I salute these achievements and hope of the Sudan. I am certain that the next 7 years will bring even greater advancement. We hope that in the forthcoming years the Sudan will set an example for the world community to emulate. We are proud to claim the Sudan as a friend and to share with the Sudanese people the celebration of their independence anniversary.

Truth-in-Lending Bill

EXTENSION OF REMARKS
OF
HON. ROBERT N. C. NIX
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 10, 1963

Mr. NIX. Mr. Speaker, today I have introduced a bill designed to accelerate the stabilization of the Nation’s economy by assuring equitable relationships that will result from the full disclosure of financing costs in connection with consumer credit. Consumer groups are now demanding increased public concern for the widespread extortion, arising from presently accepted business practices, has been disclosed by witnesses before congressional committees, revealed in reports of the public press, and related by individuals personally victimized by the flourishing credit racket. An abundance of relevant testimony, clearly establishing the viciousness of the system, has been received by witnesses before the House District Committee and the Senate Committee on Banking and Currency.

I, therefore, have presented the bill both to stabilize the economy and to promote individual justice. I am deeply concerned over the fact that from both the quantity of substantial evidence presented to committees and secured through personal sources it is conclusively indicated that consenting Negroes have been robbed and cheated by unscrupulous business people who willfully exact exorbitant interest through subtle means unrevealed to them. As a consequence of such practices the full cost of articles to the trusting purchaser is withheld while the seller is realizing profits as great as 100 percent or more. Moreover, through such criminal practices there are thousands of well-known instances pointing out that it is a common policy of dishonest sellers to resell the same articles several times over with the identical built-in interest charges to other unsuspecting Negroes, thereby further compounding the big profits for such businessmen. The sum total of the tragedy of this unconscionable condition has been that consumers who have suffered most are those in the lowest economic group and, thus, least able to pay.

Full disclosure of financing costs incident to consumer credit could prevent or at least restrain abuses of the helpless imposed as is now the case through the concealment of true rates, the manipulation of charges by the use of fees, and the failure to rebate amounts taken in advance. These considerations, Mr. Speaker, prove to us that it is time we have passed this legislation and are now appealing to the leadership to join me in its passage.

Tax Rate Reforms for Growth and Jobs

EXTENSION OF REMARKS
OF
HON. A. S. HERLONG, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 10, 1963

Mr. HERLONG. Mr. Speaker, under the pattern of the first year the first rate would be lowered 45 percent. This Is the third year in which we have proposed such tax reform of the capital gain and the corporate income tax rates:

TAX RATE REFORM FOR GROWTH AND JOBS


It is our hope that 1963 will witness the reversal of Federal tax policy which for so long has been stacked against capital formation and economic growth. To this end, we have introduced new bills for reform of personal and corporate income tax rates.

TAX RATE REFORM FOR GROWTH AND JOBS


It is our hope that 1963 will witness the reversal of Federal tax policy which for so long has been stacked against capital formation and economic growth. To this end, we have introduced new bills for reform of personal and corporate income tax rates over a 5-year period. The principle that lower tax rates lead to more vigor and growth in the private economy is generally recognized by the average citizen. While this principle outlines the basic framework for reforming a rate structure, there are complex fiscal problems and sophisticated economic questions which tax specialists and policymakers, including Members of the Congress, must consider before agreement on specific legislation. To make it useful in public deliberations, this statement is in explanation and support of a technical rather than a popular exposition.

This legislative program is not designed to suppress tax relief among disputing claimants, but to secure the general public interest in greater growth and more jobs.

It is not designed to stimulate an inherently weak economy, but to release the world’s strongest economy from the tax rates which bind it.

The critical test which we believe should be applied to any tax program at this time is not how much economic activity it might stir up in the next year or two, but how much economic growth it will give us by the end of the decade. We believe our program meets this test; that it would produce maximum results in growth and jobs with a minimum of inflation.

This is the third Congress in which we have proposed such legislation. Since the tax rate drag on the economy became a top public issue last summer, there has been a tremendous surge of interest in the key procedure of our bills; namely, spaced-out rate reform. Many new voices have been raised in support of our bills at a whole. Some others, however, seem to view the rate reform goals which we have set as unrealistic. Assuming that the purpose of tax action is to correct the necessary inequities in the achievement of long-term growth and jobs, and without quibbling over the negotiable details, we believe our bill is the only workable, realistic, and adequate program now in being.

RATE REFORMS

This legislative program places the great emphasis on reduction of the range of graduated tax brackets for personal income tax rates, with a view to reducing the top rate of personal tax to 42 percent and the 53-percent rate to 24 percent, with other graduated rates lowered in a consistent manner. The first rate of 42 percent would be lowered to 18 percent, assuring a minimum reduction of 25 percent to every personal taxpayer. The graduated rates from 22 to 45 percent of the rates now a new range of 16 to 19 percent. The 38-percent rate would come down to 20 percent (see table I and II).

The rate of withholding on wages and salaries would come down from the present 18 percent to 13.5 percent at the end of 5 years.

Because taxpayer returns are on a calendar year basis, the actual 1963 tax rate cuts apply to the entire year, i.e., 1963 is an effective as of January 1, but the percentage amount is only one-half of that which would have resulted from enactment in advance of January 1. The reduced withholding rate however, from July to December, is the same as if there had been enacted effective from January 1 to reflect tax cuts for a full year. As regards the average taxpayer whose tax liability is satisfied by withholding, the practical effect is tax reduction beginning as of July 1.

This procedure enables a further reduction in the withholding rate and the reduction of current tax rate cut for 1964, as the second year’s rate cut goes into effect on that date. There would be telescoped into these cuts the one-half year’s tax reduction which would have been effective from January 1 to reflect the tax cuts for a full year.

Consistently, the corporate cut for 1963 is held to 1 percentage point, with the deferred percentage point added to the annual rate. The percentage points effective January 1, 1964.

TAX SAVINGS, REVENUE EFFECT AND REVENUE GAIN FROM ECONOMIC GROWTH

The average annual tax savings under our bills would be approximately $3.85 billion. These savings relate to the tax liability of the average annual savings, $2.2 billion would go to individuals and $1 billion to corporations. Over the life of the legislation, the personal tax savings on an estimated $48 billion of tax savings and the corporate cuts of $5 billion, or a total of $19.25 billion. These data are based on 1962 income levels, because it would otherwise be impossible to assign different values to the tax cuts applying to the separate years.

Of the personal tax savings, about $6.15 billion or 13.1 percent of the total, would result from the cut to 15 percent of the 20-percent rate now applying to the first bracket of taxable income, or $2.1 billion, or 7 percent of the total, would result from the cut to 16 percent of the 22-percent graduated rate now applying to the second bracket of taxable income. The remaining tax savings, or 41.8 percent of the total, would result from the cuts in the graduated rates which now range from 26 percent upward, but only 14.3 percent, or $2.04 billion, from reducing the graduated rates now over...