

Common Carrier Tariff Proceedings: Senate agreed to the House amendment to S. 2054, extending to 90 days the period of notice required before a common carrier tariff may be changed, and extending to 5 months the period during which the FCC may suspend the effectiveness of new or revised tariff schedules, thus clearing the measure for the White House. Page 512144

Tax Reform: Senate continued consideration of H.R. 10612, proposed Tax Reform Act of 1976, taking action on amendments proposed thereto as follows:

Adopted:

(1) Modified Hartke amendment No. 2043 (to committee amendment No. 18—title VIII), limitations on foreign tax credit for income taxes paid in connection with foreign oil and gas extraction income; Page 512133

(2) By 70 yeas to 22 nays, Kennedy amendment No. 2046 (to title V), making the 15 percent tax credit for persons age 65 or over effective immediately; Page 512142

(3) By 71 yeas to 21 nays, Kennedy amendment No. 2014 (to title V), to provide a refundable tax credit for child and dependent care expenses; and Page 512150

Rejected: By 18 yeas to 70 nays, Hathaway amendment No. 1922 (to title V), to provide a \$175 tax credit in lieu of \$750 deduction for personal exemption. Page 512154

Pending at adjournment was Javits amendment No. 1901 (to title VIII of the bill), donations of works of art by artists to charitable organizations. Page 512158
Pages 512133-512160

Bills Referred: Sundry House-passed bills were referred to appropriate Senate Committees. Page 512025

Messages From the House: Senate received one message from the House today. Pages 512023-512024

Amendments Submitted for Printing:

Pages 512038-512042

Notices of Committee Hearings: Page 512042

Military Construction Authorizations: By unanimous consent it was agreed that if the House overrides Presidential veto of H.R. 12384, authorizing funds for military construction for fiscal year 1977, Senate, at 3:30 p.m. (if received from the House), will take up such veto message and vote on question of overriding the veto at 4 p.m. Page 512160

Presidential Message: Senate received a message from the President transmitting the 10th Annual Report of the National Endowment for the Humanities covering its activities for fiscal year 1975—referred to Committee on Labor and Public Welfare. Page 512023

Presidential Communication: Senate received a communication from the President transmitting the first annual report on Federal Agency Activities Under the Privacy Act of 1974—referred to Committee on Government Operations. Page 512024

Legislative Program: Majority Leader discussed Senate's legislative program for the balance of the week. Page 512136

Confirmations: Senate confirmed the following nominations:

David H. Stowe, of Maryland, to be a Member of the National Mediation Board; and

The following-named persons to be members of the National Commission on Libraries and Information Science: Ralph A. Renick, of Florida; Frederick H. Burkhardt, of Vermont; Marian Pollensky Leith, of North Carolina; and Mildred E. Younger, of California. Page 512161

Nominations: Senate received the following nominations:

Ignacio E. Lozano, Jr., of California, to be Ambassador to El Salvador;

Stanley E. Shirk, of Connecticut, to be Comptroller of the Currency;

H. Guyford Stever, of the District of Columbia, to be Director of the Office of Science and Technology Policy;

Joseph R. Fogarty, of Rhode Island, to be a member of the Federal Communications Commission; and

Patrick J. Delaney, of New York, to be a member of the Securities and Exchange Commission. Pages 512160-512161

Record Votes: Five record votes were taken today (total—402). Pages 512112, 512133, 512150, 512154, 512157-512158

Adjournment: Senate met at 9 a.m. and adjourned at 6:51 p.m. until 9:30 a.m. on Thursday, July 22. (For program for Thursday, see last page of today's Record.) Page 512160

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—DEFENSE

Committee on Appropriations: Committee ordered favorably reported with amendments H.R. 14262, making appropriations for fiscal year 1977 for the defense establishment. As approved, the bill would appropriate \$104,007,046,000.

PUBLIC DEPOSITS

Committee on Banking, Housing and Urban Affairs: Committee continued hearings on S. 3163, to permit the payment of interest on demand deposits which consist of public funds of the United States or of a State or a political subdivision or instrumentality of a State, receiving testimony from Representative Mottl; David Mosso, Fiscal Assistant Secretary of the Treasury; Lawrence Connell, Bank Commissioner, State of Connecticut, Hartford; Rex Morthland, Selma, Ala., represent-

that runs the deficit proposed already over \$600 million.

I suppose, Mr. President, those of us who worship at the shrine of fiscal integrity feel a duty to stay by the budget process, but I must say it becomes sort of a lost cause when we find ourselves more or less abandoned. It is like years of old when the Finance Committee used to fight alone to try to keep these bills within a budgetary limit.

So I will be compelled to vote against the amendment, Mr. President, just for the simple reason that the Government cannot afford it.

Mr. CURTIS. Mr. President, the retirement income credit is something that in which I am very much interested. I had something to do with its original enactment. At that time, social security benefits were not taxable by administrative ruling of the Treasury Department. Railroad retirement benefits were nontaxable by reason of an act of Congress. Civil service retirement benefits were taxable after the employee's own contributions were consumed in the payments.

But at that time there were a great many other people who did not have any retirement program. If they had any income at all it was interest on their savings income from a small rental property, or something else. They had no assistance and still their retirement income was taxed fully. So the income retirement credit was created to equalize the situation among those who had a tax-free retirement, those who had a partially tax-free retirement, and those whose retirement income was fully taxed.

It needs to be upgraded now and then. The Finance Committee did that. But in order to take care of many needs and to be fiscally responsible, there are several provisions in this bill as it comes from the Finance Committee that are phased in over a period of years.

What the distinguished Senator from Massachusetts proposes in this regard is not anything that we oppose in principle but, in fact, it should be phased in over a few years to lessen the impact on the budget.

His proposal, as I understand it, also contains one other point, and that is it lowers the age for those who receive retirement income credit for public employees. This amendment thus raises the question whether or not such action should be taken for everyone. At the least, we should do so with our eyes open to the fact that if the retirement credit is available for civil service retirees under 65, it would just be a matter of time until it will be proposed that we do it for everyone, and maybe we should, but, on the other hand, as the distinguished chairman has said, what we have done here is updated the credit. We thought that we were cooperative with the efforts to have the budget more under control by phasing it in. Moreover, eliminating the credit for those under 65 will greatly simplify the credit with little or no adverse effect.

It is my hope that the amendment not be pushed.

COMMUNICATIONS ACT AMENDMENTS

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2054.

The PRESIDING OFFICER (Mr. PERCY) laid before the Senate the amendment of the House of Representatives to the bill (S. 2054) to amend section 203 and 204 of the Communications Act of 1934.

(The amendment of the House is printed in the Record of July 20, 1976, beginning at page H7374.)

Mr. PASTORE. Mr. President, the only significant difference between the House and Senate versions of this legislation concerns the language which makes clear that the extended 90-day notice period for common carrier tariff changes is the maximum period which the Federal Communications Commission may prescribe. The Senate version of S. 2054 makes this intent plain by implication, providing that the Commission may "allow changes upon less than the notice herein specified." The House version specifically provides that "the Commission may not require the notice period specified to be more than 90 days." This is a difference of form and not substance, and therefore I believe we should accept the House substitute.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. KENNEDY. It is interesting for me to hear the argument this afternoon that this is an amendment that cannot be accepted because of its cost.

It is important at this point to remind the Senate what we have done for many different groups in our society. The amendment I propose this afternoon is targeted on perhaps the neediest groups of people in our society—elderly citizens living on retirement income.

The argument is made that at least we ought to stop the benefits for persons under 65. But many of these individuals, teachers or firefighters or policemen who have worked 20 or 30 years and then retired but have not reached the age of 65. These are the people who are going to benefit under this provision.

We hear that we cannot afford to spend \$240 million more to try to do something about those individuals, to try to equalize their retirement income with respect to what persons are receiving under social security, but for one reason or another are not participating in social security.

It is important at the outset that we understand who actually will benefit. They are the elderly people who are not participating under social security—especially public employees, firefighters, policemen, and teachers who are partici-

pating under separate retirement plans. It is said we cannot afford \$240 million for them. But at the same time, they tell us we can afford the \$1 billion rejection of our minimums tax proposal to try to tax the richest 1 percent of the population. That was rejected by the Committee on Finance and rejected by the Senate. It was rejected by the chairman and the ranking member of that committee. It would have provided \$1 billion more in taxes from the top 1 percent of the people of this country. But they say we cannot afford to benefit those who are elderly, who represent perhaps the bottom level of the people of this country in terms of income.

The Senate rejected the amendments on DISC. If the amendment by the Senator from Colorado had been accepted, it would have raised \$1.5 billion from the richest and the most powerful corporations in this country. The Senate rejected our deferral reform, which is a loophole that underwrites the movement of jobs in manufacturing from this country to foreign countries. Tax deferral costs us \$300 million a year.

The Senate believed sufficiently in tax shelters that it refused to accept our reform to raise \$300 million in that area, again from individuals in our country who are in the top 3 or 4 percent of income.

That is \$3 billion of benefits with respect to the richest individuals and the most powerful corporations in the country; \$3 billion has been rejected, and there was no mention at that time that we could not afford it. Yet we cannot afford \$3 million for the elderly.

We now have an amendment to benefit the elderly; to help those who are not participating in social security, just to equalize their treatment with what Congress has done with respect to social security. It is justified and warranted. And the amendment also provides some additional relief for those who are participating in public employee retirement funds who believed the commitment that Congress made to provide a tax credit that would be maintained over the years of their retirement.

But now we have found that the Committee on Finance is prepared to abandon that commitment, on the ground that we cannot afford it.

Mr. President, I do not think a clearer issue will be presented to this body, in terms of our alternatives and priorities and about whom the Senate is trying to help in this legislation.

I hope we can afford this proposal. If we are not prepared to say that we can afford it now, I hope we can accept it and go back into all the other areas—DISC, deferral tax shelters, the maximum tax—and pick up the additional moneys to warrant it. I am prepared to support any of those proposals here this afternoon which would make up that difference.

There could not be a clearer example of priorities in this legislation than the proposal we are considering in this amendment. I hope it will be accepted.