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Mondale Calls School Policy a 'Hoax'

By PAUL DELANEY

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WASHINGTON, Aug. 12 — Senator Walter F. Mondale, Democrat of Minnesota, charged today that the Nixon Administration was continuing to grant tax-exempt status to white private schools in the South, contrary to previously announced policy.

In what the Senator termed the most depressing testimony he had heard so far, the Internal Revenue Service Commissioner, Randolph W. Thrower told the Senate Select Committee on Equal Educational Opportunity today that tax-exempt status was granted solely on the word of officials of the schools that minorities would be admitted.

Mr. Thrower made a similar announcement on July 10 when he said the I.R.S. would no longer give exempt status to white schools that continued to segregate. He said the only proof furnished by schools to the agency was written declaration that they were now open to all races.

Senator Mondale called the Administration's policy a "fraud and a hoax," asserting that accepting the word of white officials of schools set up to circumvent integration was "palpably ridiculous."

Mr. Thrower testified that the revenue service conducts

no investigation of the schools prior to issuance of the exempt status, but relies on the "good faith word" of the school officials. Senator Mondale charged that such a procedure was allowing the proliferation of the "segregation academies."

I. R. S. Policy Defended

In his Georgia drawl, Mr. Thrower, former head of the Republican party in that state, defended internal revenue policy as forward-looking and constructive by giving the private schools a chance to change their policies, if they have practiced discrimination.

"We have in this country a dramatic, unquestionably new movement in education, the creation of all-white, tax-supported segregation academies flowering throughout the area where the courts have ordered desegregation," Senator Mondale commented. "They have been widely granted tax-exempt status, which is essential to their operation and successful evasion of Supreme Court decision."

He forecast that the academies would continue to enjoy success under Administration policy "that will take us back to where we were 16 years ago," alluding to the Supreme Court decision against school segregation.

"That would be one of the most tragic things ever to hap-

pen in this country and I deeply regret it," Mr. Mondale added somberly.

The Senator charged that one private school granted exempt status last week, the Nathanael Green Academy, at Siloam, Ga., is housed in a former public elementary school valued at \$24,360, that the academy paid \$100 for and that had no black teachers or students last year.

The Senator, who heard the testimony alone, was visibly upset over Mr. Thrower's refusal to give direct answers to several questions. There were several exchanges of acid comments between the two men and the commissioner answered several only after asked repeatedly.

The hearings resume tomorrow with Attorney General John N. Mitchell testifying.