

The President should release a substantial portion of the \$13 billion frozen by the Office of Management and Budget.

These measures will provide the economy with much more stimulation than the President's package. With unemployment above 5 million, our first priority must be to encourage a vigorous expansion that will put millions of unemployed back to work.

I am glad to see that the House Ways and Means Committee has already completed action on the tax package. Although it contains some notable improvements over the bill sent up by the administration, the Ways and Means bill is still heavily biased in favor of the corporations. I hope the Senate will be able to effect further significant improvements when this legislation comes over from the House.

I ask unanimous consent that my two bills be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2707

A bill to provide economic growth and stability by restoring the investment credit, accelerating individual income tax reductions, postponing social security tax increases, and providing additional weeks of unemployment insurance benefits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Growth and Stability Act of 1971."

TITLE I—RESTORATION OF INVESTMENT CREDIT; ELIMINATION OF ASSET DEPRECIATION RANGE SYSTEM

SEC. 101. RESTORATION OF INVESTMENT CREDIT.

(a) Subpart B of part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 (relating to rules for computing credit for investment in certain depreciable property) is amended by adding at the end thereof the following new section:

"SEC. 50. RESTORATION OF CREDIT.

"Notwithstanding the provisions of section 49, for purposes of this subpart, the term 'section 38 property' includes property—

"(1) the physical construction, reconstruction, or erection of which is completed after August 15, 1971, or

"(2) which is acquired by the taxpayer after August 15, 1971.

In applying section 46(c)(1)(A) in the case of property described in paragraph (1) which, but for the provisions of this section, would not be section 38 property, there shall be taken into account only that portion of the basis which is properly attributable to construction, reconstruction, or erection after August 15, 1971."

(b) The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 50. Restoration of credit."

(c) Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to determination of amount of credit) is amended to read as follows:

"(1) GENERAL RULE.—The amount of the credit allowed by section 38 for the taxable year shall be equal to—

"(A) with respect to section 38 property placed in service before August 16, 1971, 7 percent of the qualified investment (as defined in subsection (c)),

"(B) with respect to section 38 property placed in service after August 15, 1971, and before August 16, 1972, 10 percent of the qualified investment, and

"(C) with respect to section 38 property

placed in service after August 15, 1972, 5 percent of the qualified investment."

(d) Section 46(b)(5) of such Code (relating to certain taxable years) is amended—

(1) by inserting after "The amount" in the matter preceding subparagraph (A) "attributable to property placed in service before August 16, 1971," and

(2) by inserting after "taxable year" in subparagraph (a) "attributable to property placed in service before August 16, 1971."

(e) Section 46(c)(3)(A) of such Code (relating to public utility property) is amended to read as follows:

"(A) In the case of section 38 property which is public utility property, the amount of the qualified investment shall be—

"(i) with respect to such property placed in service before August 16, 1971, 3/7 of the amount determined under paragraph (1), and

"(ii) with respect to such property placed in service after August 15, 1971, 1/2 of the amount determined under paragraph (1)."

(f) Section 47(a)(4) of such Code (relating to property destroyed by casualty, etc.) is amended by inserting before the period at the end thereof the following: ", and before August 16, 1971, unless after August 15, 1971, section 38 property is placed in service by the taxpayer to replace the property described in subparagraph (A)."

(g) Section 47(a)(5) of such Code (relating to certain property replaced after April 18, 1969) is amended by striking out "property which" in subparagraph (B) and inserting in lieu thereof "property which is not section 38 property but which".

(h) Section 49(c) of such Code (relating to leased property) is amended by inserting ", and before August 16, 1971" after "April 18, 1969".

(i) Section 49(d) of such Code (relating to property placed in service after 1975) is repealed.

The amendments made by this section shall apply to taxable years ending August 15, 1971.

SEC. 102. ELIMINATION OF ASSET DEPRECIATION RANGE SYSTEM.

(a) Section 167(a) of the Internal Revenue Code of 1954 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "Such allowance shall be computed only on the basis of the useful life of the property in the trade or business of the taxpayer, or in the case of property held for the production of income, on the basis of its useful life in the hands of the taxpayer."

(b) The amendment made by subsection (a) shall apply with respect to property placed in service after December 31, 1970.

TITLE II—ACCELERATION OF INCREASES IN PERSONAL EXEMPTIONS AND STANDARD DEDUCTION

SEC. 201. PERSONAL EXEMPTIONS.

(a) Section 151 of the Internal Revenue Code of 1954 (relating to allowance of personal exemptions) is amended by striking out "\$650" wherever it appears therein and inserting in lieu thereof "\$750".

(b) Section 6013(b)(3)(A) of such Code (relating to assessment and collection in case of certain returns of husband and wife) is amended by striking out "\$650" wherever it appears therein and inserting in lieu thereof "\$750", and by striking out "\$1,300" wherever it appears therein and inserting in lieu thereof "\$1,500".

(c) Subsections (c) and (d) of section 801 of the Tax Reform Act of 1969 are repealed.

SEC. 202. PERCENTAGE STANDARD DEDUCTION; LOW INCOME ALLOWANCE.

(a) Section 141 of the Internal Revenue Code of 1954 (relating to standard deduction) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Percentage Standard Deduction.—The percentage standard deduction is an amount equal to 15 percent of the adjusted gross income, except that such deduction shall not exceed \$2,000 (\$1,000, in the case of a separate return by a married individual).

"(c) Low Income Allowance.—The low income allowance is \$1,000 (\$500 in the case of a separate return by a married individual)."

(b) Section 802(e) of the Tax Reform Act of 1969 is repealed.

SEC. 203. FILING REQUIREMENTS.

(a) Section 6012(a)(1) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended—

(1) by striking out "\$600" each place it appears therein and inserting in lieu thereof "\$750";

(2) by striking out "\$1,700" each place it appears and inserting in lieu thereof "\$1,750"; and

(3) by striking out "\$2,300" each place it appears and inserting in lieu thereof "\$2,500".

(b) Section 941(d) of the Tax Reform Act of 1969 is repealed.

SEC. 204. COLLECTION OF INCOME TAX AT SOURCE ON WAGES

(a) Section 3402(a) of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended—

(1) by striking out "January 1, 1972" in paragraph (3) and inserting in lieu thereof "the 15th day after the date of the enactment of the Economic Growth and Stability Act of 1971";

(2) by striking out paragraph (4) and by renumbering paragraph (5) as (4); and

(3) by striking out "after December 31, 1972" in paragraph (4) (as renumbered) and inserting in lieu thereof "on or after the 15th day after the date of the enactment of the Economic Growth and Stability Act of 1971".

(b) Section 3402(b) of such Code (relating to percentage method of withholding) is amended by striking out the table contained therein and inserting in lieu thereof the following:

Percentage method withholding table	
	Amount of one withholding exemption
Weekly	\$14.40
Biweekly	28.80
Semimonthly	31.30
Monthly	62.50
Quarterly	187.50
Semiannual	375.00
Annual	750.00
Daily or miscellaneous (per day of such period)	2.10

(c) Paragraphs (3) and (4) of section 805 (b) of the Tax Reform Act of 1969 are repealed.

SEC. 205. EFFECTIVE DATES.

The amendments made by sections 201, 202, and 203 shall apply to taxable years beginning after December 31, 1971. The amendments made by section 204 shall apply with respect to wages paid on or after the 15th day after the date of the enactment of this Act.

TITLE III—POSTPONEMENT OF INCREASE IN SOCIAL SECURITY WAGE BASE

SEC. 301. ONE-YEAR POSTPONEMENT.

Section 203 (c) of the Act entitled "An Act to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes", approved March 17, 1971 (Public Law 92-5) is amended by striking out "1971" each place it appears therein and inserting in lieu thereof "1972".

SEC. 302. AMENDMENTS TO SOCIAL SECURITY ACT.

(a) Section 209 (a) of the Social Security Act is amended—

(1) by striking out "1972" in paragraph (5) and inserting in lieu thereof "1973"; and

(2) by striking out "1971" in paragraph (6) and inserting in lieu thereof "1972".

(b) Section 211 (b)(1) of such Act is amended—

(1) by striking out "1972" in subparagraph (E) and inserting in lieu thereof "1973";

(2) by striking out "1971" in subparagraph (F) and inserting in lieu thereof "1972".

(c) Sections 213 (a)(2)(ii), 213 (a)(2)(iii), and 215 (e)(1) of such Act are each amended—

(1) by striking out "1972" and inserting in lieu thereof "1973"; and

(2) by striking out "1971" and inserting in lieu thereof "1972".

SEC. 303. AMENDMENTS TO INTERNAL REVENUE CODE.

(a) Section 1402 (b)(1) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "1972" in subparagraph (E) and inserting in lieu thereof "1973"; and

(2) by striking out "1971" in subparagraph (F) and inserting in lieu thereof "1972".

(b) Section 6413 (c)(1) of such Code is amended—

(1) by striking out "1972" each place it appears therein and inserting in lieu thereof "1973"; and

(2) by striking out "1971" each place it appears therein and inserting in lieu thereof "1972".

(c) Section 6413 (c)(2)(A) of such Code is amended—

(1) by striking out "or 1971" and inserting in lieu thereof "1971, or 1972"; and

(2) by striking out "after 1971" and inserting in lieu thereof "after 1972".

TITLE IV—ADDITIONAL EXTENDED UNEMPLOYMENT COMPENSATION BENEFITS

FEDERAL-STATE AGREEMENTS

SEC. 401. (a) Any State which desires to do so may enter into an agreement with the Secretary of Labor (hereinafter in this title referred to as the "Secretary") under this title, if the State law of such State contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970.

(b) Any such agreement shall provide that the State agency of the State will make payments of extended unemployment compensation in like manner as is required by the Federal-State Extended Unemployment Compensation Act of 1970, except that, for purposes of such agreement only section 202 (b)(1) of such Act shall be deemed to be modified—

(1) by striking out, in subparagraph (A), "50 per centum" and inserting in lieu thereof "100 per centum";

(2) by striking out, in subparagraph (B), "thirteen times" and inserting in lieu thereof "twenty-six times"; and

(3) by striking out, in subparagraph (C), "thirty-nine times" and inserting in lieu thereof "fifty-two times".

(c) Any agreement entered into under this section shall be effective for the period specified in such agreement, except that the effective period of any such agreement shall not—

(1) become effective prior to the date on which such agreement is entered into, nor

(2) terminate later than 12 months after the date on which such agreement becomes effective or, if later, 15 months after the date of enactment of this title.

(d) (1) There shall be paid to each State which has entered into an agreement under this section an amount equal to 100 per centum of the expenses incurred by the State (including administrative expenses) in carrying out such agreement, disregarding any such expenses which would have been incurred by the State in carrying out its State

law (as defined in section 205 (10) of the Federal-State Extended Unemployment Compensation Act of 1970) in the absence of any agreement under this section.

(2) Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under such agreement for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State for such month. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(3) Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used by the Secretary for the making of payments to States having agreements entered into under this section. There are hereby authorized to be appropriated to such account such additional sums as may be necessary to assure a sufficiency of funds in such accounts for the making of the payments authorized by this section and by section 204 of the Federal-State Extended Unemployment Compensation Act of 1970.

(e) As used in this section, the terms "State" and "State agency" shall have the same meanings as those assigned by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

S. 2708

A bill to increase the authorizations of appropriations under the Emergency Employment Act of 1971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 5(a) of the Emergency Employment Act of 1971 is amended by striking out "\$750,000,000" and inserting in lieu thereof "\$1,500,000,000".

(b) Such section 5(a) is further amended by striking out "\$1,000,000,000" and inserting in lieu thereof "\$2,000,000,000".

(c) Section 6(a) of such Act is amended by striking out "\$250,000,000" and inserting in lieu thereof "\$500,000,000".

By Mr. HATFIELD:

S. 2709. A bill to permit American citizens to hold gold in the event of the removal of the requirement that gold reserves be held against currency in circulation. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATFIELD. Mr. President, I send to the desk a bill I am introducing today and ask unanimous consent that it be printed at the conclusion of my remarks.

Mr. President, since 1933, the price of gold in the United States has been fixed and the citizens of our country have not been allowed to own it, except under very limited conditions. President Franklin Roosevelt wanted to reduce the monetary role of gold and took the initial step to this end by supporting the proposition that citizens could not privately own it. That goal has now been officially accomplished by President Nixon's announcement in his August 15, 1971, address to the Nation on the economy.

For years, we have tried to maintain the price of gold at \$35 per ounce. On the free gold market in London, however,

the price of gold has vacillated around \$58.50. As Congressman RARICK, who has introduced similar legislation in the House—as has Congressman PHILIP CRANE—has pointed out:

This means that our Government is allowing foreigners to deplete our gold reserves and still make a profit of about \$23.50 per ounce.

Today, there are roughly 70 countries that allow their citizens to own gold, in either coin or in other form. Among these countries are representatives of every continent in the world including, United Kingdom, France, Japan, Israel, Egypt, Sweden, Switzerland, Taiwan, Turkey, Hong Kong, Brazil, Panama, Mexico, Canada, and the German Federal Republic. It might be noted that among these countries are some of the most successful economies in the world; allowing their citizens to own gold has not been a brake on their success.

Prof. Milton Friedman points to the historical reasons for taking gold out of private hands of U.S. citizens in a column in Newsweek magazine:

This nationalization was for one purpose and one purpose only: to keep private individuals from profiting by the rise in the dollar price of gold that the government deliberately engineered. Private holders of gold were required to turn their gold over to the U.S. Treasury at \$20.67 an ounce when the market price was well above this sum.

This was an act of expropriation of private property in no way different in principle from Castro's nationalization of U.S.-owned factories and other properties without compensation or from Allende's nationalization of U.S.-owned copper mines in Chile at a price well below market value. As a nation, we do not have a leg to stand on when we object to these acts of expropriation. We did precisely the same thing to residents of the U.S.

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

S. 2709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. At any time when reserves in gold or gold certificates are not required by law to be held against currency in circulation—

(1) the Secretary of the Treasury shall sell any gold held by the United States to any citizen of the United States on demand at a price equal to that then being charged foreign governments, banks, firms, or individuals for gold purchased from the United States Treasury.

(2) the Secretary of the Treasury may purchase from any citizen in the United States any gold tendered at a price equal to that then being paid to foreign governments, banks, firms, and individuals for gold being purchased by the United States Treasury.

(3) no prohibition in the Gold Reserve Act of 1934 or any other law and no prohibition in any regulation, shall be effective to prohibit or restrict the acquisition, holdings, or disposition to prohibit or restrict the acquisition, holdings, or disposition of gold by any citizen of the United States.

By Mr. HARTKE:

S. 2710. A bill to provide for rational planning of rail services and facilities for the economic and physical restructuring of railroads when necessary to insure the continuation of essential rail