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Before I do that, I'd like to brighten your day a bit. I wonder how many of you happened to see a news story in The National Observer detailing the fact that the bids on the Alaskan North Slope oil lands amount to $1,169 for each citizen of Alaska. Not that going to make that amount in cash. But there are some interesting suggestions as to what the Legislature of Alaska ought to do with the money. One idea calls for abolishing the state income tax. Another is to move the state capital from Juneau to someplace else—anyplace else. And a third idea is to give all Alaskans a $250 monthly pension when they turn 65.

Inasmuch as you are all oilmen, I thought you'd like to know that oil people are heroes in Alaska—to everybody but the Eskimos, that is.

That's quite a switch, isn't it, from being the favorite whipping boy of the 91st Congress?

That comment naturally takes us into the tax reform and tax relief bill of 1969—I think it will be 1969.

I supported the tax bill as it passed the House of Representatives last August 7. In that bill, House Ways and Means Committee members, and House members generally, responded to the public demand for tax reform and tax relief. While the House bill does not have as anti-inflationary a cast as one might wish, it is by and large a constructive piece of legislation.

I think the tax bill as it takes final shape after amendment by the Senate and compromise action by the House and Senate will be basically the House bill. But I can understand the motivation behind proposed changes sought by the Administration.

The Administration is supporting most of the House provisions. New proposals would lower the regular corporate income tax rate from the current 46 per cent to 40, saving corporations $1.6 billion by 1972 at profit levels. The Administration proposals would give upper-income taxpayers better treatment than the House bill does and would cut taxes for low-income families by $920 million instead of the $2.7 billion reduction in the House legislation. The Administration also would keep the long-term capital gains tax at 25 per cent, except for taxing very large gains at the 32.5 per cent rate fixed for all capital gains in the House bill.
What the Administration is saying, in effect, is: We should moderate the cuts in the House bill in the interests of fighting inflation, and we should not to kill the goose that lays the golden eggs.

What will happen in the Senate I do not pretend to know. I do not have a reliable soothsayer there.

But I will rely on Mike Mansfield's statement that a bill will be enacted this year, and I will add to that my declaration that a tax bill must be approved this year for the good of the Nation.

The kind of uncertainty to which the economy has been subjected for months has gone on far too long as it is. We need to call the signals and get the plays in motion.

One more comment about the tax bill. It is built on a foundation provided by the Nixon Administration last April. It was the Nixon Administration which provided the initial impetus for the most comprehensive tax reform measure being shaped by the Congress since the income tax first was adopted 56 years ago. Among the Administration recommendations of last April were proposals to take five million low-income off the tax rolls and to sharply reduce taxes for eight million others.

So when congressional critics charge that the Nixon Administration is more concerned about corporation presidents than America's poor, it is nothing but the cheapest kind of demagoguery. It's just plain dirty pool, to use a good American expression.

It is interesting to note, too, that those members of Congress who are most anxious to sign away huge sums of Federal revenue through deep tax cuts are the same members who are eager to exceed the President's budget requests for domestic programs and to cut the amounts Mr. Nixon believes are needed to maintain this Nation's defensive strength.

What we have is a situation where some lawmakers are forgetting that fighting inflation goes far beyond just imposing a spending limitation on the President. The responsibility for restraining inflation rests just as heavily with Congress as with the President.

I believe spending for military programs must be held to the minimum necessary for a sound national defense. But I believe Congress must also keep a careful check on non-military spending, particularly at this time when a sizable Federal surplus is needed to restrain inflationary pressures.

I have been pleased to see that those in the Congress who
have been over-zealous in their efforts to reduce military spending have not prevailed in such areas as President Nixon's limited missile defense program, the Safeguard ABM system, construction of a new nuclear aircraft carrier, and development of a new strategic bomber to replace the B-52 intercontinental bomber. Close scrutiny of proposed new weapons procurement and of military construction is most healthy in our society. But the challenges to such expenditures must not be so over-weighted as to approach irresponsibility.

I do believe the debate over military spending has produced some good byproducts—study of the need for future aircraft carriers, extra safety precautions and a cutback in spending on chemical and bacteriological warfare, for the multi-billion-dollar cutbacks ordered by the Defense Department itself, I think we would have seen this military spending hold-down without any pressure from the Congress.

I think those who would cut our military spending too deeply are making a mistake. Not only would they place our national security in jeopardy but they would be flying in the face of the American people's desire to keep this Nation militarily strong.

Where would the American people cut Federal spending? I think they would hold back our space spending now that we have reached the moon. Not cut it to levels that would seriously hurt the space program but hold it to a pace which would divert more Federal money into water pollution control, improvement of local law enforcement, Federal aid to cities, and defense programs apart from Vietnam.

A settlement in Vietnam is, however, the key. This is what we desperately need to rearrange our priorities and to focus proper attention on the pressing problems of the Seventies. I believe Mr. Nixon is doing everything humanly possible to end the Vietnam war with honor.

Let me turn now to the Occupational Safety Act of 1970, being considered in the House by the Daniels Subcommittee.

Here are about to start on this legislation, and the prospects are for a battle between supporters of the Administration bill and backers of the old Democratic bill which was reported out in modified form last year but didn't go anywhere.

Occupational Safety and Health probably will go over until next session. From what I have been able to observe, liberal Democrats in the Education and Labor Committee are determined to clobber any legislation the Administration sends to that committee. And they do have the votes to do it, so the Administration's
recourse will have to be on the floor of the House via the amendment route.

On the coal mine safety bill reported out last Thursday by the House Labor and Education Committee, the prospects are for enactment of the strongest coal mine health and safety bill ever to clear the Congress.

Remaining differences center on two main provisions—a Federal "service charge" of 2 cents a ton on mined coal for a health-research and lung X-ray program, and Federally-financed workmen's compensation for disable and dead victims of black lung disease.

Rep. John Erlenborn and other Republicans contend that the 2-cent service charge is actually a tax, and so the matter should be considered by the House Ways and Means Committee. As for workmen's compensation, that has always been handled by the states. If we provide Federally-financed workmen's compensation for coal miners, will other workers not also demand Federal funding of such programs?

But all in all the mine safety bill emerged from the committee a better bill than the original proposal. It contains, for instance, rights of review and appeal not only with regard to the enforcement of standards but also the writing of them.


Thus far only private witnesses have testified, and nearly all of them have endorsed Mrs. Dwyer's approach. In fact, Mrs. Dwyer's bill has been co-sponsored by Rep. Leonor Sullivan.

Mrs. Dwyer's bill has broad support and may be enacted sometime next year.

The proposal to establish an office of consumer affairs is an idea whose time is about to come. If the time is not next year, it is not much farther off. The question that remains is the content of the bill. There is movement also in this direction on the Senate side of the Capitol in Sen. Ribicoff's Executive Reorganization Subcommittee.

I have touched on subjects in which I felt you had a special interest. Now I would like to make some general comment on the direction in which Congress is tending.

There has been little action to date, but the work that has been done has been distinguished by its quality.
The President is disappointed by the slowness of the pace, but I am going to withhold judgment on this first session of the 91st Congress until we adjourn for the year.

Some politicians on the other side are fond of citing the tremendous avalanche of legislation passed by the 89th Congress, as though sheer numbers of bills are the criterion of a good Congress.

I recall when Senate Majority Leader Mike Mansfield remarked that the 89th Congress had passed so much legislation so quickly that it was full of loopholes and rough corners and needed remedial action.

So I will be satisfied if the 91st turns out to be a Quality Congress—but implicit in that term quality will be the responsiveness of the 91st Congress to the major reforms proposed by the Nixon Administration.

I believe this Nation and its people will be severely short-changed if the 91st Congress does not enact draft reform, postal reform, welfare reform—the transformation of welfare into workfare, reform of the food stamp program, narcotics abuse control, obscene mail control, a mass transit program, an air safety program, and the revenue sharing which is the heart of President Nixon's "New Federalism."

President Nixon is moving to meet this Nation's most massive problems—and the Congress must move with him.

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George Bernard Shaw put it this way: "We are all dependent on one another, every soul of us on earth."

The responsibility for guiding the future of America rests not only with the Congress, not only with governmental leaders, not only with the President. That responsibility devolves upon all of us. Each of our lives impinges on the lives of others. To the extent that we all live the good life, the unselfish life, the lives of all others are enriched.

We all believe in the American Dream. Let us live so that all may share in it.
War

Tax reform

Espionage

Defence - military industrial complex

[Handwritten notes]

[Signature]

Quotas
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