

overpopulation the problem that some consider it? I think a better way to phrase that would be: Is population concentration a pressing problem? Of course, to this I would say "Yes."

Small towns are pleasant places to live, raise children, work, and retire. We must encourage people to live in these areas. President Nixon stated, in transmitting his Report on Environmental Quality, that—

First: It is essential that we make rural life itself more attractive, thus encouraging orderly growth in rural areas.

I concur with the President's objectives. We must see that we do not add to urban pressures by avoiding rural problems.

In Oregon, 10 percent of our population lives in areas of under 5,500 population. The Farmers Home Administration reported that 73 percent of all rural communities do not have adequate sewage systems. In addition, 118 new community water systems are needed. This need is compounded by the fact that 64 percent of the rural households have annual incomes of less than \$7,000.

Mr. President, we must recognize that these problems are not particular to Oregon alone. Rather, they are representative examples of the problems afflicting rural communities throughout the country.

I believe that Congress should provide substantially increased Federal funding to assist small towns and rural areas in providing adequate water and sewer systems. We owe this to the residents of our small towns and rural areas. If we fail to meet this challenge, we will only have to deal with this neglect in different forms in the future. If we solve this problem, adequate water and sewer systems can provide a stimulus to attract people from the cities back to small towns.

As one example of what happens when young people leave an area, and the average age of the population increases, I quote from a letter referred to twice earlier in statements regarding Rogue River, Ore.:

Two-thirds of the inhabitants of Rogue River are over age 65 and living on fixed incomes. Five hundred thirty-eight social security checks were mailed to zip code 97537 of which Rogue River is the major part; these checks average \$71.46.

This is a good example of the results of young people leaving an area and fixed-income, retired peoples' inability to finance sewer projects and break out of this vicious circle.

Under the bill which I introduced, the authorization ceiling on grants under the Farmers Home Administration for planning and development would be doubled, from \$115 to \$230 million. This increase, while doubling the present program, represents a modest step toward solving these problems. The money figure is small, when compared to other money amounts—particularly those we are considering under the military procurement bill, we currently are debating.

When I looked at the need across the country in rural areas and small towns, I considered a more extensive program with greater funding. I decided that a

more modest increase, working within the framework of an established program, represents a better initial step.

In conclusion, I hope that this bill will receive expeditious consideration by this body. I introduced this legislation initially on August 19, 1970, and 20 Senators joined as cosponsors. On the bill I introduce today, 24 Senators have joined in cosponsoring this needed legislation. I hope other of my colleagues will join us in this effort to improve the living and working conditions of the Americans who live in our rural areas and small towns.

I ask unanimous consent that the original cosponsors of this bill be listed in the Record at this point, followed by the language of the bill.

The PRESIDING OFFICER (Mr. HUMPHREY). The bill will be received and appropriately referred; and, without objection, the original bill (S. 4265) along with its cosponsors will be printed in the Record.

The bill (S. 391) to amend section 306 of the Consolidated Farmers Home Administration Act to increase the aggregate annual limit on grants for water and waste facilities constructed to serve rural areas and to increase the aggregate annual limit on grants for plans for the development of such facilities, introduced by Mr. HATFIELD, for himself and other Senators, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The cosponsors and original bill are as follows:

Mr. Moss, Mr. Bentsen, Mr. Javits, Mr. Thurmond, Mr. Humphrey, Mr. Jordan of Idaho, Mr. Percy, Mr. Tunney, Mr. Stevens, Mr. Randolph, Mr. Gravel, Mr. Hollings,

Mr. Allott, Mr. Packwood, Mr. McIntyre, Mr. Hart, Mr. Pearson, Mr. Inouye, Mr. Gurney, Mr. McGovern, Mr. Church, Mr. Montoya, Mr. Burdick, Mr. Fong.

S. 391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 306(a)(2) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926 (a)(2)), is amended by striking out "\$100,000,000" and inserting in lieu thereof "\$200,000,000".

(b) Section 306(a)(6) of such Act (7 U.S.C. 1926 (a)(6)) is amended by striking out "\$15,000,000" and inserting in lieu thereof "\$30,000,000".

S. 392—INTRODUCTION OF THE VOLUNTEER MILITARY ACT OF 1971

Mr. HATFIELD. Mr. President, I rise for the fourth time in as many years to introduce legislation which would form the basis of an all-volunteer military. I ask unanimous consent that at the conclusion of my remarks the remarks of Senator BARRY GOLDWATER, Republican of Arizona, with whom I have the pleasure of cosponsoring this legislation, be printed in the Record.

I would also ask unanimous consent that after the conclusion of the remarks of the distinguished Senator from Arizona (Mr. GOLDWATER) the full text of

the legislation which I am introducing today be printed in the Record.

Mr. President, three times in our history, we have had national military conscription, and each time it has met with strong opposition from those directly affected by it. In response to President Lincoln's announcement in 1863 that a draft was being instituted, there were 10 days of rioting in New York alone, with over 1,000 fatalities resulting. Conscription was again introduced for a short period of time during World War I, and 250,000 draftees failed to appear for induction. The first time that conscription had virtually universal acceptance was during World War II when it was instituted for a third time. The past two decades, however, have marked a new era in American history with the advent of peacetime conscription. Today an estimated 60,000 young men have left this country for Canada and hundreds have gone to prison because of the draft. Yet, the desirability of the draft or any possible alternative has generally gone unquestioned, and our Government has reflected the complacency of the public.

In March of this year a Commission appointed by President Nixon over 1 year ago to study an alternative to the draft made its findings public. The Commission was headed by former Secretary of Defense Thomas Gates and was composed of individuals from various walks of life, including the economist Milton Friedman, the executive director of the NAACP, Roy Wilkins, and two former Supreme Allied Commanders, Gen. Lauris Norstad, and Gen. Alfred Guenther. Their conclusions were unanimous: the draft is not the best method of maintaining our Armed Forces. It is inefficient, inequitable, and unjust. Their report stated, further, that the best alternative to conscription is an all-volunteer system, which is not only more ideologically compatible with our traditions but economically preferable as well.

It has been generally assumed that conscription has been and is needed to maintain our Armed Forces, thus perpetuating the idea that the draft is a necessary evil whereby a small percent of our young men are compelled to join the military.

According to the Gates Commission report:

During the early 1960's, 95 percent of those between the ages of 18 and 35 were excluded from the 1-A and 1-A-O pool. . . . The escalation of the Vietnam War in 1965 once again focused attention on the draft. Of the 6 million men who have served in the Armed Forces during the Vietnam War, 25 percent have been draftees.

But is this a needed inequity? Is conscription absolutely necessary to maintain our national security? The Gates Commission concluded that an all-volunteer military is feasible regardless of the manpower requirements of Vietnam. Today we have approximately 3 million men in our Armed Forces. It is anticipated by the Department of Defense that within 1 year the total force level will be 2.5 million or less. Our present mixed force, draftees, draft-induced volunteers, and volunteers, requires 584,000 annual accessions with 184,000 annual Army draft calls. The Gates Com-

mission projects that the required accessions for the same total strength force, 3 million men, would be 410,000 with 193,000 going to the Army. This lower rate of accessions in an all-volunteer force would be the result of higher retention rates. Higher retention would result from numerous factors, including higher pay, higher reenlistment rates, and the absence of draftees, more than 90 percent of whom leave the Army after serving only 2 years. Furthermore, the report states:

The higher retention rate for true volunteers inevitably produces a more experienced force. . . . Projections indicate that by 1980 (in an all volunteer force), 45 percent of Army enlisted men will have four years or more of service experience, as compared with 31 percent for a mixed force of the same size. Since experience involves on-the-job training, a more experienced force is more productive than a less experienced one.

Thus, a 3-million-man volunteer force would be more effective than a mixed force of the same number. In other words, because a volunteer force would have fewer noneffective men, it can be smaller than a mixed force and be just as effective.

What must be done to effect an all-volunteer military? The move cannot occur overnight, but the transition can occur within the next year. However, to accomplish this by July 1971, we need to have improved conditions within the military, sufficiently to induce 75,000 more men annually, in addition to the 250,000 true volunteers who are presently enlisting each year. That assumes a force level of 2.5 million men by July 1971. There is an excellent possibility, based upon various statements and possible projections of the Defense Department, that the manpower level will be significantly less than 2.5 million.

Further, Congress could, of course, choose to reduce the manpower requirements. In either case, reductions below the 2.5-million level would reduce further the number of additional needed enlistees above the current 250,000 true volunteers. The additional men will come predominantly from the 1.5 million men who annually turn 19 and who meet the mental, moral, and physical requirements of the Armed Forces. Raising the accession rate to the necessary level will result from reasonable improvements in pay and benefits which, states the Commission, and in which I concur, should occur regardless of the fate of the draft.

To better comprehend this situation, one must understand the difference between two methods of taxation that any government may use. The first, which can be called tax-in-kind, is the compulsory rendering of services or property by citizens on the behalf of the government. The other method of taxation is that of bearing the government's cost of goods and services through monetary taxes levied on the general public. Conscription is the first method of taxation—a tax-in-kind. There are few such taxes today in our Nation, and most governments no longer tax through the means of coercing the services of their citizens, or directly acquiring portions of their property. Such tax-in-kind is generally regarded as a medieval and outmoded

form of taxation. The draft, however, is a modern-day continuation of such a form of taxation.

In 1970, the average level of basic pay for military personnel was \$180 per month. This is approximately 60 percent of what he could be earning in civilian life. In other words, the average first-term enlistee is being taxed 40 percent of what he could and would normally earn. And taking into account the income tax and indirect costs imposed on the enlistee, his total tax rate is in the neighborhood of 51 percent.

The Commission recommended increasing the pay of the first-term enlistee to \$315 per month. Including fringe benefits, clothing, food and lodging, the total compensation would rise from \$301 per month to \$437 per month. This would make the pay within the military roughly comparable to that of civilian life, which, as I stated earlier, should occur irrespective of the fate of the draft. The budgetary cost to effect an all-volunteer force by July of next year would be a maximum of \$3.24 billion for fiscal 1971. That is assuming that we maintain the high manpower force level of 2.5 million men by that date. Reductions in this force level would result in significantly lower costs. This maximum estimate of costs would include increases in basic pay of \$2.68 billion, proficiency pay increase of \$210 million, reserve pay increases of \$150 million, additional medical corps expense of \$120 million, and recruiting, ROTC and miscellaneous increases of \$80 million. Further, this cost does not take into account substantial savings in operation that would be created by a voluntary military.

But one must consider the difference between budgetary cost and actual cost. The first-term enlistee is bearing the burden of 60 percent of the cost of his service. And, as the Commission states in its report:

When the hidden costs of conscription are fully recognized, the cost of an all-volunteer armed force is unquestionably less than the cost of a force of equal size and quality manned wholly or partly through conscription.

The draft often results in the inefficient use of manpower by the military. A recently released study by the Defense Department points to one aspect of this problem. This report indicated that of the 41,974 college graduates entering the Army in 1969, 5,722 had acquired academic training that would have qualified them for certain military specialties with little or no further training. Of these 5,722 qualified men, only 222, approximately 4 percent, were assigned to the specialty for which they were qualified, while approximately one-third of them were assigned to combat infantry training. Specific examples which the study held to be generally valid included the following:

Of the college graduates who entered the Army last year, 270 had degrees in architecture. Eight were placed in this specialty while the Army had a need for 394 architects.

Sixty-two men who qualified for the Army accounting specialty were placed in those slots, while the Army had 463

openings for accountants and had inducted 912 men who had accounting degrees.

Generally stated, because budget expenses are presently underestimated for the cost of the first-term enlistees, the armed services, as the Commission points out, "are led to use more of them than they otherwise would." With compensation raised to equitable levels, the service would be forced to economize.

Perhaps the most costly factor of the present system is the low reenlistment rates among first-term servicemen, creating unduly high turnover rates. Two factors affect this: First, most inductees and draft-induced volunteers are not interested in military careers; second, the inductees' tour of duty is only 2 years in contrast to 3- and 4-year terms for enlistees.

- With an all-volunteer force—

The Commission concluded—

these longer terms of enlistment will also reduce turnovers and the need for accessions.

The Commission estimates that the annual turnover rate for a volunteer force would be approximately 325,000 men in contrast to roughly 440,000 for a mixed force of 2.5 million men.

Consequently, real savings will be generated. In terms of dollars, the annual savings caused by increased retention for a peacetime force of 2.5 million men is estimated to be \$675 million. Furthermore, there would be an annual savings of \$61 million for the same force due to reduced transportation and administrative costs. In terms of manpower, a volunteer military would reduce the required size of the forces, thus reducing the number of men needed. For instance, it is estimated by the Commission that a 2.5-million man force of conscripts and volunteers would be effectively equivalent to an all-volunteer force of 2.44 million men.

Yet there are additional savings that a volunteer force would induce. These would result in eliminating what the Commission calls "subtle costs" of the present system. Although these are difficult to estimate in monetary terms, we can still analyze their potential influence. As the Gates Commission report states:

The draft erodes ideals of patriotism and service by alienating many of the young who bear the burden. . . . It thwarts the natural desire of youths to commit themselves to society.

Young men distort their career and personal plans to take advantage of opportunities to postpone or avoid being drafted. . . . channeling young men into college, occupations, marriage or fatherhood is not in their best interests, nor those of society in general.

It is these factors and others that indicate the great loss to society that the draft generates. One indirect method of gaging this in economic terms was stated in the Commission's report:

Prospective inductees also incur costs in their efforts to escape conscription—costs which manifest themselves in a variety of ways such as additional college attendance, movement into occupations which carry deferments, immigration, etc. Indirect evidence suggests these costs may be 1.5 times the implicit tax (i.e., the tax-in-kind borne

by the draftee) . . . Thus for each \$1.00 of tax-in-kind collected, an average of \$2.50 is forgone by the public. Quite apart from considerations of equity and freedom, this feature of conscription is enough to call it into question.

The institution of an all-volunteer military is desirable not only from economic and moral points of view, but also from a governmental and constitutional perspective. According to article I, section 8 of the Constitution, the Congress has the power—and the responsibility—to raise the armies and provide for the common defense. A volunteer military is a direct extension of this constitutional responsibility and would draw the military closer to the civilian population in general.

A volunteer force will be highly flexible, as conceived by the Commission, although the need for a great influx of men into the military such as required during World War II is not a realistic possibility because of the highly technical nature of warfare today—whether guerrilla or nuclear war. Nevertheless, the Commission recommended a limited standby registration should a sudden influx of men be required.

Aside from economic questions, one of the most often heard objections to a volunteer military is that it would put an undue burden on the black and the poverty stricken within our society. The assumption here is that with increased pay and benefits in a volunteer system a disproportionate number of our minority groups and depressed people would join the military. The Gates Commission report and other studies before it have amply demonstrated that this would not be the case.

Presently there are more than two times as many whites classified below the poverty line as blacks—17.6 million white compared to 8.3 million blacks by 1967 figures. This year it is estimated that up to 63 percent, 628,740, of the black male population between the ages of 17 and 20—the age group from which first-term enlistments usually originate—will be eligible for military duty—that is, they will pass the physical, moral, and mental requirements for entrance into the Armed Forces. Under our present mixed recruitment system, blacks comprise 10.6 percent of the total force or slightly less than their proportion to the total population.

The Commission, taking these figures into consideration, projects that in a volunteer force of comparable effectiveness to a mixed force of 2.5 million men, blacks would comprise approximately 15 percent of that population—between 5,000 and 10,000 more blacks than a mixed force of the same effective size. In other words, the racial composition of the military will change very little between a mixed force and an all-volunteer force.

Monetary compensation is only one factor in attracting potential employees. Job security, opportunity for advancement, and fringe benefits are other considerations which influence a potential employee. While the attractiveness of the military will increase for the black in a volunteer force, it will increase more greatly among whites.

With present mental, moral, and physical standards of eligibility for military service, 30 percent of the men examined are not acceptable. Of this group a disproportionate number comes from the lower socioeconomic sector of our society. And although a recent study indicates there are over 12,000 military personnel on welfare today, compensation within the Armed Forces in most cases is above the income level of those below the poverty line. Consequently, the monetary attraction to the Armed Forces with regard to those individuals below the poverty level is already existent. To increase pay and benefits regardless of the method of recruitment will induce more qualified individuals to join than are presently attracted. Thus, the general composition of a volunteer military would not be significantly different from a conscripted force.

These facts notwithstanding, objections to an all-volunteer military based on fear of its creating an unfair burden on the black and poverty stricken are misdirected. Not only do these objections question the poor and the black's capacity to make decisions in their own best interest but they also ignore the fact that it is the causes of racism and poverty in our country which should be attacked and not the military or any other institution that may provide people an opportunity for greater economic gain and increased social status.

Just as these questions are ill conceived and shortsighted so are those that assert an all-volunteer armed force would be a group of unquestioning mercenaries who would be loyal only to their commanders, isolated from civilian control, pose a threat to the internal security of our country, and increase the likelihood of foreign adventurism. A mercenary is a foreigner who is hired by another country to fight its wars. This certainly is not the case with a volunteer military. And to argue that there is something regrettable about a professional, equitably paid enlistee is overlooking the fact that our officer corps have been well paid and virtually totally voluntary. To question the loyalty of a soldier because he is paid a fair salary is like questioning the loyalty of doctors, lawyers or any other professionals who are well paid for the services they render. If the country is to have an effective military force, its members should be paid in an equitable manner. And an all-volunteer method of recruitment is one method of insuring this equity.

Critics have argued that a volunteer military would somehow increase the isolation of the military, and that conscription is an effective means of maintaining a civilian influence in the military. The Constitution could not be more explicit about its intention to insure that the army be fully under civilian control. However, it never intended that this be accomplished through military conscription. In fact, appropriations for the military have to be approved every 2 years specifically because the Founding Fathers wanted the entire idea of a standing army to be reviewed that often. The very thought of a peacetime conscrip-

tion would have been viewed by them as reminiscent of the tyranny of European kings and contrary to the ideals of freedom which caused them to travel to the New World.

Civilian control over the military, as provided for by the Constitution, is to be maintained by the Chief Executive serving as Commander in Chief, and by the very broad powers and responsibilities given to the Congress for raising and supporting the armies. Civilian control should not and cannot be maintained by forcing unwilling citizens to serve for 2 years in the lowest ranks of the army. Further, a volunteer military will not mean that our Armed Forces are suddenly put into some kind of total isolation from civilian life. As I pointed out earlier, the annual turnover rate under a volunteer military a year from now would be approximately 325,000 men. That is a reduction of only about 115,000 from the turnover rate of 440,000 under a mixed force of equal size. Thus, there would still be a very significant flow of men in and out of the Armed Forces each year. So it is fictitious and contrary to evidence to suggest that a volunteer military will in any way create an armed force that is isolated from civilian influence or control.

It may well be that the principle of civilian control over the military is in danger of eroding in our land today. But if that is true, the issue must be solved by perfecting the constitutional relationship between the Congress and the executive branch, and between the Chief Executive and the Armed Forces. Maintaining conscription as a means to preserve civilian control is not only ineffective, but completely contrary to the spirit and the intention of the Constitution.

This is also the case with regard to foreign adventurism. One aspect of the question as to the commitment of troops to war is the preparedness of those troops, and admittedly a volunteer force would be more effective than a conscripted force. However, as the Gates Commission points out:

Decisions by a government to use force or to threaten the use of force during crises are extremely difficult. The high cost of military resources, the moral burden of risking human lives, political costs at home and overseas, and the overshadowing risk of nuclear confrontation . . . enter into such decisions. It is absurd to argue that issues of such importance would be ignored. To the extent that there is pressure to seek military solutions to foreign policy problems, such pressure already exists and will not be affected by ending conscription.

This pressure is in the form of foreign policy and the already totally volunteer officers corps which makes policy decisions within the Armed Forces. Today we have the worst of two worlds: conscription at the lower ranks and isolation at the upper—to the extent that our officer corps are isolated. An all-volunteer military would have two controls inherent within it that are not present in a conscription force.

First, Congress would control the manpower level of the military by regulating the budget; the economic incentives to join would diminish beyond a certain manpower limit agreed upon by the

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President and the Congress. The military could have only a certain number of men in its ranks, which would be an additional constraint on the scope of foreign military involvement. With conscription, the President has virtually unlimited manpower resources directly at his command.

This would not be the case with an all-volunteer force. To reinstitute the draft, the President would have to make a request to Congress, and conscription could then be reinstituted by the joint resolution of the Senate and House of Representatives. This would be well within the purview of article I, section 8 of the Constitution and be a significant contribution to Congress' reassertion of its rights and responsibilities in the area of raising armies, declaring war, and influencing foreign policy.

Another frequently encountered argument is that the abolition of the draft and the institution of an all-volunteer military is important but not as high a priority as eliminating poverty, crime, racism, and other inequities our society needs to resolve. Consequently, the argument continues, we cannot afford at this time to spend the money necessary to create a volunteer armed force. This argument, however, overlooks the major differences between the draft on one hand and the other forms of inequities on the other; conscription is a government institution, created and sustained by the Government which bears the primary responsibility for the Selective Service System; its inequities, injustices, and inefficiencies.

It has been suggested that some form of universal service be implemented in order to equalize the burden among our youth. I favor the concept of service as long as it is voluntary in nature. But compulsory service is not only a contradiction in terms; it is inimical to the fiber of our Republic as well. Compulsory national service, assuming there were no deferments and that it were for 1 year's tour of duty, would mean the employment of 8 million people, if women were to serve, and 4 million if only men. With a conservatively estimated expense of between \$4,000 and \$5,000 per person, the total annual cost of universal national service would range between \$16 billion and \$40 billion. As the Gates Commission points out, this would be an amount greater than the entire manpower budget of the Department of Defense and would be highly economically prohibitive.

If universal military training were to be adopted with no deferments, more than 2 million men in noncareer positions would have to be employed in the Armed Forces at any one time, assuming the current eligibility standards and a 2-year tour of duty. One year's service would be unrealistic because most of that year would be spent training. Universal military training would be a radical departure from our founding traditions. It would spread the burden of the tax-in-kind to all of our young men and give the military more men than could be productively employed.

Several sections of the legislation I am introducing today deal with important aspects of a volunteer military. These have not received much attention in the

past, but the Gates Commission dealt with them in a very thorough and consistent manner. The military is similar in many ways to a business firm. And some of its jobs could be easily performed by civilian personnel requiring no special military training. Consequently, it is recommended that the Armed Forces increase and expand utilization of civilian personnel through lateral hiring, saving an estimated \$100 million.

Furthermore, the Commission proposes an improved and expanded recruiting program for not only enlisted personnel but officers as well. In this connection, ROTC scholarships should be increased from 5,500 to 10,000 per service and specialist educational programs should be expanded as well.

Another important change recommended by the Commission is the formulation of a new pay structure which would provide salary schedules combining basic pay, and quarters and subsistence allowances. The new pay structure should also include another much needed benefit—cash contributions to a retirement system similar to Federal civilian employees. Directions to the Secretary of Defense within this legislation instruct him to have a basic pay table for enlisted personnel and officers developed which will be utilized until the salary system is implemented, although I am hopeful that within the next month and before the final vote on this legislation I will be able to provide such a pay table.

The Gates Commission also called for an increase in combat pay from \$65 to \$200 for those who are actually taking the primary risks and not merely physically present in a combat zone. This would make combat pay more meaningful for those bearing the primary burden of war—those actually participating in combat—while avoiding some of the misuses of the present method of compensating those in combat zones.

One other aspect of military compensation and organization to which the Gates Commission directed its attention was medical treatment. Within its report the Commission recommends that those physicians serving in the military receive special pay increases, that the utilization of civilian medical facilities be maximized, and that a medical insurance program be created for all military personnel. If implemented, these changes would greatly enhance the medical treatment of military personnel while keeping costs to a minimum.

It is ironic that so unjust and inequitable an institution as peacetime conscription, with all of its inefficiencies, should be maintained by unproven assumptions, groundless fears, and the mere momentum of the past 20 years. Even more unfortunate is how the focus of concern is so easily lost when the issue of conscription is discussed. We always proceed by assuming that the status quo is naturally virtuous and preferable, unless proven otherwise. But in this case especially, the first question to ask should not be, will a volunteer military work, or how much will it cost, or what advantages would it have—rather, the first question to ask is why should we maintain conscription?

There is no institution of our Government more contrary to our democratic ideals, more limiting of our freedom, and more disruptive to the lives of our youth than the draft. Further, the draft is laden with inherent inefficiencies, and seems to be a clearly ineffective manner to provide for our Armed Forces and their needs. This opinion now has the support of a Presidential Commission. At long last, the time has arrived to take the first steps toward restoring military service to the degree of respect and regard and prestige it deserves, and to insure that such service will be the free choice of its citizens. In June of 1971, the Selective Service Act will expire. If we act now, and begin the process of building a volunteer military force, it will not be necessary to perpetuate conscription beyond that time. That must be the aim of all Americans who cherish freedom and value our democratic traditions and who want to meet the needs of our military organization.

The PRESIDING OFFICER (Mr. HUMPHREY). The bill will be received and appropriately referred; and, without objection the statement and bill will be printed in the Record.

The bill (S. 392) entitled "The Volunteer Military Act of 1971," was received, read twice by its title, and referred to the Committee on Armed Services.

The statement and text of the bill follow:

TOWARD A VOLUNTEER MILITARY
(Statement by Senator GOLDBWATER)

Mr. President, it is with a great deal of pleasure that I again join with the distinguished Senator from Oregon in proposing legislation to establish the goal and foundation for a totally voluntary military service. I might say that I have lived with the idea for many years now that we can have a volunteer military force in this country. I shall explain my reasons briefly today; then once hearings are opened on the draft issue, I hope to develop further thought on it.

Mr. President, the legislation which we are introducing today will implement all the essential recommendations given to the President by the Gates Commission. You will recall this group was charged by President Nixon with developing "a comprehensive plan for eliminating conscription and moving toward an all-volunteer armed force." On February 20, 1970, the members of the Commission unanimously concluded the voluntary military concept is feasible and desirable. You may also recall that on April 23, 1970, President Nixon announced his agreement with "the basic conclusion of the Commission." The President unequivocally announced "I agree that we should move now toward ending the draft."

Accordingly, Mr. President, I believe the proposal we present to the Senate today is consistent with the goals and philosophy of the Administration. As I explain the details of our legislation, further areas of agreement will become apparent between the position held by the White House and the Department of Defense and the one suggested today.

First, it is important to emphasize what this bill will not do. It will not end the draft immediately. It will not leave the country defenseless in time of sudden emergency. It will not bankrupt the national treasury. And it will not injure the national security.

It will improve the conditions of military service. It will end the need for the draft. It will provide for the continued registration of all young men after the draft itself expires.

And it will establish a real basis on which to build a working Reserve.

Mr. President, first and foremost, our legislation provides for an immediate 50% increase in the value of basic pay for first term enlistees and a 28% increase for officers in their first 3 years of service. The increase for those in their second term of service is 9%. These increases will give individuals in their first years of service about the same pay as their civilian counterparts are receiving.

Mr. President, before going any further, I will state that this change is needed whether or not we move to an all volunteer military. The hidden tax which is imposed on Americans who are valiantly serving their country should be eliminated whether or not we end the draft. The idea of regarding military personnel as some kind of feudal slaves who are expected to work at 40%—which is what they are now getting—of what the civilian market will pay is unworthy of a modern civilized nation.

Our proposal will also put into effect immediately after its enactment other changes which will make military life more satisfying. For example, there will be an increase in special pay for physicians and dentists; there will be an increase in hostile fire pay from \$65 to \$200 for those individuals who bear the greatest risk; and there will be a broader basis for payment of special pay to those who are serving in a combat zone but who are not at the front lines. There is an extension of time within which reenlistment bonuses may be paid from 3 months to 6 months. Furthermore, travel and transportation allowances and dislocation allowances will be provided to enlisted members in the lower grades.

In addition, there are other reforms which will go into effect within 3 months after the proposal becomes law. These features are designed to improve the attractiveness of military life and to increase the motivation of persons to regard military services as a rewarding and important profession. They include the expansion of educational opportunities provided for military members, easing the problem of family separation, and providing better housing opportunities. They also include the wider use of proficiency pay and the establishment of an improved retirement program.

Mr. President, the purpose of making all these revisions is twofold. First, they are the essential elements for creating a fully volunteer force. Second, they are required as a matter of equity. Military members deserve to receive the same benefits and life style, as nearly as possible, as that enjoyed by our civilian population.

Mr. President, I have no doubt in my mind that the enactment of this plan will lead to a totally volunteer military. What is often forgotten is the fact that we very nearly have a volunteer force at present. The Gates Commission reported that at least half, or 250,000, or all enlistments are now made up of "true volunteers" each year. A recent Department of Defense study came up with much the same finding. This survey, which was conducted by the University of Michigan in 1968, estimates that "40 to 45 per cent of those who are enlisting are true volunteers." Thus both the Gates Commission and DOD agree there is a sizable group of men who would enlist in the Services even without the pressures of the draft. What is more, the Gates Commission found there are in the military today over 1 million persons who have reenlisted beyond their first term of service. All these individuals are true volunteers.

In fact, the Gates Commission concluded that a completely volunteer force of 2.5 million men can be achieved by inducing merely 75,000 additional men to enlist each year. Surely, the changes we have recommended today would achieve this much of a rise in enlistments if not a great deal more.

Mr. President, this fact bears repeating. No

one need fear that we will be forced to attract 2.5 million volunteers all at one time in order to maintain our military force. All it's going to take is an extra 75,000 volunteers a year over what we already are getting.

And let me emphasize that the standard of 2.5 million men is a reasonable guide to test our proposal. The current active duty strength of our forces is already down to 2.9 million men, and the President's budget to be released next week will undoubtedly contain an even lower figure. These reduced numbers are well ahead of the Gates Commission's conservative projections.

What will our proposal cost? Well, starting from a higher service strength than the actual present figure, the Gates Commission developed an extremely conservative estimate of \$2.2 billion in the transition years and \$2.1 billion once the volunteer force is operating as a stable system.

Also, it must be understood that the \$2.2 billion estimate does not take account of the increased tax collections which will flow into the Federal Treasury. When we consider that the United States will recover \$540 million each year in Federal income tax collections, the net cost of implementing the Commission's improvements will drop to \$2.1 billion.

Mr. President, it appears to me these cost projections are in the same ball park with the budget increases recommended by President Nixon. If I recall correctly, President Nixon sent a message to Congress less than a year ago in which he promised to request a 20% pay increase for enlisted men with less than 2 years of service, effective January 1, 1971. This action alone was estimated to cost \$500 million each fiscal year. In addition, the President pledged to recommend to Congress in January of 1971 an additional \$2 billion for added military pay and other benefits.

Therefore, Mr. President, when we compare these 2 sets of recommendations, the one proposed by the Gates Commission and the program outlined by President Nixon, we see they are extremely consistent, both in purpose and cost. The Administration's two requests would add \$2.5 billion a year to the budget. The Gates Commission's recommendations would cost \$2.7 billion net. Both programs are suggested in order to proceed toward the elimination of the draft.

When we look at the tremendous similarity in these related plans, we can see how truly close the nation is to achieving success for this goal. If all who are interested in ending the draft will only keep their sights on the common goal we share, I am certain this will be the year of victory for the voluntary military proposal.

Mr. President, I might state again that the basic reason for my endorsement of this concept is the element of freedom which is involved. As a conservative, I believe that the most precious and fundamental right of man is his right to live his own life. When force is used to tell a young man how he shall spend several years of his life, I consider this to invade his basic personal liberty.

In this context, I would like to point out something today that many people in the country overlook. We hear the young persons in America say "We want to do our own thing." This is expressing what conservatives have been trying to say for hundreds and hundreds of years; namely "We want to live our lives unoppressed by a central government. We want to choose what we will do with our lives except in times of emergency when it becomes obvious that we have to resort to a tactic such as the draft."

That is the clear lesson I learn as I travel across America and visit with our young people in grade schools, high schools, and colleges. What I am finding in America today is not young people in opposition to the military per se, inasmuch as it might mean serving their country. They are patriotic. They are loyal Americans. I just believe they have become imbued with the one central thought of what began the United States of Amer-

ica: Freedom. The freedom to do what one wants as long as in doing it he does not hurt someone else.

To me, it is as plain as the sun coming up above my Arizona desert. These young people are ahead of us. We older people have got to be used to oppressive government, so used to the government running our lives, that we begin to think we can help it no longer but not these young people, and I admire them for it.

Mr. President, in closing I would like to repeat my feeling that our proposal is practical. By adopting pay increases, and the fringe increases our plan provides, we will have an improved, more attractive, military service. We will not destroy the military by this proposal. We will restore it to its traditional free nature as it has existed throughout most of this nation's history. The bill by itself will not repeal the draft. The draft will end automatically the end of June this year. However, if Congress hopes to allow the draft to expire or ever intends it to end, then we must lay the kind of groundwork which our bill will provide.

S. 392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act shall be cited as the Volunteer Military Act of 1971.

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the Armed Forces of the United States can be materially improved and strengthened by increasing and improving the economic and educational benefits of the members thereof, by elevating the status of military personnel generally, and by developing and maintaining a system of military manpower procurement based on the free choice of the individual;

(2) involuntary service in the Armed Forces is a discriminatory tax-in-kind upon those persons required to serve because it falls upon a relatively small number of the total population;

(3) the military manpower requirements of the Nation can be adequately met through the effective administration of a voluntary system;

(4) a voluntary system should be instituted and given a fair test as soon as practicable while providing necessary safeguards in the event that unforeseen circumstances create a need for additional military manpower;

(5) the President, the Secretary of Defense, and the Secretaries of the military departments should exercise all authority available to them to promote the success of a voluntary system of meeting the military manpower needs of the Nation; and

(6) the Reserve forces should be maintained at adequate strength levels and should be better trained and equipped to meet emergency combat assignments.

CONTROLLED REGISTRATION

SEC. 3. Notwithstanding the limiting date specified in section 17(e) of the Military Selective Service Act of 1969, the President shall provide for continued registration under such Act of all male persons in the United States between the ages of eighteen and twenty-six years in order that the involuntary induction of persons under such Act may be reinstituted without serious delay in the event the President determines pursuant to section 4 that such action is necessary and legislation authorizing conscription is enacted pursuant to such determination.

ACTION FOR REINSTITUTING CONSCRIPTION

SEC. 4. If at any time after the termination of induction of persons into the Armed Forces under the Military Selective Service Act of 1967 the President determines that the military manpower needs of the Nation

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are not being adequately met through a voluntary system and that conscription is necessary for the national security, he shall promptly notify the Congress of such determination, and of the facts upon which such determination is based, and submit to the Congress such recommendations for legislation as he deems necessary and desirable to provide for the involuntary induction of persons into the Armed Forces.

CONGRESSIONAL DIRECTIVES RELATING TO THE IMPROVEMENT OF THE ARMED FORCES.

SEC. 5(a) The President, the Secretary of Defense, and the Secretaries of the military departments, shall exercise the authority vested in them by law to provide for the military manpower needs of the Nation through a voluntary program of enlistments. In the exercise of such authority, the Secretaries of the military departments shall, not later than 3 months after the date of enactment of this Act, under the direction and supervision of the Secretary of Defense, specifically provide for—

(1) the inducements necessary to take fullest advantage of career selection motivations in attracting persons to military careers;

(2) the improvement and expansion of the program for utilizing civilian personnel in lieu of military personnel for noncombatant service;

(3) the improvement and expansion of programs under which the education of specialists, such as doctors and dentists, is paid for by the Armed Forces in return for an obligated period of military service by the person receiving the educational assistance;

(4) the improvement and expansion of officer training programs, particularly programs to facilitate the qualifying and training of enlisted members who wish to become officers;

(5) the improvement and expansion of military recruiting programs;

(6) a more effective incentive program for recruiting personnel under which (A) successful recruiting personnel would be afforded the opportunity to earn extra pay or bonuses as well as accelerated promotions, and (B) quota systems would no longer be in effect;

(7) the improvement and expansion of educational opportunities, including associate degree programs and off-duty courses;

(8) ways to alleviate or prevent the problem of family separation for married members of the military services;

(9) the improvement and expansion of housing opportunities; and

(10) the institution of any other appropriate actions designed to upgrade the conditions of military service and the status of military personnel generally.

(b) In implementing subsection (a) (2) of this section, relating to increased utilization of civilian personnel, the Secretary of Defense shall, as soon as practicable, (1) conduct a position-by-position analysis of all military jobs within the Department of Defense with a view to determining which jobs shall be performed by military personnel and which should be performed by civilian personnel, and (2) develop accurate and current data for determining whether it is less expensive to have any such job performed by military or civilian personnel. The position-by-position analysis and the development of data required under this subsection shall be completed not later than three months after the date of enactment of this Act.

(c) Not later than eighteen months after the date of enactment of this Act, the Secretary of Defense shall submit to the Congress a detailed report regarding the operation of the voluntary system of meeting the military manpower needs of the Nation and for the improvement of the Armed Forces, and shall include in such report such recom-

mendations for legislation to improve such system as he deems appropriate.

INCREASE IN PAY RATES FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 6. The Secretary of Defense shall formulate not later than the first day of the first calendar month after which this Act is enacted a revised basic pay schedule for members of the uniformed services incorporating the increases in the basic pay of enlisted personnel and officers listed in the table below and such adjustments in the basic pay of other personnel as the Secretary deems necessary and appropriate to insure equitable pay differences between grades. The revised basic pay schedule formulated by the Secretary pursuant to this section shall become effective on the first day of the first calendar month after which this Act is enacted.

Years of service:	ANNUAL INCREASE	
	Enlisted personnel	Officer personnel
1	\$1,700	\$1,504
2	1,544	2,031
3	804	1,142
4	727	
5	347	
6	344	
7	233	
8	344	
9-10	258	

SPECIAL PAY FOR PHYSICIANS, DENTISTS, AND VETERINARIANS MADE PERMANENT, INCREASE IN SPECIAL PAY FOR PHYSICIANS AND DENTISTS

SEC. 7. (a) Sections 302 and 303 of title 32, United States Code, are amended by striking out "and before July 1, 1971" each time it appears in such sections.

(b) Section 302(1) of such title is amended by deleting the comma after "1947" the second time such date appears therein.

(c) Section 302(b) of such title is amended to read as follows:

"(b) The amount of special pay to which an officer covered by subsection (a) of this section is entitled is—

"(1) \$150 a month for each month of active duty if he has not completed two years of active duty in a category named in that subsection;

"(2) \$200 a month for each month of active duty if he has completed two years of active duty in a category named in that subsection;

"(3) \$450 a month for each month of active duty if he has completed three years of active duty in a category named in that subsection;

"(4) \$600 a month for each month of active duty if he has completed four years of active duty in a category named in that subsection;

"(5) \$750 a month for each month of active duty if he has completed five years of active duty in a category named in that subsection;

"(6) \$900 a month for each month of active duty if he has completed six years of active duty in a category named in that subsection; or

"(7) \$1,050 a month for each month of active duty if he has completed seven years of active duty in a category named in that subsection."

MORE EFFECTIVE USE OF PROFICIENCY PAY FOR ENLISTED MEMBERS

SEC. 8. (a) The Secretary of Defense shall, not later than three months after the date of enactment of this Act, promulgate regulations under which the Armed Forces will increase the utilization of proficiency pay authorized by section 307 of title 37, United States Code, for the purpose of attracting and retaining enlisted members who are specially proficient in military skills.

(b) Section 307 of title 37, United States Code, is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) a new subsection (d) as follows:

"(d) Proficiency pay under subsection (a) (1) or (a) (2) of this section shall be made available to enlisted members with critical skills after such members have satisfactorily completed their training in such skill. Proficiency pay under this section shall be paid to enlisted members who qualify therefor without regard to whether they are career members or not."

HOSTILE FIRE PAY INCREASE

SEC. 9. Section 310 (a) of title 37, United States Code, is amended by striking out "\$65" and inserting in lieu thereof "\$200."

COMBAT ZONE PAY

SEC. 10. (a) Chapter 5 of title 37, United States Code, is amended by adding after section 310 a new section as follows:

"310a. Special pay: duty in a combat zone."

"(a) Except in time of war declared by Congress, and under regulations prescribed by the Secretary of Defense, a member of the uniformed services may be paid at the rate of \$65 a month for any month in which he was entitled to basic pay and was serving in a combat zone.

"(b) A member may not be paid special pay under this section for any month for which he receives special pay under section 310 of this title, but may be paid special pay under this section in addition to any other pay and allowances to which he may be entitled.

"(c) The provisions of section 310(c) of this title relating to determination of fact under that section shall apply in the case of the determination of fact under this section.

"(d) The Secretary of Defense shall report to the Congress by March 1 of each year on the administration of this section during the preceding calendar year.

"(e) As used in this section the term 'combat zone' means any area which the President by Executive order designates as an area in which Armed Forces of the United States are engaged in combat."

(b) The table of sections at the beginning of chapter 5 of such title is amended by inserting immediately below "310. Special pay: duty subject to hostile file" the following:

EXTENSION OF TIME WITHIN WHICH REENLISTMENT BONUSES MAY BE PAID

SEC. 11. Section 308(a) of title 37, United States Code, is amended by striking out "within three months" and inserting in lieu thereof "within six months."

TRAVEL AND TRANSPORTATION ALLOWANCES AND DISLOCATION ALLOWANCES FOR ENLISTED MEMBERS IN LOWER GRADES

SEC. 12. (a) Section 406(a) of title 37, United States Code, is amended by inserting "including a member in pay grade E-4 (four years or less service), E-3, E-2, or E-1," immediately after "A member of a uniformed service."

(b) Section 407(a) of such title is amended by striking out "uniformed service—" and inserting in lieu thereof "uniformed service, including a member in pay grade E-4 (four years or less service), E-3, E-2, or E-1—"

ENLISTMENTS AND DISCHARGES

SEC. 13. (a) Section 505 (c) of title 10, United States Code, is amended to read as follows:

"(c) The Secretary concerned may accept original enlistments in the Regular Army, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, (1) of male persons for the duration of their minority or for a period of two years, and (2) of female persons for a period of two years.

The Secretary concerned may accept an original enlistment in the case of any person for a specified period longer than two years, but not more than four years, where the cost of special education or training to be afforded such person would make a shorter enlistment period impracticable."

(b) Section 505(e) of such title is amended to read as follows:

"(e) The Secretary concerned may accept reenlistments in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for unspecified periods and for periods commensurate with the cost of any special education or training to be received by any member, as may be prescribed in regulations of the Secretary concerned. In no case shall the Secretary concerned specify a period of more than four years of obligated service because of special education or training to be received by any member."

(c) Section 509(a) of such title is amended by striking out "Under" and inserting in lieu thereof "Subject to the provisions of section 505(e) and".

(d) The Secretary of Defense shall promptly conduct a comprehensive study to determine the term of service which should be required of enlisted members who receive various types of special education or training programs. The Secretary concerned shall, on the basis of the conclusions reached in such study, prescribe by regulation the term of service required to be performed by enlisted members who receive special education or training.

(e) Section 1169 of such title is amended to read as follows: "§ 1169. Regular enlisted members: limitations on discharge.

"Any enlisted member who has completed his original period of enlistment and who has been reenlisted for an unspecified period shall be discharged upon written request, except that—

"(1) the Secretary concerned may refuse to grant a discharge during any period of war or national emergency;

"(2) a member shall be required to fulfill a term of service commensurate with the cost of any special education or training received by him, as prescribed in regulations of the Secretary concerned;

"(3) the Secretary concerned may refuse to grant a discharge to any enlisted member who has been assigned to sea duty or duty outside the United States; or

"(4) as otherwise provided by law."

RESERVE OFFICER TRAINING CORPS SCHOLARSHIP PROGRAM INCREASE

Sec. 14. Section 2107(h) of title 10, United States Code, is amended to read as follows:

"(h) Not more than the following number of cadets and midshipmen may be in the financial assistance programs under this section at any one time:

"Army program: 10,000

"Navy program: 10,000

"Air Force program: 10,000."

GREATER UTILIZATION OF CIVILIAN MEDICAL FACILITIES AND PERSONNEL

Sec. 614. (a) The Secretary of Defense shall, as soon as practicable after the date of enactment of this Act, formulate plans for utilization, to the maximum extent practicable, of civilian medical facilities and personnel to serve the medical needs of military personnel and their dependents. In formulating such plans the Secretary shall give consideration to more extensive use of a medical insurance program for retired personnel and their dependents and for the dependents of active duty personnel.

(b) The Secretary of Defense shall submit to the Congress the plans formulated pursuant to this section not more than three months after the date of enactment of this Act, together with such recommendations for

legislation as may be necessary to effectuate such plans.

FORMULATION OF NEW SALARY STRUCTURE FOR UNIFORMED SERVICES

Sec. 16. (a) The Secretary of Defense shall formulate as soon as practicable after the date of enactment of this Act a new pay structure for the uniformed services. Such pay structure shall—

(1) provide salary schedules of pay which combine basic pay rates and present allowances for quarters and subsistence;

(2) provide for cash contributions to a retirement system similar to the civil service retirement system provided for Federal civilian employees; and

(3) take into account the amount lost as the result of the termination of separate allowances for quarters and subsistence and the amount which will be contributed to a retirement system, including loss of any tax advantage realized under current law.

The Secretary is authorized to include such other features in any new pay structure as he determines necessary or appropriate to make such pay structure fair and equitable and to attract qualified personnel to the uniformed services.

(b) The Secretary of Defense shall submit to the Congress the new pay structure formulated by him pursuant to this section not later than three months after the date of enactment of this Act.

EFFECTIVE DATE

Sec. 17. This title shall become effective upon the date of enactment, except that sections 6, 7, 8, 9, 10, 11 and 12 shall become effective on the first day of the first calendar month after which this Act is enacted.

S. 393—INTRODUCTION OF A BILL TO REMEDY A TAX INEQUITY IN NEVADA

Mr. CANNON. Mr. President, on behalf of myself and Senator BIBLE, I send to the desk, for appropriate reference, a bill designed to remedy a longstanding tax inequity that exists in Nevada.

I first made this proposal, with my colleague, Mr. BIBLE, in 1965. Our proposal recognizes that since Federal legislation in the field of coin-operated gaming devices is designed for purposes of regulation rather than for the raising of revenue, a more realistic formula should be instituted.

Our proposal stipulates that 80 percent of the occupational taxes collected on these devices be credited for similar taxes imposed by a State where the operation of such devices is legal. In our opinion, this proposal is consistent with the 1965 action taken by the Congress on the New Hampshire lottery. Like New Hampshire and New York, Nevada urgently needs more locally raised revenue to meet the increasing costs of government, especially the demands of our schools.

For several years, the Nevada Legislature has sought to impose an additional tax on coin-operated gaming devices, and I ask that a relevant document from the Nevada Legislature, as well as the text of the bill I am introducing be printed in the Record following my remarks.

The PRESIDING OFFICER (Mr. HUMPHREY). The bill will be received and appropriately referred; and, without objection, the bill and document will be printed in the Record.

The bill (S. 393) to amend the Internal

Revenue Code of 1954 to allow a credit against the occupational tax on coin-operated gaming devices for similar taxes presently imposed by a State where the operation of such devices is legal, introduced by Mr. CANNON (for himself and Mr. BIBLE) was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

S. 393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter B of chapter 36 of the Internal Revenue Code of 1954 (relating to occupational tax on coin-operated devices) is amended by adding at the end thereof the following new section:

"SEC. 4464. CREDIT FOR STATE-IMPOSED TAXES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by section 4461 with respect to any coin-operated gaming device for any year an amount equal to the amount of State tax paid for such year with respect to such device by the person liable for the tax imposed by section 4461, if such State tax—(1) is paid under a law of the State in which the place or premises on which such device is maintained or used is located, and (2) is similar to the tax imposed by section 4461 (including a tax, other than a general personal property tax, imposed on such device).

"(b) LIMITATIONS.—

"(1) DEVICES MUST BE LEGAL UNDER STATE LAW.—Credit shall be allowed under subsection (a) for a tax imposed by a State only if the maintenance of the coin-operated gaming device by the person liable for the tax imposed by section 4461 on the place or premises occupied by him does not violate any law of such State.

"(2) CREDIT NOT TO EXCEED 80 PERCENT OF TAX.—The credit under subsection (a) with respect to any coin-operated gaming device shall not exceed 80 percent of the tax imposed by section 4461 with respect to such device.

"(3) CREDIT NOT TO APPLY TO NEW TAXES.—Credit shall be allowed under subsection (a) for a tax imposed by a State only if such State imposed such tax or a substantially similar tax (whether or not conditionally) on the date of the enactment of this section.

"(c) SPECIAL PROVISION FOR PAYMENT OF TAX.—Under regulations prescribed by the Secretary or his delegate, a person who believes he will be entitled to a credit under subsection (a) with respect to any coin-operated gaming device for any year shall, for purposes of this subtitle and subtitle F, satisfy his liability for the tax imposed by section 4461 with respect to such device for such year if—

"(1) on or before the date prescribed by law for payment of the tax imposed by section 4461 with respect to such device for such year, he has paid the amount of such tax reduced by the amount of the credit which he estimates will be allowable under subsection (a) with respect to such device for such year, and

"(2) on or before the last day of such year, pays the amount (if any) by which the credit for such year is less than the credit estimated under paragraph (1)."

(b) The table of sections for subchapter B of chapter 36 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4464. Credit for State-imposed taxes."

(c) The amendments made by subsections (a) and (b) shall apply on and after July 1, 1969.

The document presented by Mr. CANNON is as follows: