

is up from \$45 million this year to \$110 million in the new budget. It is to replace Polaris and Poseidon, and will cost easily another \$7 to \$10 billion. Spending on the new B-1 bomber to replace the B-52 is up from \$75 to \$370 million—it is estimated by the Pentagon to cost \$10 billion before it is completed. Then there is \$145 million more for AWACs to protect us from a non-existent Russian bomber threat—the total cost will be \$2.6 billion. There is \$807 million for the F-14, the Navy's version of that Rube Goldberg plane, the TFX—it will cost \$8.2 billion before it is finished. (See the table on 36 major weapons systems in the Jan. 23 issue of *National Journal*). This provides the merest glimpse of why Nixon is asking for \$6 billion in new obligatory authority next fiscal year for the Pentagon, and upping its research funds from \$5.2 billion to \$7.7 billion next year—to be spent on exotic new weapons systems (like lasers) which are still a gleam in some technician's woozy eye. We wouldn't want our military nursery to run out of new toys.

How The Peace Dividend Vanished

All this is one of the reasons why the Pentagon budget is moving up though the costs of the Vietnam war are going down. It is also another reason why the cost of the war is being kept secret. The Pentagon briefings indicated that there is a firm figure despite the growing escalation into Cambodia and Laos; apparently extra costs above the target figure are to come out of other parts of the military budget. But to make the target figure public would show how much of the "peace dividend" has already been swallowed up by the military. The *Washington Star's* veteran Pentagon reporter, Orr Kelly, reported (Jan. 29) that the war's cost this fiscal year is about \$12 billion and next year would be "well below \$10 billion." The cost of the war peaked in fiscal '69 at almost \$30 billion. So the current year's cost was about \$18 billion less and next year's cost should be more than \$20 billion less. But this year's military budget is running only \$4.8 billion below and next year's will be only \$3.3 billion below '69's (unless actual spending, as usual, does run several billions more than the estimates). If the total "peace dividend" were deducted from the '69 peak, the new military budget would be \$61.2 billion. Instead it is \$77.5 billion.

When Budget Director Schultz was asked at his briefing why the budget again had blacked out any figure on the cost of the war, he replied cutely "being overly precise would overly

How Tricky Can You Get Dept

"We won't send men into Cambodia to fight on the ground. Secondly, we won't have advisers for Cambodian units. Now, advisers, I believe—and I told the Senate Foreign Relations Committee this yesterday—I believe 'advisers' means that we will not send Americans with a combat unit in a combat environment to give them advice about how to conduct the combat."

—Secretary of State Rogers at press conf. Jan. 29

This seems to leave the door open to having advisers with a combat unit so long as this is not in a "combat environment." Next we'll be hearing that the ban on "ground combat troops" does not apply to ground troops so long as they are not in combat nor to combat troops so long as they are not directly on the ground—whether in helicopters or in jeeps. Maybe even as long as they are not in bare feet?

disclose the President's precise strategy." It might also disclose that he has no intention of effecting a complete withdrawal from Indochina. Robert Benson, who was special assistant to the Pentagon Comptroller 1966-68 and is now working on the "alternative budget" soon to be released by the National Urban Coalition, estimates that if troop withdrawals were to continue next fiscal year at the rate projected to May 1 of this year, the total cost next fiscal year should be only about \$6 billion. But that rate of withdrawal would bring U.S. forces in Vietnam down to 84,000 by the end of June, 1972, and get all of them out by the end of the year. The Pentagon is talking of between 100,000 and 150,000 troops remaining by June 30, 1972, and of a residual force of 50,000 for "military assistance" and several thousand more in Air Force units, a more or less permanent garrison as in Korea. Indochina may be sharing billions in revenue for years.

The Pentagon is putting out figures to prove that were it not for inflation and the drive to create a professional army, its budget would show a sharp drop. It could also show a sharp drop, despite inflation and the \$3.6 billion for Pentagon pay raises, if we put a stop to the arms race. The inflation argument is a curious one, since the war and the military budget are prime causes of the inflation. Every public service, from schools to hospitals, have been cut because of it, and old age pensioners are driven by hunger to shoplifting. Why should the military alone be exempt from the inflation it has

The First, The Most Outspoken and The Most Liberal of the Democratic Candidates

I seek the presidency with the conviction that I can provide the sense of history, the toughness of mind and resolve, and the spirit of deep compassion . . . Our intervention in Vietnam's civil war was not an act of national strength but rather a drifting with the tide of old ideas and illusions. President Nixon's failure to pull us out of the Vietnam quagmire promptly and decisively is not an act of strength, but rather reveals a lack of the strength needed to face up to the enormity of our error . . . Vietnamization . . . is merely prolonging the bad dream . . . An America with a Constitution that placed its war-making power in an elected Congress now finds that power wrested away by the CIA, the Pentagon and impetuous chief executives . . . I want to provide a second chance for America itself . . . I want to dispel the heavy fog of despair.

—McGovern announcing his candidacy for President

In announcing I made one commitment above all others, I pledged to seek and speak the truth . . . That standard requires an early effort to dispel the fog and myth which have for twenty years befuddled our actions toward mainland China. They have isolated the U.S. from a large and growing body of world opinion. They have pushed Chinese

leadership into belligerence and suspicion. They have placed us on the wrong side of nationalistic aspirations throughout Asia and have forced our alliance with governments which degrade the very principles of democracy. And they have brought us twice into major wars, with a toll of 100,000 American dead in Korea and Vietnam.

Our policy still reflects a belief that the present government in Peking is but a temporary usurper of power in China. This is pure fantasy.

—Abridged from his first campaign speech Jan. 24 in Stockton, Calif., opposing an anti-Chinese ABM and proposing that we recognize Peking, as Canada has, and support its admission to the United Nations.

I introduce for myself and for Senator Hatfield a bill entitled the Vietnam Disengagement Act of 1971. The commitment to complete withdrawal by a date certain [Dec. 31, 1971] can open the way to a political settlement. It offers the one realistic means of bringing U.S. prisoners home.

McGovern in the Senate Jan. 27. This bill was also sponsored by Bayh, Cranston, Eagleton, Gravel, Hart, Hartke, Hughes, Javits, Kennedy, Mondale, Moss, Nelson, Ribicoff, Tunney and Williams.

done so much to cause? As for the professional army, it's for the birds. We're going to wake up and find ourselves with both a professional army *and* a draft. The cancer of militarism and imperialism in our society will not be cured by giving the Pentagon a professional army. The more men and arms it has to play with, the more trouble and expense it will get us into around the world.

For A Qualitative Arms Race

Unfortunately as Nixon turns into a "Keynesian" Democrat, he is also turning—as we predicted he would—to the favorite Democratic device of using the arms race as a means of stimulating the economy. Nixon wouldn't make a deal at SALT now even if the Russians were ready to sign on the dotted line, unless it were a deal which would allow a qualitative arms race to go on under cover of a mere agreement to limit numbers. And that is what the U.S. has been asking all along.

The President's budget comes with a "pie" diagram which shows that only 34 cents of every dollar goes to national defense. This is the biggest slice of mallarkey in the budget. If the trust funds, including social security, are deducted as they used to be, then we can see that the military still takes 47 cents of every dollar in general revenues. Indeed social security, our most regressive form of taxation, now takes in so much more than its trust fund pays out that it has become a major way of masking the real size of our deficits. For fiscal '70, '71 and '72, the trust funds will generate a surplus of \$28 billion while the administrative budget suffers a cumulative deficit of \$61.8 billion (even on Nixon's overoptimistic computations). The trust fund surplus makes this look like a cumulative deficit of only \$33 billion, though the Treasury must issue bonds to the trust funds for that \$28 billion. This surplus represents a contribution by the low income population to the fight against inflation. Yet Nixon is planning to make the tax system even more regressive (see the box below) by imposing a value-added tax, i.e. a Federal sales tax, and using the funds in part to cut income and corporate taxes.

Here we come to the very heart of that monumental swindle, Nixon's "New American Revolution." What the country requires is a massive cut in private expenditure and a massive increase in public services. The billions wasted on gadgetry and unnecessary luxury could, if diverted in time, keep our

The Vagaries of Revenue-Sharing

WILBUR MILLS: The revenue-sharing formula advocated by the administration is wasteful in that it shares revenue with States with little relative need, as well as with those where there is a substantial need . . . If the revenues are divided on the basis of the revenues raised locally, this means that those localities which are the wealthiest and best able to raise revenue will receive the largest shares of the Federal revenue. On the other hand, if the sharing were to be based on the relative expenditure of each locality—another formula which has been considered—the formula then would become a positive inducement for a spending spree.

LONG of Md: The gentleman has indicated that, under at least one formula being considered, is one, "to him who hath shall be given."

MILLS: Yes. The other possible formula would provide "to whosoever already spends much, there shall be given more to spend."—*In the House January 26.*

country from becoming unlivable. This is the revolution we need. But Nixon instead seeks to increase the funds available to the private sector. "One great objective of my Administration," he said in his budget message "is to increase the role of *private citizens* and State and local governments in allocating our national resources in accordance with *individual* and local needs." He warned against "a regimented economy" and a budget that would allow government spending to "preempt resources that should be left to be used by *private citizens* or State and local governments." (Our italics.) But we are in a growing crisis deeper than any war we have yet experienced. To meet it we must redirect national priorities from private consumption to public reconstruction. The very air we breathe and the water we drink is at stake.

But Nixon, under cover of all his high school commencement oratory, would lead us in exactly the opposite direction. He wants to cut income and corporation taxes, and behind the facade of "revenue-sharing" and governmental reorganization to turn back the clock of a generation's progress in social welfare. His "revolution" is a counter-revolution, an echo of the American Liberty League campaign in 1936 which sought to block and dismantle the New Deal in the same name of

Nixon's New Treasury Nominee on the Tax "Reform" Now Being Cooked Up

Sen. Harris: I noticed in Joseph Alsop's column (Jan. 28 Washington Post) "the upshot of the Nixon-Connelly meetings was a firm Presidential directive . . . to design brand new federal tax systems. The value-added tax, an enormous revenue raiser, will be one of the new systems' centerpieces." [Alsop said this sales tax would be used in part to cut income taxes—IFS]. Would it not be just the opposite of stimulating consumer demand, particularly that kind of national sales tax? Would that not be particularly inconsistent with the depreciation allowance that has given a rather large measure of relief to wealthier people?

Mr. Connally: I do not want to take exception to that newspaper story. He [the President] wants us to take a look at every conceivable new tax measure for study. He is extremely concerned about high income taxes at all levels.

Sen. Harris: Do you think it would be good tax policy to reduce income taxes and increase the sales tax?

Mr. Connally: Not necessarily, no.

Sen. Harris: Not necessarily?

Mr. Connally: It depends again on the specifics.

Sen. Harris: If we got to the point where we needed to increase taxes, Governor, and a much tougher minimum income tax was advocated, which some of us advocated a couple of years ago and I do now, raising thereby the in-

come tax that certain wealthier people would pay [Harris is referring to a proposed minimum tax on wealthy persons who escape income taxes altogether through various loopholes—IFS], would there be anything in your background which would make you oppose that approach, rather than a value-added tax, even though it [the minimum tax] could enter oil and gas [depletion] income?

Mr. Connally: I believe that taxes ought to be levied on those most able to pay. But I also believe that everybody—almost everybody: I say almost because obviously the very destitute cannot—but I think everybody ought to pay some tax. I think it is wrong to have a democracy where some people do not contribute something to the preservation of democracy. I do not think he [Nixon] would recommend it [the value-added tax] unless he had a good chance of getting revenue-sharing to alleviate the cities and lift some of the burden from homeowners.

Sen. Harris: If you finance a revenue-sharing program through a regressive Federal sales tax, would you not be removing one of the main arguments for revenue-sharing?

Mr. Connally: You do not need to fear any recommendation with respect to the value-added tax unless it is a part of a sweeping change in the whole tax structure.

—Senate Finance Committee hearing Jan. 28 (abridged).