

VIETNAM

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The President's reforms tell the working poor that America will reward their efforts to produce and give them a hand

The best government should be that which is closest to the people. The revenue sharing program set forth in principle under the President's plan means that overburdened States and cities will at last have a chance to offer their people the highest quality services with local control.

Aspects of the President's program break new ground in complex areas and these pilot efforts should be observed, evaluated, and refined in the crucible of experience.

An early end to the Vietnam war and a careful reordering of our national priorities could permit the Congress to establish revenue sharing and other parts of the President's program at a level where they could soon make a measurable improvement in the quality of American life.

I support the President's bold initiative and I will work for its implementation by Congress.

PRESENT OIL IMPORT POLICY IS IMPORTANT TO NEBRASKA AND THE NATION

Mr. HRUSKA. Mr. President, perhaps not everyone thinks of Nebraska as a major oil-producing State. Yet the oil industry is very important to us. Last year, Nebraska produced 13,183,000 barrels of oil and ranked 17th in production among the States of the Union.

For that reason, it is particularly alarming to listen to the current campaign in favor of letting down the barriers against imported oil and increasing our dependence on foreign sources to meet our petroleum needs. Petroleum is the most vital of strategic materials, in war or peace. In its summary to the Cabinet Task Force now studying our petroleum policy, the Department of Defense says:

The very chance of success or failure in any conflict hinges on oil.

In Southeast Asia today, about 50 percent of the military tonnage consists of petroleum products. About 90 percent of this need is supplied from foreign sources, but the Department points out that normal foreign sources may be denied for a variety of reasons, political as well as military. For example, our sources in the Arab countries were denied for a short time—7 to 10 days—during the 1967 Middle East crisis. In case of such an interruption, the Department says:

We must maintain a capability in the U.S. to supply our war needs. . . .

The 1967 interruption for political reasons by the Arab countries did little damage precisely because we have maintained the potential within the United States to expand production, if necessary, to fill all our petroleum needs from domestic sources.

The Department of the Interior, in its submission of material to the Cabinet Task Force, points out that interrup-

tions of world flows of petroleum have in fact occurred no less than six times since World War II. This experience emphasizes the urgent need to be able to rely primarily on domestic sources. The Interior Department concludes:

The United States must maintain the ability to meet a very high percentage (90 percent) of its petroleum requirements from secure sources.

Mr. President, the Nebraska Legislature has taken note of the study of our petroleum policies now being conducted by the Cabinet Task Force under the immediate direction of Mr. Phillip Areeda. I ask unanimous consent to have printed in the RECORD, Legislative Resolution 78, passed in the Legislature of Nebraska on August 5, urging that the present oil import policy of the United States be continued.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATURE OF NEBRASKA, 80TH SESSION LEGISLATIVE RESOLUTION 78

(Introduced by Robert L. Clark, 47th District; Lester Harsh, 38th District; Leslie A. Stull, 49th District; Terry Carpenter, 48th District; Leslie Robinson, 36th District)

Whereas, petroleum production is an exceedingly important part of the economy of the State of Nebraska, and

Whereas, the oil industry spends nearly \$22,000,000 annually on production supplies and equipment in Nebraska, or 75% of the total investment for this purpose by all mineral industries in the state, and

Whereas, there is an annual average capital expenditure for exploration and production in Nebraska of about \$9 million, and

Whereas, the annual payrolls for exploration and production in Nebraska are about \$4 million, and

Whereas, the oil severance tax in Nebraska amounts to about \$750,000 per year, and

Whereas, there has been no recent large discoveries of oil in Nebraska although there has been considerable exploration, and

Whereas, it is necessary for Nebraska to have a continuous flow of capital for the purposes of exploration, and

Whereas, there is great need for building up oil reserves, and

Whereas, any increase in the present oil imports would certainly discourage continued drilling, exploration and leasing in Nebraska.

Now, therefore, be it resolved by the members of the Nebraska Legislature in eightieth session assembled:

1. That we as members of the Nebraska Legislature are highly concerned about the future of the oil production industry in Nebraska.

2. That we believe that the present oil import policy of the United States should be continued.

3. That copies of this resolution be sent by the Clerk of the Legislature to Mr. Phillip Areeda, Executive Director, Cabinet Task Force on Oil Import Control, 726 Jackson Place, N.W., Washington, D.C. 20526 and to the members of the Nebraska Congressional Delegation.

JEROME WARNER,
Speaker and Acting President of the
Legislature.

I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 78, which was passed by the Legislature of Nebraska in Eightieth regular session on the fifth day of August, 1969.

HUGO F. SRB,
Clerk of the Legislature.

VIETNAM WAR INJURIES

Mr. MONDALE. Mr. President, recently the Wall Street Journal carried an article on its front page noting the severity of the injuries suffered by American servicemen in Vietnam; a constituent called this article to my attention.

While the Paris peace talks slowly drag along, we must remember that thousands of young Americans continue to die or suffer injuries that will be with them for the rest of their lives. I ask unanimous consent that the article "Many of U.S. Wounded Have Worse Injuries Than in Earlier Wars" from the Wall Street Journal for July 24, 1969, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VIETNAM TOLL: MANY OF U.S. WOUNDED HAVE WORSE INJURIES THAN IN EARLIER WARS—NEW RIFLES, ROCKETS CAUSE MORE DAMAGE; MUTILATION OFTEN CANNOT BE REPAIRED—
"OH, NO, IT COULDN'T BE US"

(By William M. Carley)

A dark speck appears in the Western sky, ablaze with the hot afternoon sun. Within a minute, the speck becomes a big Lockheed Starlifter jet gently landing on the airstrip, its wings drooping like a tired seagull.

The Starlifter has just completed a 7,000-mile flight from Japan to Kelly Air Force Base in Texas, bringing badly wounded servicemen back from the Vietnam war. The flight dramatizes one positive aspect of the war: Thanks to speedy evacuation and excellent medical care, many of the wounded who never would have made it back alive from earlier wars are returning alive from Vietnam.

But the plane's mercy flight also underscores a grim fact about the Vietnamese war: In many cases, the men are coming back with wounds far worse than those suffered by survivors of earlier wars.

On the Starlifter, for example, are young soldiers burned over as much as 70% of their bodies. With months of care and plastic surgery, some can return to a semblance of normal living. But for many the price of survival will be to go through the rest of their lives badly mutilated.

"We're saving them, but I don't know for what," says one Army medical officer.

MORE THAN 81 PERCENT SURVIVE WOUNDS

The increase in the percentage of soldiers who survive their wounds is impressive. The Army, which accounts for more casualties than any other service, reports that more than 81% of its wounded men are surviving in Vietnam compared with 74% in the Korean war and 71% in World War II.

Thus far, about 237,000 men in all the U.S. armed services in Vietnam have been wounded and have survived. As in any war, many of the wounds are slight. About half the 237,000 had injuries so minor they didn't even require hospitalization.

In the case of the more severe wounds, the Army Surgeon General's office says that it's too early to make a "definitive" assessment of the long-term effects. But interviews with doctors and patients at several military hospitals in the U.S., where some of the wounded are brought as early as three days after being hit in Vietnam, show there's no doubt about the severity of the patients' wounds. Besides the speedy medical attention in Vietnam that saves a lot of badly wounded men, many wounds are simply more severe to begin with.

High-powered rifles are one cause. Bullets fired from the "burp guns" commonly used against U.S. troops in the Korean war traveled at about 1,600 feet per second, but bullets fired from the AK-47 rifles being used against U.S. forces in Vietnam travel at about

2,400 feet per second. Because a bullet's speed is important in determining its wounding power, this increase often makes the difference between a minor wound and a devastating injury, experts say.

AK-47 DEADLY AT DISTANCE

"At 100 yards, you can almost catch the burp gun shell with a pitcher's mitt, but at the same range an AK-47 can kill a bull moose," says Dr. William Demuth, a University of Pennsylvania professor who has studied the wounding power of rifles.

"The rifles being used in Vietnam have impressively greater wounding power than those used in earlier wars," says Dr. Norman Rich, who treated scores of rifle wounds when he recently served in Vietnam and who now is a surgeon at Walter Reed Army Medical Center in Washington. The Vietnam rifles are causing "massive destruction" of flesh, bone and nerves when they hit, says Dr. Rich.

One soldier—call him Tommy—provides an example. A few months ago the 24-year-old soldier was in Vietnam. A North Vietnamese rifleman caught Tommy in his sights and fired one shot. In an instant the bullet went through Tommy's helmet, through his forehead and came to rest at the back of his skull.

"The bullet destroyed most of his brain," says Dr. Ludwig Kempe, a neurosurgeon who treated Tommy at Walter Reed. "He breathes, but he is and will remain totally unconscious—he will never even know he's here."

BIGGER THAN BAZOOKAS

Bigger rockets also cause worse wounds. In Korea, bazookas were used against U.S. troops, but in Vietnam much larger 122mm. and 240mm. rockets are being used.

Comparing the bazooka with the larger weapons "is like comparing a firecracker with a stick of dynamite," says an Army officer.

One soldier recently hit by a rocket blast had his lower right arm blown off, was hit by 33 fragments in his other arm, in his chest and abdomen and in both legs, and was burned over 60% of his body.

That men can survive such wounds, of course, is due to the high quality of medical care almost immediately available to them. Modern drugs also save many soldiers.

Men burned over large portions of their bodies, for example, usually didn't survive in previous wars. They would die not from the burn itself but because deadly pseudomonas bacteria would invade the burned tissue and then spread throughout the rest of the body.

In the past few years, however, new drugs such as Sulfamylon have been developed to fight the pseudomonas bacteria. Dr. Basil Pruitt, chief of the burn unit of the Army Institute for Surgical Research, says the new drugs have cut the fatality rate in half for burned men. For example, of patients with burns covering almost half of their bodies, nearly 60% die previously, but now fewer than 30% die.

But the drugs cannot reverse the mutilation of men who survive extensive burn wounds. After being flown to Kelly Air Force Base by Starlifter jets, burned men are taken to the Army's burn unit, which is at nearby Brooke Army Hospital in San Antonio. One patient now in the burn unit is Peter, a 20-year-old Army private. When he was injured in March, Peter was in a Sheridan tank, working as a loader for the main gun.

"We were moving through a rubber plantation one afternoon when we were attacked by mortars, rocket-propelled grenades and machine guns," he says. "Our tank began firing, and the main gun jammed. Then a rocket-propelled grenade hit us, and there was a big fire."

Peter tried to claw his way out of the intense heat of the tank fire, "but the hatch was so hard to open," he says. By the time he

got out, all of Peter's fingers had been burned off. He also suffered severe burns on his arms, face, chest and neck.

Helicopters get much of the credit for helping the wounded come back alive. Tried in a few cases in Korea, helicopters are used in almost every medical evacuation in Vietnam, and they cut the time between injury and medical treatment from hours or even days to minutes.

FASTER THAN AT HOME

Because of the helicopters, says one military medical officer, "an American wounded in the remote jungles or rice paddies of Vietnam has a better chance for quick, definitive surgical care by top specialists than were he hit on a highway near his hometown in the U.S."

In the case of a young soldier named Warren, as in many others, this reduction in time made the difference between life and death. A lanky 22-year-old Marine sergeant, Warren was a member of a platoon moving through a rice paddy near Hue when it ran into enemy fire. "Charlie (the Vietcong) was in a concrete bunker," he says. "I began shooting with my grenade launcher, and they opened fire with a .50-caliber machine gun. The first machine gun round grazed my face, but the second hit my right cheek."

Warren only remembers being helicoptered out of the rice paddy, and nothing after that until he woke up 24 days later in a U.S. military hospital. But his doctor, Dr. G. W. Anastasi, a plastic surgeon at the Chelsea Naval Hospital near Boston, says Warren would have died had it not been for the helicopter evacuation.

"He either would have bled to death or died of infection," Dr. Anastasi says.

But again, the survivor must live with a terrible wound. The bullet, as it emerged from the left side of Warren's head, blasted away most of the left side of his face. "He came here so mutilated you have no idea what he originally looked like," says Dr. Anastasi. Despite numerous operations, Warren will have practically no vision in his left eye and will be badly disfigured for life.

HELICOPTER CASUALTIES

Unfortunately, things that save lives sometimes also produce casualties themselves. The vastly increased use of the helicopter in Vietnam is itself leading to severe wounds because of crashes.

On May 13, for example, a helicopter flew into a jungle valley to pick up wounded from the fight on Hamburger Hill. "We saw a smoke signal," says Jim, the 24-year-old lieutenant who commanded the craft. "We couldn't land—the jungle was too thick—so we hovered over the trees about 100 feet up, and dropped a litter basket on a line to load the patients."

Then, he relates, a rocket-propelled enemy grenade shot into the helicopter's open cargo door and exploded. "I felt, 'Oh, no, it couldn't be us,' but the helicopter began turning over and falling towards the ground."

The helicopter turned upside down and crashed. Jim escaped from the cockpit only seconds before the aircraft exploded and burst into flames. In the crash, however, Jim's left leg was sliced off.

The nature of the war being waged in Vietnam also contributes to some more serious wounds. In Korea and World War II, much of the fighting was done from the protection of trenches and bunkers. But in Vietnam soldiers are often fully exposed while on patrols or search and destroy missions. Thus, a mortar or rocket shell exploding near a soldier in Korea might have injured only one limb—but in Vietnam it may spray fragments into several areas of his body.

A SHARP INCREASE

The Army says the category of "many multiple wounds in which there was no single

predominant location" includes 20% of patients in Vietnam compared with only 2% in Korea and 3% in World War II.

Dr. Peter Biron, a surgeon at the Chelsea Naval Hospital near Boston, says that many patients have multiple severe injuries, "treating them is very difficult." He adds that "there are no books that have been written on how to handle these complex cases. Doctors have to learn as they go along."

In some cases, medical advances have at least partially offset the effects of the more severe wounds. If a high-velocity rifle bullet hits a soldier in the arm, for example, damage to blood vessels and interruption of the blood flow could cause gangrene and necessitate amputation. But in recent years doctors have learned how to repair the blood vessels and thus save many limbs. The Army Surgeon General's office says that in World War II and Korea, 2% to 2.5% of those hospitalized were amputation cases. But in the Vietnam war the 659 Army men who have lost limbs thus far comprise only about 1% of the hospitalized casualties.

Even so, a soldier who keeps a wounded limb may face a difficult future. A high-powered rifle bullet may destroy nerves as well as blood vessels, and doctors say it's far more difficult and often impossible to restore full function of certain nerves. The result is that a soldier may retain his wounded arm, but it may dangle uselessly at his side for the rest of his life.

Advances have been made in plastic surgery. In the past when a patient was burned over large parts of his body, for example, doctors sometimes had trouble getting enough skin from the patient's unburned areas to cover the huge burns.

In recent years, however, surgeons have tripled the area a piece of skin can cover by cutting a series of incisions in the skin and then stretching it into a mesh-like web before applying it. After the skin is applied over the wound, it eventually grows together, filling in the mesh holes.

But in many cases such advances still don't restore a burn victim to anything like his original appearance. One 34-year-old Air Force pilot was burned when his plane crashed on takeoff from a Vietnamese airfield. He has since gone through 17 plastic surgery operations.

But the fire badly burned his face, burned off most of his hair and burned off most of his ears, and doctors say that even with the best medical techniques, he will never look the same.

"I have to tell them that I can't restore their original looks," says Dr. Anastasi, the plastic surgeon at Chelsea Naval Hospital. "I say, 'Son I'm only a surgeon, and when I do scar revisions, I only trade one scar for another.'"

UTAHN DIRECTS APOLLO 11 SIMULATION

Mr. BENNETT. Mr. President, now that our three Apollo 11 astronauts are safely back on earth after their incredible voyage to the surface of the moon, it is time to begin giving high credit to the many individuals whose expertise prepared the men and their machine for the historic flight.

As a citizen of Utah, I cannot help but take pride in the role played by one of our native sons, John P. Mitchell, who is in overall charge at Cape Kennedy of the command module trainer, which simulates in remarkable detail the living in and handling of the Apollo spacecraft.

The importance of this facet of the astronauts' training program is indicated in the fact that Michael Collins spent

Urges elimination of the provisions for including interest paid on State and local government bonds in the Limit on Tax Preferences and in the Allocation of Deductions proposals, as well as the provision for an interest subsidy.

HON. GRADY L. PATTERSON, TREASURER, STATE OF SOUTH CAROLINA
State and local bonds

Urges that all proposals affecting the exempt status of the interest on State and local government bonds be deleted from H.R. 13270.

Contents that these proposals strike at the sovereignty of the State and will substantially increase the local tax burden due to increased interest costs.

Argues that the tax-exempt status will be destroyed by the "minimum tax" proposal, and damaged by the allocation of deductions proposal by jeopardizing investor confidence.

Maintains that the tax exemption is a direct method of revenue sharing. Feels that the interest subsidy proposal would result in administrative complexities.

Believes that investors in municipal bonds are paying a tax by accepting a lower yield. States that the secondary bond market of commercial banks will be irreparably damaged as a result of the proposed change in tax treatment of bond sales by banks.

HON. JAMES H. J. TATE, MAYOR, PHILADELPHIA, PA., AND VICE PRESIDENT U.S. CONFERENCE OF MAYORS

State and local bond interest

States the House proposals respecting tax-exempt bonds would permit the Federal Government to begin to exercise the most coercive form of dominion over State and local governmental functions by subjecting them to financial controls through the use of taxing power.

Characterizes the proposals as "fiscal irresponsibility," and states the financial liabilities they would impose upon State and local governments would overwhelmingly exceed any gross return to the Treasury in the form of income taxes. Claims the proposals would actually cause a net loss in tax revenues to the Federal Government.

Suggests that the passage of any legislation which would result in even the indirect taxing of tax-exempt bond interest would insure the continuing chaotic state of the bond market for years to come because litigation challenging the constitutionality of such legislation would be inevitable.

Indicates disapproval of the interest subsidy provisions of the House proposal because of the wide latitude given the Treasury to determine the amount of the subsidy and also because the Congress could curtail or eliminate the subsidy at any time. Believes this proposal would result in a loss of independence by the State and local governments.

THE PESTICIDE PERIL—LV

Mr. NELSON. Mr. President, many people alarmed about the dangers of persistent, toxic pesticides have lamented the lack of information on how to safely dispose of the pesticides which are presently sitting on their shelves.

Unfortunately, there has been very little published on this problem. The Department of Agriculture 5 years ago put out a booklet on safe disposal of dangerous pesticides, but it apparently badly needs updating. The State of Michigan has been a leader in establishing controls on the use of DDT and related pesticides and earlier this year ordered a ban on DDT in that State. Following

through on that ban, the State Department of Natural Resources has now published a bulletin entitled, "How to Dispose of DDT," which is available on request in single copies, small numbers or large quantities. As this information is of general interest, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

HOW TO DISPOSE OF DDT

HOMEOWNERS

To get rid of DDT (dichloro diphenyl trichloroethane) products such as aerosol bombs, liquid sprays, powders, and dusts—bury them on your own property. If each homeowner does so, these products will be safely dispersed and will reduce dangerous concentrations of DDT and other toxic materials at public disposal sites. By law, ingredients are listed on the label.

1. Select a place away from trees and other desirable shrubs or plants and at least 50 feet from any well or surface water such as a lake, stream, pond, or drain.

2. Dig a hole deep enough to cover the DDT products and containers with three feet of dirt.

3. Aerosol (pressurized) cans should not be punctured, but put in the hole intact.

4. Glass and metal containers should be opened and put in the hole tilted down to allow drainage. The glass should not be broken.

5. Bags and boxes should be buried intact.

6. The hole should not be left open. It should be filled with three feet of dirt immediately.

The only exception to the above recommendations is if the water table on your property is less than five feet below the ground. (If you do not know your underground water level, call your local health department.) If the water table on your property is less than five feet below the ground, your health department will advise you on what to do.

(NOTE.—DDT and other toxic products should not be flushed down the toilet, poured down a drain, put in the garbage or trash can, or taken to a public dump or landfill.)

AGRICULTURAL, COMMERCIAL AND MUNICIPAL USERS

The disposal of DDT in larger quantities should be done in one of the following ways:

A. Bury on own property

1. Select a site at least six feet above the highest ground water table in an area that is not likely to be used for crops or building purposes. The site should be at least 300 feet from any well or surface body of water including lakes, streams, ponds and drainage ditches.

2. Dig a hole deep enough to cover the insecticide and containers with three feet of soil.

3. Open containers of liquids before placing them in the hole so as to permit drainage of the insecticide from the containers.

4. Place bags or cartons containing wettable powders or dusts in the hole intact.

5. Fill in the hole with soil immediately.

B. Disposal through Michigan Department of Natural Resources

Notify your field office, Michigan Department of Natural Resources, of products to be disposed of, particularly those in 30 and 55 gallon drum lots. The Michigan Department of Natural Resources will take them to central collection facilities. Here, storage facilities will be posted and locked and materials will be held for proper disposal.

In case of accidental poisoning or suspected poisoning—a local poison control cen-

ter or physician should be contacted immediately.

PACE OF TROOP WITHDRAWAL FROM VIETNAM TOO SLOW

Mr. MONDALE. Mr. President, I welcome the administration's announcement of further troop withdrawals from Vietnam by December, but I am disappointed. Our disengagement from the war is too slow.

It is time to recognize our mistakes in Vietnam, to wind down the tensions of the war, to end needless American deaths and to end the costs and inflation brought by the war. We must turn the war back to the South Vietnamese, fairly and systematically, but completely.

According to a recent editorial in the Minneapolis Tribune the administration's total scheduled withdrawal of 60,000 men in about 6 months is an average of 10,000 men a month—an average which would keep U.S. troops in Vietnam until 1974. This is not "ending" the war.

I ask unanimous consent that the editorial entitled "The Withdrawal of 35,000 More Troops" from the Minneapolis Tribune for Wednesday, September 17, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE WITHDRAWAL OF 35,000 MORE TROOPS

President Nixon's decision to withdraw 35,000 more troops from Vietnam by Dec. 15 is another step toward winding down U.S. involvement in the war. But it is not enough.

The total scheduled withdrawal of 60,000 men in about six months represents an average of about 10,000 a month. At this rate, if it were to be continued, American troops would not leave Vietnam until nearly 1974—or four years from next Christmas. Four years is longer than American fought in World War II.

In reaching his decision, Mr. Nixon apparently sought a middle ground between the recommendations of some advisers (civilians) who wanted a bigger troop cut and of other advisers (military) who are resisting pressures to withdraw from Vietnam.

Since President Nixon first pledged 18 months ago that a new administration would end the war, 19,000 Americans have died in Vietnam, died in a war that few still say is vital to our national interest. Meanwhile, while the President tells the nation that he will not negotiate the right of the people of South Vietnam to determine their own future free from outside influence, this country continues to prop up a repressive, unrepresentative, corruption-scarred government in Saigon. And this country continues a massive presence in Vietnam which not only is devastating vast areas of that country but which saps the will of many South Vietnamese to fight what should be their cause, not ours.

Through his announcement Tuesday, Mr. Nixon has moved in the right direction and has demonstrated, we believe, his desire to end the war. But he has again made an end of U.S. involvement dependent upon a response from North Vietnam and the Viet Cong and dependent upon the actions of the South Vietnamese generals. The President has not—or at least his announcement suggests he has not—made the decision to get out of Vietnam within a reasonable time. Ten thousand troops a month is too slow.

and force State and local governments to curtail services needed by the average citizen or increase local taxes, principally regressive property and sales taxes.

Contents that the bill has caused State and municipal interest rates to skyrocket and has narrowed the gap between tax-exempt and comparable taxable bonds from 30 to 35 percent to only 17 percent. Argues that enactment of the bill would cost fully 1 percent additional interest.

Contents that when new issues equal the present level of \$130 billion, the annual cost of the bill to States and municipalities will be \$1.3 billion, and the added cost over the life of the bonds will be some \$17 billion. States that this enormous extra burden on State and local governments and their taxpayers would offset many times over the mere \$80 million a year which the Treasury estimates would be realized from applying both LTP and the allocation plan to all State and municipal bonds, even those now outstanding.

Argues that the violence of the market reaction contradicts the Treasury assertion that it results only from inclusion in LTP of State and municipal interest, which the Treasury opposes, and not from their inclusion in the allocation plan, which Treasury favors. Contents that the market reaction results from loss of investor confidence in continued exemption, once Congress for the first time repudiates the basic concept of exemption by "gimmick" plans to reduce the value of exemption, and that investor confidence can be restored only by scrapping all the bill's plans to curtail tax exemption of State and municipal bonds.

Argues that there is no evidence of abuse of the exemption, and that the facts on the 154 non-taxpaying millionaires shows no holding of State or municipal bonds by the group.

States that in the highest bracket, adjusted gross income of \$315,000 and over, 38 percent of the individuals had no municipals at all, and only 6 percent derived as much as 25 percent from this source. States that 7 percent of those in the middle income bracket of \$16,400 to \$31,000 adjusted gross income hold municipals, and that they can be caught by the bill.

Argues that gains from tax exemption in recent years have been more than offset by capital shrinkage of the market price of the bonds as interest rates have risen.

Contents that the bill will produce State retaliation in the form of LTP and allocation plans applicable to the \$300 billion of Federal bonds hitherto exempt from State taxation.

Argues that municipal bondholders already pay 30 percent to 35 percent to the cost of government by accepting that much less interest than comparable taxable bonds would yield, and that since 30 percent to 35 percent is the highest level of tax proposed on other "tax preference" income, there is no argument in equity for exacting it a second time from the holder of municipals.

Maintains that the State and municipal bonds exemption is not a congressionally created "tax preference," but derives from the constitutional form of our Federal system which Congress is not free to change.

Contents that the provisions are unconstitutional, and that litigation over their validity would produce market chaos for years.

Maintains that the provision taxing "arbitrage bond" interest is outrageous, since if properly defined there are no such bonds which can be lawfully issued.

States that the Federal interest subsidy plan is a travesty of a truly optional plan when combined with the inclusion of State and municipal bond interest in LTP and allocation of deductions, because there are no tax-exempt bonds to opt for. Objects to al-

lowing the Secretary of the Treasury to be the arbiter of what the rate of recompense should be. Argues that a 25 percent floor under the recompense rate threatens a return to the issuers of less than tax exemption has saved them. States that the plan would leave the States and municipalities helpless if the recompense was withdrawn by a later Congress after the traditional tax-exempt market had withered away.

WILLIAM SUMMERS JOHNSON, DIRECTOR OF FINANCE, CITY AND COUNTY OF HONOLULU, HAWAII

State and local bond interest

Expresses the hope that the tax reform legislation will not increase the borrowing costs of State and local governments, or even leave the matter in doubt, but will help to reduce these borrowing costs.

Believes modification of the bill will reduce borrowing costs for State and local governments, achieve the purpose of the legislation, and avoid some of the philosophical objections to the bill.

Suggests that the interest-cost sharing formula be made definite and that it provide for gradually increasing cost sharing. Believes it appropriate to set the first year rate at 30 percent, and provide for an increase of 1 percentage point each year, until the 40 percent level is reached in 10 years. Contents this would accomplish the equity purposes of the limited tax preference provision, not by taxing the tax-exempt bonds, but by causing them to largely disappear.

States that this would also bring about an orderly shift from non-taxable to taxable municipals outstanding without serious capital losses.

HON. ELMER O. FRIDAY, FLORIDA STATE SENATOR

Taxation of State and municipal bonds

Indicates that the Council of State Governments opposes the provisions of the bill which alter the tax treatment of municipal bonds. Maintains that these proposals have disrupted the municipal bond market and have driven interest rates to a height to seriously threaten the fiscal ability of State and local governments to meet the public needs.

Believes that States would have to do one of three things if the bill is enacted: (1) reduce financing by bonds, but increase taxes; (2) pay increased interest costs, increasing the debt and taxes; or (3) reduce needed public services.

Argues that the interest subsidy would be expensive to administer and could be used to coerce local governments to depend more on Washington. States that if the subsidy is high, local governments will be forced to abandon the present system of tax-exempt bonds entirely.

THOMAS M. O'CONNOR, PRESIDENT, NATIONAL INSTITUTE OF MUNICIPAL LAW OFFICERS

Municipal bonds

Urges that the present reciprocity of tax immunity between Federal and municipal bonds be continued.

Contents that direct or indirect taxation of municipal bonds is unconstitutional as enunciated in *McCulloch v. Maryland* and *Pollock v. Farmers' Loan & Trust Co.*, (1894), and was upheld in *Hale v. Iowa State Board* (1937), *Helvering v. Gerhardt* (1938), *James v. Dravo Contracting Co.* (1937), and *First Agr. Nat. Bank v. State Tax Commission* (1938).

Maintains that the 16th amendment did not have any impact on the Pollock decision holding municipal bonds tax exempt.

Argues that *United States v. Atlas Life Insurance Co.* does not support the constitutionality of the allocation of deductions proposal, as *Atlas* only involved taxation of insurance companies, not individuals, and involved allocation of income, not deductions by individuals.

WILLIAM E. SIMON, MUNICIPAL DIRECTOR, INVESTMENT BANKERS ASSOCIATION OF AMERICA

Tax treatment of State and local bond interest

Argues that impairment of the income tax exemption of State and municipal bonds will drastically increase the cost of future local government financing, and that the increased cost will be passed along to the average taxpayer, especially homeowners, in the form of higher local taxes.

States that the market for municipal bonds has become almost completely demoralized and many local governments have been unable to issue their bonds at rates within the maximum limits fixed by law, as a result of investor reaction to the bill, specifically the limit on tax preferences and the allocation of deductions provisions. Contents that the mere threat of the proposed change of status has already raised municipal bond interest rates by at least one-half of 1 percent to a full 1 percent.

States that the allocation of deductions would affect many more taxpayers than would the limit on tax preferences. Maintains that under either proposal, the States and their municipalities will pay for more in interest costs than the Treasury will ever gain in revenue.

Argues that the proposal is in effect a capital levy in that it causes a major reduction in the market value of outstanding bonds, and that the breach of what was believed to be a constitutional exemption will permanently deter many investors from buying municipal bonds.

Maintains that the Federal interest subsidy plan would put State and local borrowing into direct competition with Federal bonds, private industry borrowing, and mortgages. This would likely bring about an across-the-board rise of three-fourths of 1 percent in the level of interest rates on taxable securities, both Federal and private. This escalation of interest rates would hit first and hardest at the already depressed home mortgage market. Results of a comprehensive survey of institutional investors conducted by Dr. Sally S. Ronk show that the Treasury would lose \$121 million annually if tax-exempt issues were replaced by taxable issues.

NORTHCUTT ELY, GENERAL COUNSEL, AMERICAN PUBLIC POWER ASSOCIATION

State and local bond interest

Opposes the limit on tax preferences and allocation of deductions proposals, because their combined effect would cripple the borrowing power of States and municipalities. Believes the cost of money would thereby increase and impose long-lasting inflation on local taxes which support schools and essential public services.

Also opposes the House proposal which would entitle local governments to a subsidy, contending it would largely deprive local governments of the power of self help. Believes that to the extent local governments are willing to carry their own burdens, it is in the national interest that they be permitted to do so.

Urges deletion of House provisions affecting tax-exempt interest, and offers amendments which would accomplish this.

RICHARD D. WILSON, GENERAL COUNSEL, CONSUMER PUBLIC POWER, DISTRICT OF NEBRASKA

State and local interest

States that the House provision will increase the relative burdens of the lower-income individual and will complicate the Federal income tax system. Expresses doubts as to the constitutionality of the proposals, and believes they will increase the costs of local governments, and that the increases will be passed on to their taxpayers.

in a favored position. If there are deficiencies in the present tax law, I strongly believe that Congressional action can resolve them in a manner consistent with the traditions that have fostered support rather than diminished it. It is difficult to see why the Congress should change that emphasis at a time when educational and charitable causes need strengthening.

Finally, as a student of government stretching across a quarter century of teaching at Johns Hopkins, Michigan, and Columbia, I find the sections of the bill that would muzzle groups from making representations before Congress appalling. Such a sweeping restriction would tend to stifle the very breath of a pluralistic society and in my judgment ought to be eliminated.

CONCLUSION

Perhaps the House of Representatives, faced by the praiseworthy pressures for general tax reform, did not give adequate consideration to certain less visible implications of the proposed tax reform bill. The leadership of American higher education, both private and public, hopes these critical issues will receive careful consideration before action is taken in the Senate. Speaking as the president of one of the largest public universities in America who has had experience with private foundations from both perspectives of grant-receiver and foundation officer, it seems to me that the following specific recommendations should be considered by this committee:

1. At the same time that limitations are placed on the deductibility of charitable contributions, including gifts of appreciated property, ways should be found to formulate deductibility so that the complexity of computation does not increase the likelihood of reduced gifts to institutions which need them so badly.

2. In considering the possible reduction in total giving which this proposed law may bring about, further attention should be paid to the public benefits which are derived by the donation to institutions, libraries, and museums of paintings, books, and collections of valuable papers.

3. In establishing the amount of deductibility of charitable gifts, and therefore assessing the degree to which the federal government should, in effect, encourage such gifts, attention should be given to the public benefits which flow from those gifts—specific research and educational efforts which make it possible for public as well as private institutions to improve their service to students and the society; the widely accepted viewpoint that the educational quality of our institutions of higher education and the educational health of the nation both require strong private as well as public efforts in higher education; the relief that these gifts provide to state and federal governments and students, all of whom otherwise bear the burden of supporting a growing and changing higher education system in the Nation; and, therefore, the need to encourage increases rather than decreases in private gifts to higher education.

4. Serious consideration should be given to alternatives to the 7½ per cent tax on foundation investment income and stock ownership limitations by some means which will meet the regulatory necessities, but not weaken the capacity of these foundations to support vital activities either within the foundations or at the nation's universities. Alternatives are available to cover the costs of investigating and regulating the activities of foundations which would meet the recognized need to maintain constant examination of foundation activities, without penalizing institutions assisted by the foundations or reducing the clear public benefit of legitimate foundation activities now provided.

5. Finally, tax legislation that affects the

income of public and private higher education should always be considered in the context of the important question of possible alternatives to the contribution made by foundations to research, instruction, and management of American higher education. Greater dependence on the federal government for financial and management support is the only alternative I can visualize.

GI BILL ACTION IN SENATE

Mr. MONDALE. Mr. President, on October 8, the gentleman from Pennsylvania, Congressman SAYLOR, placed in the RECORD an editorial from the Army Times charging the Senate Labor and Public Welfare Committee, and specifically its Subcommittee on Veterans' Affairs, with "foot-dragging" on the proposed GI bill rate increases.

I feel that such a charge is very unfair in light of the most commendable and diligent record of the Veterans' Affairs Subcommittee under the chairmanship of the Senator from California, Senator ALAN CRANSTON. As a member of that subcommittee, I speak from firsthand experience in pointing out the great amount of veterans legislation considered and favorably acted upon during this session by the subcommittee and the full Labor and Public Welfare Committee, on the basis of 6 days of hearings.

At the full committee level, the Senator from Texas, Senator RALPH W. YARBOROUGH, chairman of the Labor and Public Welfare Committee, a member of the Veterans' Affairs Subcommittee, and its former chairman of 7 years, has most expeditiously moved this legislation to the floor with the vigorous leadership he has always displayed on veterans education and training measures.

I think that the unfortunate Army Times editorial is fully rebutted by an October 15, 1969, article in the Army Times entitled, "Senate Unit Ups GI Bill" and a letter to the editor from Senator CRANSTON published in the October 22 edition of the Army Times entitled, "Cranston Group Drags No Feet."

Mr. President, I ask unanimous consent that the material referred to immediately above be printed in the RECORD at this point in order that my colleagues may have a clear understanding of the true facts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Army Times, Oct. 22, 1969]

CRANSTON GROUP DRAGS NO FEET

DEAR EDITOR: In your Oct. 1 edition, you published an editorial stating that the Senate Labor and Public Welfare Committee, and its Veterans Affairs Subcommittee, of which I am chairman, had been guilty of "foot-dragging" on important veterans education and training legislation.

I think the record of the subcommittee and the full committee amply rebuts that charge. The subcommittee has conducted six days of hearings in eight months, equal to the combined number of hearing days by the subcommittee during both sessions of the last Congress. These hearings have been published in three volumes containing more than 630 printed pages of testimony from 54 witnesses, again substantially more than the last two sessions combined.

On the day your editorial appeared, the subcommittee had already been scheduled to

meet the next day, Oct. 2, on these bills in executive session, which it did.

On Oct. 9, based on the subcommittee's unanimous recommendation, the Labor and Public Welfare Committee unanimously ordered reported to the Senate eight veterans bills—two consolidated education and training bills and six hospital and medical care bills.

The Senate action represents the most comprehensive approach to the G.I. bill since it was originally enacted. First, it calls for a far larger and more realistic increase in G.I. bill education rates—46 percent—than the House bill—27 percent. Moreover, it proposes a new comprehensive education and training program, with an estimated first-year cost of almost 150 million dollars.

This comprehensive package of provisions from eight other bills would seek to encourage and assist veterans to make the maximum use of their G.I. bill benefits under the following circumstances.

For those still in service, the bill would authorize direct payment to schools to encourage their participation in a predischARGE education program (PREP) conducted on or near military bases for servicemen shortly before discharge.

The bill would extend G.I. bill allowances to veterans in elementary as well as high school level courses.

It would also extend allowances to veterans in college preparatory courses on college and junior college campuses including courses for correcting academic deficiencies before entering college.

It would supplement educational coverage under the regular G.I. bill, regardless of the educational level, through direct payment to schools providing veterans with remedial tutorial, counseling or other special supplementary assistance to improve educational performance.

The bill would authorize grants to schools to establish special educational programs for veterans, including public service-oriented programs such as for the training of policemen, firemen, medical technicians, and inner-city teachers.

It would permit reduction of minimum college semester-hour requirements for full-time and part-time G.I. bill eligibility.

It would offer veterans the option of counting non-credit hour courses toward their eligibility for full-time allowances.

The bill would greatly expand and provide new orientation for the outreach services program to search out Vietnam veterans and counsel them regarding their benefits and assist them in obtaining them. Included would be payment of reasonable interview and relocation expenses when a veteran so assisted must move to enter a job or training program.

The bill contains some house-passed provisions as follows: (a) to eliminate most of the bars to so-called duplication of education and training benefits; (b) to liberalize measurement of high school courses; (c) to tighten up the prerequisites for pursuing G.I. bill flight training; (d) to permit more rapid payment of the initial G.I. bill allowance to veterans in non-college courses; (e) to make more flexible the measures of widows' and war orphans' eligibility for G.I. bill benefits; (f) and to permit V.A. approval of interstate transportation apprenticeship programs.

I hope this serves to set the record straight and I trust you will publish this letter.

SENATOR ALAN CRANSTON,
Chairman, Subcommittee on Veterans Affairs.

[From the Army Times, Oct. 15, 1969]

SENATE UNIT UPS GI BILL (By Larry Carney)

WASHINGTON.—A Senate subcommittee has approved legislation to raise GI Bill education and training allowances by 46 percent

a university is less flexible, less innovative, less dynamic than it must be if it is to be truly excellent and responsive. With them, it can make the moves, undertake the studies, catalyze the change, strengthen the weaknesses, create the new units—meet the demands that are not susceptible to regular, proportionately increased state and federal appropriations. These are the hard and real demands of a rapidly changing and problem-ridden society which historically has turned to its resources of public higher education to address itself to these needs. It is ironic that so often it is the support by private gift or foundation that really enables the public university to do what the public demands of it. One important example at the University of Minnesota is the development of a new program in Family Practice and Community Health, which was made possible by a grant given by the Louis W. and Maud Hill Family Foundation. The development of this program was in response to the public demand of Minnesota that our health care delivery system is presently inadequate to meet the demands for health services.

4. Clearly many of the resources of a university that give it special distinction as a community or national resource are the direct result of gifts facilitated by the tax provisions which are under question before this committee. Works of art, collections of private papers, books, and even whole libraries often come into the possession of a university museum, or other institution as gifts with tax relief implications for the donors. Such gifts then become public resources, where they once were private and unavailable to their communities. They enhance the institution and the community and help the university to serve its historic role of heightening the quality of life in the society through the careful stewardship and cultivation of educational resources.

WEAKNESS IN THE LEGISLATION

Under Sections 101 and 201 of the proposed legislation, H.R. 13270, there could be serious disruption of these vital resources.

1. The proposed legislation would make gift planning extremely complicated for individual donors, especially where appreciated property is involved. The tax advantage to the donor, though it fortunately remains a significant one, would be less than under the present law. How much that one fact will affect the volume of private contributions is unclear. But even more important is the difficulty of estimating how much the tax advantage would be at any one time. In a given situation the planning of a large gift of appreciated property involves so many indefinites and interdependencies that a donor might be persuaded to do nothing at all, especially since the tax advantage is decreased in any case from its present status. While there is definitely a need to place some limitations on deductibility and avoid relieving donors from having any tax obligations at all, it is unfortunate from our standpoint that the proposed changes should compound the effects of limiting deductions by adding a good deal of confusion to the computation.

2. By discouraging large gifts, the proposed regulations would complicate the use of these gifts by the institutions which receive them. Large gifts have a double advantage for an institution like the University of Minnesota, for they cut the proportional costs of fund-raising at the same time that they make it possible for the institution to make better plans for their use. A single gift, if it is large enough, may be dedicated to a single, independent, long-range use, thus providing assurance of future availability of funds for that purpose. The limitation on gifts of appreciated property to 30 per cent in the case of individuals appears certain to reduce the size of gifts.

3. To the extent that these laws and regulations bring a general reduction in private giving to the University of Minnesota or other educational institutions—or even a reduction in the rate of increase of giving—the proposed laws will increase the pressure on students and federal and state treasuries for support of higher education. This is a time of significant change in higher education, and of phenomenal growth as well. Throughout the nation, state governments are reaching the limits of their ability to finance public needs and retain the good will of taxpayers at the same time; and the difficulties of federal financing of public education need no elaboration before this body. The result is that students in public institutions of higher education are being required to provide an escalating share of the costs of that education. At the same time, institutions are struggling to maintain quality instruction in the face of increased numbers and costs, while they are faced with constant and justified demands to provide education that is more relevant to our complex and technical society.

The members of this committee are well aware of the increasing demand for student assistance funds. In the case of loans a nearly unbearable debt burden is placed on students who are not fortunate enough to have their educations financed for them. To the extent that universities are caught between pressure to limit taxation and this anticipated reduction of private financing, the visible remaining source of income is our students. The proposed changes in tax legislation, while they do not affect public institutions as harshly as private institutions, will nevertheless cause a greater hardship for our students.

FOUNDATIONS

4. Finally, there is little doubt that the proposed regulations will adversely affect both the fund-raising and fund-distributing capacities of our private foundations. As a matter of fact, that appears to have been at least partly the intention of the House bill.

As I stated earlier, I have no interest in protecting any organization that tries to dignify its political, profit-making, or ideological thrusts through the protections that have been provided to private foundations under our laws. But it is absolutely vital to distinguish those misuses of the law from the legitimate and very valuable support and services provided by our best foundations to American higher education in particular and to the American society in general.

(a) First of all, every effect of the proposed tax reforms on private giving is an effect on foundations as well. Like the universities, they receive and manage gifts from individuals, using the proceeds for their own research and support efforts, many of which are carried on in the universities. Their gifts to the universities, in turn, assist those institutions in the same way that private gifts assist them—by providing support of critical efforts for which funds would otherwise not be available. A qualifying foundation under the proposed law, then, will suffer from the same problems and the universities will suffer the effects of those problems in potentially reduced income.

(b) Besides the total value of the support universities receive from our legitimate foundations, there are other important functions they provide as well. In its relationship to a university, a foundation reduces the costs of fund-raising for that university by acting as a sort of broker. To the extent that the proposed law reduces the capacity of the foundations to accept and distribute funds, it will complicate the fund-raising activities of individual institutions, which have in the past had a dependable and flexible intermediary in the private foundation. The impact of these laws would be especially great in the

contribution of appreciated properties to foundations.

(c) The weakening of the role of foundations in higher education would reduce the contribution foundations make to the improvement of higher education as well. Many private foundations not only act as convenient resources for the collection and distribution of private funds to universities, but also function as coordinators of research and support of specific matters of substance.

A foundation may undertake to study a particular issue or procedure—for example, the development of university information management systems—and thus establish itself as a national resource in that field. Through such a function, the foundation reduces the necessity for overlapping studies in individual universities and increases the possibility that an acceptable common practice can be established. Such efforts are expensive and require resources which are not available in a single institution. The foundation can commit the required funds centrally and coordinate the use of resources—functions which no individual institution can manage.

In this function, in fact, private foundations provide a desirable alternative resource to the involvement of the federal government in such efforts, since the federal government is the only other institution which can muster the financial resources and operate throughout the nation to make use of resources in individual institutions.

(d) For foundations which make these contributions to American higher education, perhaps the most unprecedented and undesirable aspect of the proposed legislation is the 7½ per cent tax on investment income of the foundations. The effect of this taxation would be a direct reduction in the amount of funds available to universities through the foundations, thus striking at the support of the vital university efforts outlined above. For foundations involved in legitimate educational efforts, this seems unnecessary punitive.

The Louis W. and Maud Hill Family Foundation in St. Paul is heavily involved in grants to institutions of higher education, including the University of Minnesota, and has provided information that indicates that the 7½ per cent tax, exclusive of tax on capital gains, would diminish the amounts available annually for grant purposes by at least \$177,000. This relatively small foundation supported efforts at the University of Minnesota amounting to more than \$600,000 during the fiscal year ending in 1969. If it should determine that the University of Minnesota must bear the entire brunt of its new tax-paying status, more than one-fourth of the critically-needed funds from this foundation would disappear from the University's budget. However, if it were to distribute the reduction, essential efforts would be curtailed in the institutions to which the Foundation provides grants. There simply would be that much less money available for distribution. And, as the spokesman for the foundation points out, "Of course, all foundations would be subject to the same tax and would have less funds for grant-making purposes." Furthermore, if capital gains income should be taxed in this foundation, the loss to grant-receiving institutions would be approximately doubled. Interestingly enough, this loss to institutions would be a loss to those organizations which the proposed legislation, for the most part, specifically excludes from taxation.

It makes little sense to require taxes to be paid from funds which would have supported cancer research and student assistance programs but not from those which support the self-serving activities of trade associations and other lobbying organizations. The tradition of Congressional treatment of charitable organizations has been to place them

and make the increased payments retroactive to September 1.

The measure—approved by the veterans affairs subcommittee of the Senate Labor and Pensions Committee—is much more liberal than a similar proposal passed by the House early this summer. The House measure would raise GI Bill allowances an average of only 27 percent. Effective upon enactment.

Full committee action is expected some time around mid-October. Cost for the entire package is estimated at more than \$500 million the first year.

Subcommittee chairman Sen. Alan Cranston (D., Calif.) said the GI Bill hike increase measure was among 19 veterans education and medical bills approved by his group last week.

Three of the bills are designed to encourage more veterans without high school diplomas to get their diplomas under the GI Bill.

To accomplish this, the subcommittee proposes establishment of a new pre-discharge education program for active duty personnel in their last 12 months of service. The subcommittee hopes to tie the program in with Defense Department's Project Transition which trains servicemen approaching separation for civilian skills.

Under the subcommittee bill, the government would pay up to \$150 monthly directly to the school towards education and training costs of servicemen enrolled in duty-hour or off-duty study.

Aid would be limited to servicemen with at least 12 months' service. Those who take advantage of benefits would not have it counted against GI Bill entitlement.

The education program would be in addition to GI Bill benefits already available to servicemen with two or more years' active duty but the legislation would preclude servicemen from taking advantage of both programs at the same time.

Senate Labor Committee chairman Sen. Ralph Yarborough (D., Tex.) promises speedy action on the veterans package, hoping to get it to the Senate floor "by the end of October or early November."

The subcommittee bill would raise monthly GI Bill allowances from \$130 to \$190 for single veterans; from \$155 to \$218 for married veterans; and from \$175 to \$240 monthly for veterans with two dependents. Veterans with more than two dependents would get \$15 additional in allowances per child. They now receive \$10 additional per child.

Under the House-passed bill, monthly allowances for single veterans would go to \$165 monthly; to \$197 monthly for veterans with one dependent; and to \$222 monthly for veterans with two dependents. It would provide \$13 additional monthly per child to veterans with more than two dependents.

Other bills approved by the subcommittee would:

Pay special grants to colleges and universities which establish special training projects and tutorial services for disadvantaged veterans.

Provide a 46 percent increase in allowances for orphans and widows taking training under the VA-administered dependents assistance program. Allowances for service-connected disabled veterans taking instruction under the veterans vocational rehabilitation program would be raised to similar levels. Vocational rehabilitation training is generally limited to veterans with disabilities rated 30 percent or more.

Broaden on-the-farm instruction for veterans under the GI Bill.

Permit veterans to borrow up to \$1000 for flight training lessons.

Give unlimited community nursing home care to veterans hospitalized because of a service-connected disability.

Provide hospital and outpatient care to veterans totally and permanently disabled for their non-service-connected ailments.

Entitle veterans drawing non-service-connected disability pensions admittance to VA hospitals without having to take a pauper's oath of inability to pay. A comparable House bill would drop the pauper's oath requirement only for veterans 72 years of age or older. The Senate bill would drop the age limitation and bring an additional 67,000 veterans under its provisions.

Pay for drugs and medical care for permanently housebound veterans, regardless of whether their disability is service-connected.

Increase per diem rates the VA pays state nursing homes for hospital care from the present \$3.50 to \$7.

SENATOR ROBERT C. BYRD "TELLS IT LIKE IT IS"

Mr. SCHWEIKER. Mr. President, I ask unanimous consent to insert in the Record an editorial from the Weirton, W. Va., Daily Times of October 14, 1969, entitled "Tells It Like It Is," together with a speech, the subject of the editorial, delivered by the junior Senator from West Virginia (Mr. BYRD) to the Weirtonian Lodge No. 183, Italian Sons and Daughters of America, in Weirton, W. Va., Saturday, October 11.

There being no objection, the editorial and the speech were ordered to be printed in the Record, as follows:

TELLS IT LIKE IT IS

Sen. Robert C. Byrd, who has served 16 years in the House of Representatives and the Senate, spoke bluntly here Saturday about the expanding threat to the security of the nation by hostile minority groups.

He addressed the Weirtonian chapter of the Italian Sons and Daughters of America in the K. of C. and "told it like it is."

Of all the speakers invited to the long series of Weirtonian dinners, Sen. Byrd's remarks were greeted with the most enthusiasm and the most frequent applause.

He praised the great record achieved by nationality minorities who came to America in search of liberty and freedom and stayed to contribute heavily to this nation's great progress.

But the rise of the hippies, the leftists, anarchists and black militants, he said, has created a major crisis in America and he warned that the next 10 years may decide the future of American freedom and democracy.

He said the great majority of Americans—all of whom were in some sort of minority group in the past history of America—are the Forgotten Men of this generation. The Forgotten Men, he said, are those who pay their way, who ask nothing from their government but the opportunity to work and to rear families and be good citizens in an orderly and lawful society.

America's great majority, he said, is made up of many former minorities. They are not minorities anymore. The interwoven strands of the fabric of America have become inseparable.

Sen. Byrd declared that rebellious acts against the government by irresponsible minorities must not be tolerated.

Police should clamp down and the government authorities and the public should support them completely.

He urged that there be no amnesty and no probation granted in criminal cases.

He appealed for an end to terrorism and anarchy and demanded the constitutional rights of the citizens be protected fully.

Sen. Byrd is the third top ranking Democrat in the U.S. Senate, next only to Mike Mansfield and Edward Kennedy. He has great influence in Congress and commands the admiration of most of the people of West Virginia.

Sen. Byrd won his last Senate race by the greatest margin in the history of senatorial races in West Virginia.

He'll be running again in 1970. There isn't a Democrat (including Jay Rockefeller) or a Republican, at this stage, who will be able to stop him at the polls.

TELL IT LIKE IT IS

Mr. Sinicropi, Congressman Molloyhan, Mr. Grossi, Mayor Rybka, Father Altmeyer, Mr. Garnetta, members of Weirtonian Lodge No. 183, Italian Sons and Daughters of America, ladies and gentlemen:

It is indeed a pleasure and a high privilege for me to be invited to address you on this delightful occasion.

While all of us are Americans, most of this audience consists of second and third generation Americans of Italian ancestry. The rest of the audience, including myself, consists of Americans whose ancestry is also European—other than Italian—and possibly there are some Americans here whose ancestry is rooted in the Middle East. But whatever the ancestry, as I say, we are all Americans.

In view of the fact that most persons here tonight are of Italian ancestry, I think it would be appropriate and, indeed, desirable for me to say that well over 25 million Americans today are proud to claim a part in the Italian heritage. Heirs of "the grandeur that was Rome," the people of Italy have, century after century, added new dimensions to that grandeur in all the arts and sciences known to man. The Italians of America—and their sons and daughters and grandchildren born here in America—have consistently contributed to our common American cultural heritage, a heritage which is, like love, "a many splendored thing."

What is this heritage to which we all have contributed, regardless of whether our ancestry a century or two or three ago was Scotch, Irish, German, Italian, English, Polish, Greek, Jewish or Lebanese? And how is it meaningful for our Nation in these troubled days?

Let me suggest that this heritage is a composite of many elements and ingredients, which are especially pertinent to the problems we confront at this time in the history of our country and of the world.

Let me suggest that it is a heritage made up of a deep respect for law and good order, and a willingness to work hard and to raise one's self and one's family up in the face of adversity and to enter with ever-increasing effect into the mainstream of American life.

So, I do not speak to you tonight about the beauties of the old world cities, such as Florence and Venice, the golden Bay of Naples, or the hill towns of Tivoli and Assisi, which themselves are among the most beautiful creations of man; nor do I speak of the unique contributions to civilization made by such men as Dante, Michelangelo or Verdi. These have been chronicled beyond number.

But I do feel that I ought to speak of the legacy of strength and stability, resourcefulness and industry which have been so prominently associated with Americans of old world ancestry, and in which we can take such great pride today as we see all about us the need, in our American society, for these characteristics of enduring greatness.

Your ancestors and mine who came to this country from the old world asked no special favors. They sought no special status. They took this country and this society the way they found it, and they made it their own.

They won the esteem, the admiration, and the respect of other people by their conduct, their industry, their love of home and family life, their desire to get ahead and to succeed on their own merits.

Let me say that I have never personally known of a Hungarian or a Lebanese, a Jew or a Greek or a German or an Italian, etc.,

being on relief. There may have been such cases, but I have not personally known of them. All whom I have known have worked too hard and have been too industrious and have had too much pride to descend to a life of depending on government handouts.

I do not say this in derogation of welfare recipients *per se*; there are many persons on welfare who are in need of help, but it is not true of all who are on the welfare case-loads today.

Everyone hears excuses today for those who live in the slums. But what are slum dwellers doing for themselves? That is what counts. You have heard the advertisement: "You can get Salem out of the country but you can't get the country out of Salem." I am of the opinion that you can get some people out of the slums, but you can't get the slums out of some people.

Some people will create slums wherever they go. Put them into the best of apartments or family dwellings. Within six months the plumbing will be ripped up, the banisters will be broken down, the windows will be knocked out and the doors kicked in, garbage will be on the floor and in the yard, and rats will be running all over the place.

Most of our early immigrants were crowded into the cities, but they kept the floors scrubbed and their children clean. If there was a square foot of ground, they planted a flower. If there were a few square yards in the back lot, they planted some vegetables. They shined shoes, peddled fish, sold newspapers, and before long they had lifted themselves up by their own bootstraps and had put their children through school and had bought a little property of their own.

We have heard so much in the last few years about discrimination—and I do not defend discrimination based on color or religion. (I do, however, defend discrimination based on conduct.) But those early immigrants were also often discriminated against.

Did they burn cities? Did they go into the streets and loot and destroy? Did they turn in false fire alarms and then throw bottles and bricks at the firemen who came to answer the false calls?

No! They patiently labored to win the confidence and respect of others, and they took their rightful place in the mainstream of American life.

They did not push and shove and threaten and demand something for nothing. They showed themselves to be law-abiding citizens, of good conduct, and they made the grade. They were the rock-ribbed stuff that America was made of. They made their own way, educated themselves and their children, contributed to their communities out of their own talents and they were good neighbors, good citizens, and good Americans.

It was that sturdy stock which made America a great Republic. And if America is to be restored to its former greatness, it will be because those of us who live today are determined to perpetuate the ideals and the traditions, the respect for law and order, the high regard for work, the rugged individualism and the faith of our fathers.

If I may digress for a moment, some years ago, I was in Iraq, the land known in Biblical times as Mesopotamia—the land between the two great rivers, the Tigris and the Euphrates.

One day, I journeyed with an old Arab guide from Baghdad down to the ancient city of Babylon on the banks of the Euphrates. He showed me the site where Belshazzar's hall had once stood, and we stood at the place where Belshazzar's feast had been held.

Belshazzar, you remember, was the King of Babylon who gave a great banquet for his friends, inviting a thousand of his lords. At one point in the banquet, the king asked the servants to bring in the sacred golden vessels that his father had taken from the house of God, the Temple in Jerusalem, and

the king and his friends drank from the sacred vessels.

As this was taking place, the fingers of a man's hand appeared and began to write on the wall of the King's palace.

Belshazzar did not know what the words meant, and the wise men of his realm were unable to interpret the words for him. Finally, he sent for Daniel, one of the thousands who had been forced into exile, and who had won for himself a reputation for being able to interpret the meaning of things hidden from others.

Daniel interpreted the writing that was written:

"... God hath numbered thy kingdom, and finished it... Thou art weighed in the balances, and art found wanting... Thy kingdom is divided, and given to the Medes and Persians."

The handwriting on the wall was a message of impending doom. That very night, king Belshazzar was slain and Babylon fell.

Do you see any handwriting on the wall today?

I suggest that the handwriting is plain and that it is just as timely and serious as it was in the ancient story, and that it calls us as a Nation to return to the great and abiding truths implicit in the heritage that is ours as Americans.

I think the average citizen is more deeply troubled about his country's future today than at any time since the great depression in the early thirties.

Every time we turn around there is a crisis of some sort—the welfare crisis, the urban crisis, the pollution crisis, the Vietnam crisis, the inflation crisis, the civil rights crisis—one crisis after another. There just seems to be no place where one can escape anymore.

We seem to be fighting a futile war abroad and living in a malignant racial atmosphere at home.

Middle class values are under more obdurate attack today than ever before—what you believed in, and what you learned in school, in church, and from parents.

The sanctity of work is questioned, and the stability of the family is becoming less and less an American virtue.

The American home is becoming the target for the most salacious pornography; and the exploitation of sex and nudity in the mass media erodes morals further every passing day.

Premarital chastity is old fashioned; filial gratitude for parental sacrifice is looked upon as something square; and work is something to be studiously avoided. Nobody wants to start at the bottom anymore.

We see violence and sex and drugs on television; and the streets and parks are filled with hippies with their love beads and black militants with their African bush haircuts.

The SDS is making inroads into the high schools; teachers are beaten up; hoodlums brandish switch-blade knives in the hallways; and policemen have to be stationed in city schools to keep order.

Black militants—and not all Negroes are black militants—have interrupted church services to demand—and they are getting—reparations from the churches; they threaten to close down the banks and industrial plants; and the Kerner Commission blames it all on white racism. The fact is there has been racism on both sides.

We are told we must feel guilty for the sins of the slave owners a century or two or three ago; and society is blamed for having made the rapist, the murderer, and the mugger what he is.

The past half-dozen years have seen protest marches, civil disorders, so-called civil disobedience, demonstrations, race riots, and city block after city block destroyed by the torch.

Motorists have been pulled from their automobiles and their cars set afire.

Looting has become all too commonplace, while the National Guard has been ordered to stand by with guns empty.

Policemen have been abused, maligned, assaulted, and stomped to death in the streets by mobs.

Militants have taken over local school board meetings, city council meetings, and the halls of state legislatures; and, in some instances, they have been led by individuals who claim to be clergymen.

University speakers have been forced to cancel speeches by dissenters who cannot brook dissent.

College Presidents have been ejected from their offices by student extremists.

Militants, armed with shotguns, hatchets, and knives, and shouting Black Power slogans, have taken over administration buildings, and TV viewers have seen school officials capitulate to the arrogant demands of troublemakers.

Black Panthers and street gangs foment revolution and advocate guerrilla warfare.

Inflation erodes everybody's pay check, and the government adds a surtax on income.

Illegitimacy is growing apace, and the Federal Government is subsidizing it through welfare spending.

Welfare rolls are burgeoning—and I am not against welfare for the needy. Militant welfare mothers have formed an alliance to demand higher welfare checks, and they will spit in your face if you dare suggest that they go to work.

Government anti-poverty programs have been used to incite unrest and rebellion.

The nationwide increase in crime is 9 times the increase in population, and the Nation's Capital is fast becoming a city of fear and violence.

The state of the Nation is increasingly a matter of concern to the thinking citizen, and the future of the Republic is to be viewed with alarm.

One may, with justification, ask the question: "Will the Republic survive?"

This will depend, in my judgment, largely upon the kind of leadership which is given to the Nation during the next ten years.

If we have leaders who show continued weakness in the face of threats, who yield to the demands of militants, and who sacrifice the good of the Nation for political expediency, then our country has seen its best days.

On the other hand, if we have the kind of leaders which the times require—men who are willing to take a stand against those who want something for nothing and against those who seek to acquire, by intimidation and threat, property and privileges which they are unwilling, or which they lack the ability, to acquire through hard work, perseverance, and deserving effort; men who will put country first and votes second; men who will insist upon equal rights for all people and not just for a minority—then there may yet be some hope for the future.

Somebody is going to have to talk sense—common sense.

What is needed is more discipline and more guts, with less pandering to the demands of a militant minority.

Militants who take the law into their own hands should no longer be granted amnesty for their criminal acts.

Defiance of authority—whether in the schoolroom or in the street—must not be tolerated.

School boards, school principals, and college presidents who insist upon discipline must be given the strong backing of the people.

Law enforcement authorities and the chief executive officers of state and nation should make it indubitably clear that whatever power is necessary will be used with firmness, determination, and without hesitancy to deal with riots and rioters, mobs and violence, and that innocent law-abiding citizens—both black and white—and their



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