

velopment Bank and other proposals to funnel funds into the urban area.

Now, I am not saying that therefore all the needs of urban areas have been met. Far from that, Senator Javits. I am not arguing that point. I just want the record to show that there has been a shift toward urban areas and a concern on the part of this administration for urban areas, no more than that.

Senator JAVITS. Of course, the big argument about what you say with respect to this administration has been that expenditures, for example, for farm price supports, highways, that is public works, have continued at a high level during the course of the war, while our urban problems and needs have not received a high enough priority and adequate funds. I would like to ask unanimous consent to include in the record at this point a recent editorial from the New York Times of yesterday, January 16, entitled, "Unbalanced Budget Priorities."

Senator PROXMIER. Without objection, that will be printed in the record.

(Editorial mentioned follows:)

[From the New York Times, Jan. 16, 1969]

UNBALANCED BUDGET PRIORITIES

President Johnson's last budget is fiscally balanced, but woefully unbalanced in terms of social priorities. Government expenditures are likely to be matched by revenues in the coming fiscal year, a relationship highly desirable for an economy gripped by inflation. But too little money is allocated to the cities with their explosive human problems while too much is funneled into Federal programs that fulfill less urgent needs—programs with claims based on inertia, tradition and the political influence of narrow interest groups.

In one respect, however, the budget is outstanding. Thanks to the reforms initiated by President Johnson and formulated under the direction of David M. Kennedy, Mr. Nixon's Treasury Secretary-designate, the budget for the fiscal year 1970 is virtually free of the gimmickry that was used to overstate revenues and understate expenditures in former years. Within the limits inherent in any attempt to look eighteen months into the economic future, the budget represents the most objective and authentic projection in many years.

Mr. Johnson forecasts a \$2.4-billion surplus for the current fiscal year and \$3.4-billion surplus for the year ending June 30, 1970. These estimates are predicated on such uncertain factors as smaller outlays for farm price supports and the passage of revenue measures which Congress has in the past rejected. But the precise size of the surpluses or deficits is of secondary importance in a period when inflation inevitably distorts both the expenditure and receipt sides of the budgetary ledger. What is important is that the 1969 and 1970 budgets are likely to be roughly in balance, thus obviating further Treasury borrowing and a more inflationary monetary policy.

Under the current circumstances—which could be radically altered by success in negotiating an end of the war in Vietnam or by changing business conditions—a budgetary balance requires the extension of the 10 per cent income tax surcharge beyond its June 30 expiration date. Fortunately, both President Johnson and President-elect Nixon are in essential agreement on this issue.

Defense programs account for more than half of the total of \$195.3 billion in expenditures budgeted for 1970. Because of the bombing halt and fewer heavy construction projects, outlays for the war in Vietnam are expected to decline by \$3.5 billion. But over-all defense outlays will go up anyway. Included in the \$5 billion of increases outside of Vietnam are more funds for the production and deployment of the Sentinel antiballistic missile system. That project is supposed to provide a defense against a possible Chinese attack, but its more certain and disquieting impact will be an escalation of the nuclear arms race with the Soviet Union. Funds which are freed by virtue of a cessation of hostilities in Vietnam should be transferred to urban renewal and antipoverty programs, not siphoned off for military hardware that will actually increase American insecurity by spurring a new competition in instruments of mass destruction.