

SUGGESTED OUTLINES FOR NEWSLETTER ARTICLES

Because the first few weeks of the Session undoubtedly will be as hectic as any other like period in the past --- for new and old Members alike --- the Democratic Study Group has prepared a few newsletter article outlines, which may be useful. They may be adapted for replying to the normal flow of "issue mail" that comes to Members' offices.

3 HELPFUL TAX GUIDES AVAILABLE --- Each year, as Federal income tax return filing date approaches, the Internal Revenue Service publishes 3 booklets containing important guides for tax return preparation.

Since the Federal income and corporate tax laws were extensively rewritten, the rates lowered and the deductible items altered, the IRS tax guides will be of more than ordinary value.

"Your Federal Income Tax" is designed primarily to help individuals prepare their 1964 returns, and includes a sample filled-in return with entries keyed to pages in the text where explanations of the treatment of each item may be found. The Federal tax laws applying to individuals are discussed in detail, and in plain, everyday language. Fully spelled out are the taxpayer's rights and his responsibilities, with many examples to illustrate proper application of the rules in various situations. Important changes in the law and regulations are thoroughly covered in the 1965 edition.

"Tax Guide for Small Business" explains Federal tax requirements as they pertain to sole proprietors, partners, partnerships and corporations. Income, excise, and employment taxes are discussed in non-technical language and many examples are provided.

Both the above publications are for sale by Internal Revenue field offices, or can be ordered from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402. The price is 50 cents per copy.

"Farmer's Tax Guide" may be obtained free of charge from county agricultural agents and local offices of Internal Revenue. The booklet contains comprehensive information with respect to Federal income and self-employment taxes as they relate to farmers.

NATION ENTERS 3rd CENTURY--- In his State of the Union Message Jan. 4, the President noted in his opening paragraphs:

"We are entering the third century of the pursuit of American Union.

"Two hundred years ago, in 1765, nine assembled colonies first joined together to demand freedom from arbitrary power."

President Johnson described the first century's work of building a continental democratic union, capped by the War Between the States, whose outcome sealed "the compact of union." In the second century, the President noted, the Nation labored to establish a unity of purpose and interest among the many groups which make up the American Community.

The party caucus is the means of applying the principle of party responsibility, which, in the words of Speaker Champ Clark, "rests with the majority, and we shrink not from acknowledging our responsibility to the country and of acting accordingly."

By election choices, the American citizenry tells its Members of Congress the National legislative program it wants.

The revised rules of the House, adopted by the House Jan. 4, are designed to prevent thwarting the will of the majority of the House without regard to party affiliation. Procedural obstacles used to bottle up legislation have been sharply curtailed; without the obstacles, full debate and consideration of the entire House membership will be assured.

One major rules change is the elimination of the right of a single Member to object to sending a bill to a House-Senate conference to resolve differences. When an objection was raised, the bill would be sent to the Rules Committee, where only 8 Members had the power to kill the legislation.

The other rules major change was re-establishment of the "21-day rule," which will ensure that bills blocked in the Rules Committee can be called up for consideration -- voted up or down -- on the floor by the entire House. Again, a minority of 8 Members will not be able to prevent legislative action.

The Rules Committee was given a freer hand to serve the House in the 1910 revolt against Clark's power. But since the reforms of 1910 had become the abuses of the 1960's, it has become obvious that the United States Congress must keep pace with its times. One way to do so will be to establish a Joint Committee on Congressional Reorganization, to modernize procedures in a fast-moving society.

STOCK PRICE QUOTATIONS---Accurate and uninflated prices of securities of national companies traded on the over-the-counter market will be quoted beginning in February, the National Association of Securities Dealers has announced for its membership.

Presently, over-the-counter stocks are quoted at a price that contains an unannounced profit of about 5% that uninformed investors did not know about. The markup, from 5% on stocks selling at \$25 or less down to 2½% on those selling at \$100, will be explicitly revealed.

The stock dealers' association agreed to drop the hidden markup on this category of stocks only after months of intensive negotiation with the Securities and Exchange Commission, the Federal agency charged with protecting American investors from another 1929 stock market crash. The SEC calls the NASD move "an encouraging development" but "not a solution to all problems in this area."

SOCIAL SECURITY HEALTH FINANCING HAS GOOD PROSPECTS---The King-Anderson bill seems likely to go to early action on the floor of the House of Representatives in the 89th Congress. One indication was the changing of party ratio on the Ways and Means Committee, to reflect the overall House ratio of 68%-32%. Most of the new Members of the House are in favor of the measure.

Social Security financing of basic hospital care of the aged has been proposed for a number of years. It has had extensive hearings, the most recent in 1963-64. One criticism of the bill that cannot be defended would be that it had not received adequate study.

The main arguments against the King-Anderson program are:

1. That it is "socialized medicine." The fact is that the program would pay for part of aged persons' hospital and nursing home care. Provided the hospital is duly accredited, there is no restriction whatever on the ill person's choice. The program will not pay any part of a doctor's bill.
2. That there is no clearly demonstrable need for such a program since aged persons are better off financially. Census Bureau data, as well as the welfare departments of the States, will tell otherwise.
3. That the Kerr-Mills program is doing an adequate job. Often the same people will believe wholeheartedly in both Nos. 2 and 3 simultaneously. Kerr-Mills only operates in ~~29~~ ⁴² States, since ~~42~~ ⁴² States have not seen fit to provide the necessary funds and other support for the program. In other words, some States themselves have hesitated to take on the duty of serving their own people.
4. That the King-Anderson program will bankrupt the Social Security trust fund. The new program will be financed on an actuarially sound basis, as demonstrated in the 1965 report of the Advisory Council on Social Security, entitled "The Status of the Social Security Program and Recommendations for Its Improvement." The Council recommends financing by an earmarked fund kept separate from the present old age, survivors' and disability insurance funds.

It's very easy simply to say "no" to everything. But Members of Congress were not elected to say "no"; Congress' duty is to investigate and legislate. I feel that the King Anderson health care financing bill must be enacted, because of demonstrated need.