

November 22, 1967

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have that willingness—you have that energy—and I know you will succeed.

FARMERS HOME ADMINISTRATION COMBATS POVERTY IN MAINE

Mr. MUSKIE. Mr. President, one of the most effective lines of direct action in the war on poverty is the program of small loans to rural families who ask only for a change to work and earn their way.

Rural Americans boxed in by poverty frequently have little to hope for except a better opportunity for self-employment. Industrial and business jobs they can perform may be scarce or nonexistent in their rural communities. The farm, or some small nonfarm enterprise, offers their best hope for a decent living.

The rural American caught in these circumstances can never make a start as an independent entrepreneur unless he can obtain tools, supplies and a place to work. He has no savings, nor extra income or conventional credit for staking himself to what it takes for a beginning.

This is the need fulfilled by economic opportunity loans administered in rural areas by the Farmers Home Administration for the Office of Economic Opportunity.

We have far to go before we reach all the people we must among the 15 million disadvantaged in rural America. However, this program has reached more than 52,000 low-income rural families since it began in January 1965.

Individual loans not exceeding \$3,500 each have been made to 44,500 families, to help them make a better living on small farms or go into nonagricultural enterprises that can yield them a better living in their home communities.

Families served through the economic opportunity loan program have taken up and made a success of more than 350 different types of occupations.

Groups of low-income people, totaling another 7,500 families, have formed cooperatives to acquire and operate expensive farm machinery that no one family can afford, or supply other goods, services, and working facilities the members can use in order to earn a better family income.

There are numerous examples I could cite of the successes individuals have made with economic opportunity loans, but permit me to give this example of a lobster fisherman in Penobscot, Maine. Married, with two teenage children, he had worked as a share fisherman for 37 years, using another man's gear for 25 percent of the net profit and eking out a bare living of about \$2,000 a year.

In 1965 this fisherman qualified for a \$2,500 economic opportunity loan from the Farmers Home Administration to get his own lobster boat, small truck, and other equipment. Now, as an independent lobster fisherman, he can net more in 6 months than he did working on shares the entire year. Last year he earned about \$4,500 or more than \$2,500 above what he earned the year before.

This is but one example of some 300 loans to fishermen in the coastal areas of the State, and 1,000 loans in rural Maine that have enabled low-income families to make immediate headway with loans that

have given people the opportunity to do so.

Mr. President, every family who is able to start moving through this program may be subtracted from the distress rolls of rural America.

ABM

THE STRATEGIC BALANCE

Mr. BYRD of West Virginia. Mr. President, an interesting article, entitled "The Strategic Balance," appeared in the November-December 1967 issue of *Ordnance*. The author of the article, Dr. James D. Atkinson, suggests that the United States use its technological resources to develop a variety of offensive and defensive systems to limit an enemy's capabilities.

Dr. Atkinson, a native of Weston, Lewis County, W. Va., is professor of government at Georgetown University, research associate in the Georgetown Center for Strategic Studies, and a member of the British Institute for Strategic Studies. He is author of numerous books and articles in the field of defense analysis and national security affairs and recently served as a member of a special committee of the American Security Council headed by Gen. Bernard A. Schriever, which prepared a study for the House Armed Services Committee entitled "The Changing Strategic Military Balance: U.S.A. Versus U.S.S.R."

I ask unanimous consent to insert the article in the Record.

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

THE STRATEGIC BALANCE: RATHER THAN SEEK MERE NUCLEAR PARITY WITH THE SOVIETS, THE UNITED STATES SHOULD USE ITS TECHNOLOGICAL RESOURCES TO DEVELOP A VARIETY OF OFFENSIVE AND DEFENSIVE SYSTEMS TO LIMIT AN ENEMY'S CAPABILITIES (Dr. James D. Atkinson)

It has been said that U.S. military-technological progress forces the Soviet Union to react to a particular development. But is this, in fact, correct? Do our strategic patterns set the pace for Soviet developments, or do the Soviets pursue their own strategic goals quite independent of us?

It can be argued that in some areas we may be able to influence Soviet policy. We of the United States might be able to convince the U.S.S.R. that we can and will maintain superiority in the production of long-range missiles.

But it is unlikely in the extreme that the Soviets can be convinced that they are precluded from achieving scientific and technological breakthroughs in particular areas—such as reentry vehicles or advanced antiballistic missile (ABM) systems—which might lead to a high level of weaponry and give them superiority over the United States at a given moment in time.

Indeed, authoritative Soviet spokesmen and military journals bluntly indicate that the Soviet effort is directed toward the attainment of superiority. Thus *Communist of the Armed Forces* (No. 3, 1966) has stated that "winning and maintaining technical superiority over any probable enemy while there is still peace is today of decisive importance."

Especially under the impact of long lead times, the essence of strategy today is not so much the now; it is, rather, the 5 years from now—and the 10 years from now.

It is important, of course, whether or not we now have over-all strategic superiority over the Soviet Union. But it is even more important to understand the trends in the

military-technological competition, for upon these depends our future security.

The July 1967 study of a special subcommittee of the National Strategy Committee of the American Security Council, "The Changing Strategic Military Balance: U.S.A. vs. U.S.S.R.," gives a blunt warning with reference to trends in the power equilibrium. The study states:

"... For 1971 it appears that a massive megatonnage gap will have developed. U.S. delivery capability is estimated to range between 6,000 megatons and 15,000 megatons, whereas the estimated high for the Soviet delivery capability is 50,000 megatons, and the projection of the established Soviet range-curve indicates a low figure for the Soviets of approximately 30,000 megatons. On the basis of this projection, the U.S. and the U.S.S.R. will have reversed their roles in a 10-year period."

This study also points out a continuing strategic problem for the United States—the high yield of Soviet ICBMs and the resulting possibility of electromagnetic pulse or other unexpected weapons effects that might neutralize an entire U.S. ICBM complex however we might harden or shield it.

Allied to this is the possibility of a complete blackout of communications and the consequent transmission failure of a retaliatory order by the President. This is so since, as a result of the Nuclear Test Ban Treaty, "the United States can only guess at what unique effects might occur when very high-yield weapons are exploded. But the Soviets know."

Because of these and other serious questions raised, the study has received wide attention in the American press. *The New York Times*, for example, in a front-page story on July 12, 1967, stated that "the Defense Department did not directly contradict the study's findings, but argues that deliverable megatonnage was not an accurate indicator of 'true military capability.'"

The Christian Science Monitor—in an extensive analytical article on July 20, 1967—stated that "there is growing concern that the Soviet capability may exceed, now or soon, that of the United States. Allied with that is a concern that the United States is taking insufficient steps to maintain its position."

In an important public address in San Francisco on September 18, 1967, Secretary of Defense Robert S. McNamara announced "a light deployment of U.S. ABM's" against the possibility that, in future, the Chinese Communist "might miscalculate" and launch a nuclear attack against the United States.

The Secretary of Defense rejected large-scale ABM deployment by arguing that this would be directed against the Soviet Union and that the Soviet response would be a step-up in its offensive capabilities which would "cancel out our defensive advantage."

Although Mr. McNamara stated that "there is no point whatever in our responding by going to a massive ABM deployment to protect our population, when such a system would be ineffective against a sophisticated Soviet offense," the Joint Chiefs of Staff—as well as a number of informed Senators and Congressmen on the Senate and House Armed Services Committees—believe that a large-scale missile defense is a requirement in view of the rising Soviet military-technological threat.

Furthermore, it is by no means clear that the Soviet economy is capable of reacting fully to a large-scale U.S. deployment of ABM systems; for example, one which would include both land-based and sea-based missile-defense systems.

The evidence of more than two decades following the Second World War suggests that it has been the stabilizing factor of U.S. military-technological superiority which has prevented a general nuclear war. Today, primarily under the impact of the Soviet military-technological thrust—but to some

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extent from Chinese Communist efforts—that stability appears to be threatened.

If, for example, the Soviet strategists can achieve, or believe they have a very high percentage of achieving, an area-kill factor of incoming missiles (so that there is no problem of discrimination with reference to decoys and live warheads), they may at some point in time be tempted to launch a surprise nuclear strike upon the United States.

The deployment of a large-scale American ABM system or systems is one answer to the stabilization of power in the world. But it is not an end in itself.

If the military-technological revolution of our times teaches us anything, it is that there are no permanent plateaus in military technology. Instead there is constant change and rapid development.

To avoid a nuclear war and to safeguard the national security, therefore, we need to move forward with a mixture of both defensive and offensive weapon systems and to consider, for example, new types of air and sea-based strike systems made feasible by technological advances. The variety of our possible choices of action adds immeasurably to an enemy's planning problems if he attempts to prepare responses to a broad spectrum of capabilities.

A mixture of options—not reliance on one or two—compounds the task of the enemy and makes deterrence meaningful to him. There are many uncertainties and unknown factors in working out the problems of offense and defense alike, since the acid test is—and only is—actual war.

Those things—such as too great reliance on fixed missile systems—which simplify the problem, also reduce the uncertainties and unknown factors posed to the opponent. Simplification of our options may, in fact, tempt the enemy to consider a surprise attack.

Most of all, however, a "mix" of options is significant in the load factor which it places on a potential enemy's military structure. The Soviet Union is faced with a number of constraints. If we make the Soviet leaders consider a new option, it tends to limit their capabilities—as well as blunting their desires—for playing the game of strategic blackmail in world politics.

SOCIAL SECURITY COVERAGE OF EMPLOYEES OF MASSACHUSETTS TURNPIKE AUTHORITY

Mr. KENNEDY of Massachusetts. Mr. President, section 124a of the Senate committee bill would permit the Secretary of Health, Education, and Welfare to terminate the social security coverage of employees of the Massachusetts Turnpike Authority at the end of any calendar quarter following the filing of notice, as required by section 218(g) (1) of the Social Security Act.

This amendment to existing law is the product of amendment number 423, which I submitted on October 25, 1967, and certain changes suggested during consultations among representatives of the Department of Health, Education, and Welfare, the Finance Committee staff, and myself. It is very important to the 950 employees of the Massachusetts Turnpike Authority, and for that reason I was glad to submit it, when it became apparent that only legislation could bring the benefits of the new State retirement system to these employees without imposing a harsh double payroll tax on them for two years.

Mr. President, I have a series of let-

ters to and from various individuals, including the Governor of the Commonwealth, which make clear the need for this provision in the committee bill. Since they speak for themselves, I ask unanimous consent that they be printed in the RECORD.

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

MASSACHUSETTS TURNPIKE AUTHORITY,
Boston, Mass., September 21, 1967.

HON. JOHN W. GARDNER,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: This is to bring to your official attention the desire of 950 employees of the Massachusetts Turnpike Authority, and the Authority as well, for termination within a reasonable time of an agreement under section 418 of title 42, U.S.C.A., whereby social security benefits are extended to such employees. Adherence to the requirement of a two year notice for such termination, as provided in section 418(g) (1b), would work such a hardship upon these employees that it would appear to be entirely inconsistent with the manifest purpose of the social security legislation.

It was at the instigation of the labor union representing operating employees that the Massachusetts Turnpike Authority appointed a staff committee to investigate and recommend a suitable pension plan for its employees. The committee was assisted in its work by Martin E. Segal Company, Inc., a nationally recognized consultant on welfare, health and pension programs. After a comprehensive review of numerous public and private pension plans, many of which were combined with social security benefits, the committee recommended adoption of a pension system under Chapter 32 of the Massachusetts General Laws which governs contributory retirement systems for public employees in the Commonwealth; and termination of the existing social security participation. This recommendation was approved by the Authority and accepted by the vast majority of union members voting by secret ballot.

Necessary legislation to enable the Authority to establish a pension system within the framework of the State's retirement plan was recently enacted by the Massachusetts legislature and approved by His Excellency, Governor John A. Volpe. It was only then that it was discovered that a two year notice would be required before the social security plan for Authority employees could be terminated. Since the cost of the State pension system in addition to social security payments would impose an intolerable burden upon both employees and the Authority, the only alternative would be to defer operation of the State system for two years.

Delay for such a long period would work a serious hardship upon employees of the Authority who would thereby be deprived of the liberal retirement, disability and death benefits of the State system.

Because a two year notice requirement for termination of social security participation seems to be grossly in excess of any apparent necessity and because such notice will unnecessarily delay, and may even deprive, many employees of the Authority of the substantial benefits to which they would be entitled under the new pension system, I urge you to exercise whatever power or discretion you may have to relieve this unconscionable situation.

Your sympathetic consideration of the problem is sincerely appreciated.

Very truly yours,

JOHN T. DRISCOLL,
Chairman.

THE COMMONWEALTH
OF MASSACHUSETTS,
Boston, September 25, 1967.

JOHN W. GARDNER,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: As Treasurer and Receiver-General for Massachusetts, I am Chairman of the State Board of Retirement which is the agency of this Commonwealth through which the insurance system established by Title II of the Social Security Act is extended to services performed by employees of certain instrumentalities of the State, including the Massachusetts Turnpike Authority.

Recently the Legislature enacted Chapter 597 of the Acts of 1967 which provides for establishment of the Massachusetts Turnpike Authority Employees' Retirement System. This system would operate under the same statutory provisions as the 99 State, County and Municipal pension systems throughout the Commonwealth and would give employees of the Authority the same contributory retirement rights that are now enjoyed by other public employees.

But, because of the substantial expense involved, the Authority must terminate the participation of its employees under Social Security before the State pension system can be made applicable to them. A federal requirement of two years' notice for such termination would deprive Authority employees of the substantial benefits under the state retirement law until 1970.

It may be helpful to you, in determining what action is appropriate to assist the Authority's personnel, to know something of the benefits provided under Chapter 32 of the Massachusetts General Laws, the State's contributory retirement statute.

The basic benefit under this law for an employee retiring at or after age 65 is computed as 2½ per cent of average salary over the three highest consecutive years times the number of years of employment. Thus, a thirty years employee retires at 75 per cent at his highest three-year average salary; a twenty-year man retires at 50 per cent; and the twenty-five year man at 62½ per cent.

In addition, the law provides significant benefits for retirement on account of ordinary disability and on account of occupational disability; as well as for ordinary or accidental death before retirement. To illustrate—if an employee becomes permanently disabled as a result of an injury, in the course of his employment, he receives an annual pension of

1. Two-thirds of his final salary; plus
2. \$312. for each child under eighteen; plus
3. A supplemental pension that is equal to the actuarial value of his accumulated contributions;
4. To a maximum of 100% of his final salary.

As you would expect, this comprehensive, liberal retirement program is expensive. After allowing for the employee contributions, which are 5 per cent of salary, the estimated cost to the employer-Authority will average 14 per cent of payroll over the next thirty-five years.

The State Board of Retirement, as contracting agency for the Commonwealth is prepared to take whatever action is required on its part to terminate the "Plan" submitted by the Massachusetts Turnpike Authority for extending the benefits of Title II of the Social Security Act to Authority personnel. It is my earnest hope that you can find the means to terminate the "Plan" on the part of the federal government within a reasonably short time.

Very truly yours,

ROBERT Q. CRANE.