HEADS OF HOUSEHOLDS.—If before applying this subsection the amount of tax determined under section 1(b)(1)(B) or table II in section 3(b) exceeds $5, then the tax imposed by section 1 or section 3 on the taxable income of the individual shall be reduced (but not below $5) by $150.

"(c) SINGLE PERSONS NOT HEADS OF HOUSEHOLDS; MARRIED PERSONS FILING SEPARATE RETURNS.—If before applying this subsection the amount of tax determined under section 1(a)(2) or table I, IV, or V in section 3(b) exceeds $5, then the tax imposed by section 1 or section 3 on the taxable income of the individual (other than a husband and wife filing a joint return) shall be reduced (but not below $5) by $100."