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*Foreign Service*

CONGRESSIONAL RECORD — SENATE

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Article entitled "Civil Rights Bill Criticized," published in the *Missoulian* on October 21, 1963; article entitled "Farm Bureau Official Attacks Pending Civil Rights Measure," published in the *Daily Ravalli Republican*, Hamilton, Mont., on October 21, 1963; and letter addressed to Senator MERCALF, written by the Assistant Attorney General, Civil Rights Division, relating to the pending civil rights bill.

By Mr. BURDICK:

Editorial entitled "Aiding Our Own," published in the *Mandan*, N. Dak., *Pioneer* of January 11, 1964, dealing with the rural areas development program.

Article entitled "The Sleeping Prince," written by Larston D. Farrar and issued by *Farrar's News Features*, being a tribute to the late President Kennedy.

By Mr. MUNDT:

Resolutions adopted by the South Dakota Reclamation & Water Development Association, at the 26th annual State convention, January 8-9, 1964, at Huron, S. Dak.

#### ADJUSTMENT IN ANNUITIES UNDER FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 795, S. 745.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 745), to provide for adjustments in annuities under the Foreign Service retirement and disability system.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 3, line 10, after the word "State", to strike out "is authorized and directed to" and insert "may in his discretion"; on page 4, after line 22, to insert a new section, as follows:

Sec. 9. No part of the moneys now or hereafter contained in the Foreign Service retirement and disability fund shall be applied toward the payment of any increase in annuity benefits resulting from the enactment of this Act, except those benefits provided by section 10, until and unless an appropriation is made to such fund in an amount which the Government actuary estimates to be necessary to prevent an immediate increase in the unfunded liability to said fund.

And, on page 5, after line 5, to insert a new section, as follows:

Sec. 10. Title VIII of the Foreign Service Act of 1946, as amended, is amended by adding the following:

##### PART J—COST-OF-LIVING ADJUSTMENTS OF ANNUITIES

Sec. 882. (a) On the basis of determination made by the Civil Service Commission pursuant to section 18 of the Civil Service Retirement Act, as amended, pertaining to per centum change in the price index, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 821(c)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 821(c)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 821(c), the items \$600, \$720, \$1,800 and \$2,160 appearing in section 821(c) shall be increased by the total per centum increase allowed and in force under this section and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 821(c) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 821(c) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) No increase in annuity provided by this section shall apply to amounts being paid under authority of section 5 of Public Law 84-503, as amended, or any other law authorizing annuity grants to widows.

(e) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That annuities paid from the Foreign Service retirement and disability fund on the date of enactment of this Act, based on service performed by annuitants which terminated prior to October 16, 1960, shall be adjusted under the provisions of section 821(b) of the Foreign Service Act of 1946, as amended, relating to the formula for reduction in annuity to provide for a surviving widow, as though such provisions had been in effect on the date of the annuitant's separation from the Service, and in accordance with the following:

(a) An annuitant who at time of retirement was married to a wife who is still living, whether or not he so elected at time of retirement or subsequently, may within ninety days of enactment of this Act, elect to provide the maximum survivor annuity,

and if the maximum be less than \$2,400 the annuitant may elect up to \$2,400;

(b) The annuitant's current full annuity, exclusive of annuity increases, shall be used as a base, and the amounts of annuity increases which have been granted, either at time of retirement or subsequent thereto, shall not be affected by such adjustments;

(c) If, during the ninety-day period following enactment of this Act an annuitant dies without having made a new election in accordance with the provisions of this Act, leaving a wife to whom he was married at time of retirement, benefits shall be payable to her as though the maximum benefit had been elected, except that such annuity shall not be less than \$2,400, unless the annuitant has certified in writing his intention of not making a new election under the provisions of this Act.

Sec. 2. If a former participant whose service was terminated prior to October 16, 1960, and who elected a deferred annuity, dies before becoming eligible to receive an annuity, the annuity of the surviving widow, if eligible under the terms of the law in effect upon his separation from the Service, shall be computed under the provisions of section 821(b) of the Foreign Service Act of 1946, as amended.

Sec. 3. In any case where an annuitant who retired prior to October 16, 1960, dies prior to enactment of this Act, leaving a widow to whom he was married at time of retirement who is not entitled to receive an annuity under the Foreign Service retirement and disability system, and who is not receiving benefits as a widow under the Federal Employees' Compensation Act, the Secretary of the State may in his discretion grant such a widow an annuity of \$2,400 per annum; or in cases where such widows are receiving less than \$2,400, the annuity shall be increased to \$2,400.

Sec. 4. No annuity shall be payable from the Foreign Service retirement and disability fund to the widow of an annuitant whose services terminated prior to October 16, 1960, who did or did not provide for a widow survivor at time of retirement, or subsequently, and who elects not to avail himself of the provisions of this Act: Provided, That this section shall not operate to deny to a widow an annuity previously provided by her husband or granted otherwise by law.

Sec. 5. No annuity for a survivor shall be computed on any additional annuity purchased with voluntary contributions pursuant to the provisions of section 881 of the Foreign Service Act of 1946, as amended.

Sec. 6. The provisions of this Act shall not apply to annuitants recalled to duty under section 520 of the Foreign Service Act of 1946, as amended, who are separated subsequent to October 16, 1960.

Sec. 7. The following provisions of law are hereby superseded, except in no event shall existing annuity increases provided therein be reduced by the enactment of this section:

(a) Section 2 of Public Law 82-348 (66 Stat. 81).

(b) Sections 4 and 5 of Public Law 84-503 as amended by section 2 of Public Law 86-612 (70 Stat. 125; 74 Stat. 371).

(c) Sections 1(a) and 1(b) of Public Law 85-882 (72 Stat. 1705).

Sec. 8. Any adjustment in annuity provided by this Act shall commence on the day of the month following the expiration of ninety days after enactment, and the monthly rate payable after such adjustment shall be fixed at the nearest dollar.

Sec. 9. No part of the moneys now or hereafter contained in the Foreign Service retirement and disability fund shall be applied toward the payment of any increase in annuity benefits resulting from the enactment of this Act, except those benefits provided by section 10, until and unless an appropriation is made to such fund in an amount

which the Government actuary estimates to be necessary to prevent an immediate increase in the unfunded liability to said fund.

SEC. 10. Title VIII of the Foreign Service Act of 1946, as amended, is amended by adding the following:

PART J—COST-OF-LIVING ADJUSTMENTS OF ANNUITIES

SEC. 822. (a) On the basis of determination made by the Civil Service Commission pursuant to section 18 of the Civil Service Retirement Act, as amended, pertaining to per centum change in the price index, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equalled a rise of at least 3 per centum each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equalled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 821(c)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a) (1) or (a) (2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 821(c)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 821(c), the items \$600, \$720, \$1,900 and \$2,160 appearing in section 821(c) shall be increased by the total per centum increase allowed and in force under this section and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 821(c) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 821(c) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) No increase in annuity provided by this section shall apply to amounts being paid under authority of section 5 of Public Law 84-503, as amended, or any other law authorizing annuity grants to widows.

(e) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

GERMANENESS OF DEBATE

The PRESIDING OFFICER. As Senators are aware the adoption on Thursday last of the rule providing for germaneness of debate for a limited period during the daily sessions of the Senate makes an entirely new and radical change in its parliamentary procedure.

The Chair will take advantage of this occasion to express the hope that, during the time the Senate is operating under the rule, the cooperation of the Members may be given in an effort to bring about its proper observance.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Will the Chair take it upon himself to determine in any case whether a Senator is speaking to the question before the Senate, and indicate to him that he is out of order, if he be out of order, or is the rule of germaneness a rule which can be enforced only when another Senator brings it to the attention of the Chair on a point of order?

The PRESIDING OFFICER. The present occupant of the Chair is of the opinion that the Chair would have the right, under rule XIX, to call any Member of the Senate to order, but it would be more appropriate for the point of order to be raised from the floor. The present occupant of the Chair would usually require that the point of order be made from the floor by a Member of the Senate.

Mr. DIRKSEN. To amplify the ruling of the Chair, this is not actually a self-enforcing rule, and will be enforced only if a Senator makes a point of order. Is that correct?

The PRESIDING OFFICER. It is the same as any other situation that would arise under rule XIX, but it would be enforced, in accordance with the customary procedure, by reason of a point of order being raised from the floor. It is not self-enforcing.

Mr. DIRKSEN. I gather, then, that it would be in order at any time, when a Senator is not addressing himself germanely to the business at hand, to take him off his feet by a point of order made by any other Member of the Senate.

The PRESIDING OFFICER. He would have to yield for such a point of order. His consent is not required, and he would have to suspend until the point of order as to germaneness was ascertained.

Mr. DIRKSEN. Then he can be taken off his feet by a point of order?

The PRESIDING OFFICER. Under rule XIX, he can.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJUSTMENT IN ANNUITIES UNDER FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

The Senate resumed the consideration of the bill (S. 745) to provide for adjustments in annuities under the Foreign Service retirement and disability system.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is Senate bill 745.

Mr. MANSFIELD. Is the Senate now operating under the Pastore rule of germaneness?

The PRESIDING OFFICER. That is correct; the Senate is operating under the Pastore germaneness rule, adopted on last Thursday.

Mr. MANSFIELD. Mr. President, what is the length of time during which the rule will apply?

The PRESIDING OFFICER. Under the language of the resolution, the duration of time is 3 hours, starting at 12 o'clock and 46 minutes p.m.

Mr. MANSFIELD. Mr. President, the purpose of S. 745 is to provide for adjustments in annuities under the Foreign Service retirement and disability system.

This bill would authorize about 164 Foreign Service officers who retired prior to October 16, 1960, and who provided annuities for their widows, to provide the annuities at the same cost as officers who retired after that date. This means the annuities can be increased and the cost to the retired officers reduced.

The bill also authorizes another group of about 116 Foreign Service officers who retired before October 16, 1960, and who made no provision for their widows, to elect the maximum annuity for their surviving widows in accordance with present law.

In addition, S. 745 would authorize an annuity of \$2,400 for about 27 widows who now have no annuity whatsoever and any other widows who would have no annuity if, assuming S. 745 is enacted, their husbands died before they could avail themselves of its provisions.

By way of background, prior to the enactment of Public Law 86-723, which became effective October 16, 1960, the Foreign Service retirement system provided that the annuity payable to a surviving widow could not exceed 25 percent of a retired Foreign Service officer's average basic salary for the 5 years next preceding his retirement. Moreover, the annuity which he received was reduced by 50 percent of the amount of the annuity which he elected to provide for his widow.

Since enactment of Public Law 86-723, however, an annuity payable to a surviving widow can be as much as 50 percent of the amount which the retired Foreign Service officer receives as an annuity. In addition, the annuity of the retired Foreign Service officer who elects to provide an annuity for a widow survivor is reduced by 2½ percent of any amount up to \$2,400, plus 10 percent of any amount over \$2,400, which he specifies as the base for the survivor benefit.

Obviously, Mr. President, this discrepancy in the cost of survivorship annuities

is so great that it constitutes an injustice to those who retired prior to October 16, 1960. For this reason, the Committee on Foreign Relations felt justified in reporting S. 745 favorably to the Senate, and it is my hope that it will be approved without delay.

Mr. President, I wish to point out that S. 745 provides that no increase in annuity benefits resulting from the enactment of this bill shall be paid until and unless an appropriation is made for that purpose. This provision would put the benefits of this bill on a pay-as-you-go basis, thus preventing further increases in the unfunded liability which has accrued to the Foreign Service retirement fund.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, it is our understanding that the Senator from Ohio [Mr. LAUSCHE] and the Senator from Delaware [Mr. WILLIAMS] have comments they wish to make in reference to certain sections of the Foreign Service retirement bill. Possibly they will be able to draft an amendment that would be helpful in the consideration of the bill.

The Senator from Alabama [Mr. SPARKMAN], who handled the bill for the committee, is necessarily detained on official business at the White House and therefore cannot be present. Therefore, I shall ask Senators to proceed with a discussion of their attitude on the bill and a little later, when the Senator from Alabama returns, I am sure we will be able to proceed to some conclusion on the bill.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. I have no objection to proceeding, but we have the situation in the Senate that the Senator from Ohio [Mr. LAUSCHE] and I, who are in agreement on the amendment, are the only ones who will listen to our arguments.

Mr. HUMPHREY. I shall listen very attentively.

Mr. WILLIAMS of Delaware. I am sure the Senator from Minnesota will be persuaded very quickly.

Mr. HUMPHREY. I may be a little more difficult than that, but I shall be cooperative with the Senator from Delaware.

Mr. WILLIAMS of Delaware. I am willing to proceed, but I wonder if it would not be well to declare a recess.

Mr. HUMPHREY. Mr. President, I suggest that the Senator proceed. We shall be in touch with the Senator from Alabama.

Mr. LAUSCHE. Mr. President, in respect to the bill—S.745—the Senator from Delaware [Mr. WILLIAMS] and I filed dissenting views. The bill contemplates amending the Foreign Service re-

tirement law as it now appears on the statute books.

The Foreign Service Retirement Act was passed in 1924. At that time it was established on an actuarially sound basis. The Government contributed to the retirement fund a percentage of the employees' pay. The employees contributed an equal amount. Thus, when the law was enacted, the Government and the employees felt that the program was established on a statistical basis and would continue to remain actuarially sound, and that in the end it would provide a reasonable annual annuity for retired employees.

That was the situation which prevailed in 1924. But those who drafted the law were not at all conscious of the prospect that, as time went on, demands would be made for the liberalization of the provisions in the law. Thus, since the law was adopted, as the record will show, there have been 11 instances in which liberalized conditions and payments were made. The liberalization began in 1939 and continued through 1960.

Today the Senate is to act on a bill further to liberalize the law. My own belief is that if the people of the country actually knew what has happened with this fund, they would rise in vigorous protest against the present status of it. They will not learn of it because the newspapers will not carry the news that to maintain the fund in a sound condition today requires a contribution of 29.7 percent of the payroll—29.7 percent of the payroll will have to be paid into the fund if it is to be actuarially sound.

When the law was enacted, the amount paid in by the Government was 5 percent, and 5 percent was paid into the fund by the employees. I ask Senators to ponder that fact for a moment. On the basis of senatorial pay, if our retirement fund were to remain actuarially sound and Senators had to pay in approximately 30 percent of their pay, 30 percent of \$22,500 would have to be paid into the fund. I have not computed the amount, but pretty close to \$7,000 would have to be paid into the fund in order to maintain its actuarial soundness.

That cannot be done. Neither the Government nor individuals are in a position to contribute that much money to the fund.

I have heard it is contemplated having the Government pay 23.2 percent of the aggregate payroll of the Foreign Service employees, while the employees would pay 6½ percent. That is shocking, and the taxpayers cannot endure it.

I notice that the Senator from Oregon [Mr. MORSE] and the Senator from Connecticut [Mr. RIBICOFF] have just entered the Chamber. I wish to state for their benefit that the retirement fund, if it is to be maintained actuarially sound under present liberalized conditions and payments, requires contributions of 29.7 percent of the payroll.

These are not my words. They are a quotation from a letter I received from those in charge of the fund.

If the Government pays into the fund 23.2 percent and the employee pays into the fund 6.5 percent, I submit that a very inequitable situation is allowed to exist.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McINTYRE in the chair). Does the Senator yield?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of Delaware. What the Senator has just pointed out with reference to the foreign service retirement fund applies equally to the entire civil service retirement fund, which affects all Government employees—those on the payroll and all those who have been on the payroll.

As the Senator has pointed out, it would require an annual contribution on the part of the Government today of about 21 percent of the payroll to make the fund solvent. A contribution of 21 percent by the Federal Government means, even without a further liberalization, will cost the taxpayers of the Nation \$2¼ billion annually to keep the fund solvent. This is without any further liberalization.

In my opinion this retirement system should be kept on an equal matching basis. To do otherwise would only invite unwarranted increases with no regard as to cost.

When this system was started several years ago the civil service retirement fund was solvent. Today it is not solvent, except as it is anchored to the Federal Treasury and except as the taxpayers will underwrite the cost.

The pending bill endorses a new principle which, if enacted, would cost this year about \$1,300,000. This is just a beginning. In reality, if the principle were extended across the whole civil service retirement fund, it would cost several hundred million dollars. If Congress is to provide these benefits for 116 employees in one group, 164 in another, and 27 in another—and those are the figures we have—there could be no valid argument against extending to the 2.5 million Federal employees the same benefits.

It would then cost an additional \$400 or \$500 million to extend the new formula to the whole retirement system.

This is just the opening wedge. If Congress approves this formula today there will be no sound argument against the extension of it. We shall have provided an opening wedge for a program that will cost \$400 or \$500 million a year.

Mr. LAUSCHE. I concur fully in what the Senator from Delaware has said. The principle that is sought to be established would inevitably have to be applied to the regular civil service employees retirement fund. If there were applied to the entire civil service retirement fund the principle which the bill contemplates applying to the Foreign Service retirement fund, how much did the Senator from Delaware say the cost would be?

Mr. WILLIAMS of Delaware. I was advised it would cost between \$400 and \$500 million a year. Under existing law with respect to both the regular civil service retirement and the Foreign Service retirement, when a man retires and designates his wife to be a beneficiary he takes a reduction in retirement benefits which is actuarially enough to offset the additional cost.

Under the present bill 116 employees retired and did not think enough of their wives to declare them beneficiaries if they became widows, but instead they asked for the full retirement benefits themselves. Notwithstanding their neglect, however, this bill will extend full retirement benefits to their widows. Yet the husbands had not declared them to be beneficiaries.

If that is to be our policy how could it be argued that employees in the postal service or other Federal agencies could not likewise elect to take higher retirement benefits during their lifetime and then, when they died, have Congress come along and say, "We will take care of the widows just as though you had declared them beneficiaries."

It would cost \$400 or \$500 million a year to provide such benefits for widows. Let me refer to page 1 of the committee report.

In addition, S. 745 would authorize an annuity of \$2,400 for about 27 widows who now have no annuity whatsoever and any other widows who would have no annuity if, assuming S. 745 is enacted, their husbands died before they could avail themselves of its provisions.

Why cannot these husbands take care of their wives now? In the first place, why do we refer to them as "widows" before their husbands have died? I have always thought that a wife is not a widow until the husband has died. The husbands have the responsibility of designating their wives as annuitants. I have no objection to applying this principle retroactively, to permit husbands who have retired to make the election, provided they take a reduction. We can amend the bill to provide that a man may make an election retroactively to cover his wife provided that the husbands will pay back into the Federal retirement fund the excess annuity which they have already collected as the result of not having made such election in the beginning. If they have drawn the additional money over the years they should pay it back. They should only get what they would have obtained had they made the election originally.

I am willing to give them the right to make this election retroactively. However, I do not believe they should be paid for not having protected their wives in the first place.

If that is done, we shall open up the whole civil service retirement fund to a new abuse. Why do it for one class, and not for the other?

Mr. LAUSCHE. Mr. President, I thank the Senator from Delaware. I am now directing my attention to the second paragraph of the report under the heading "purpose of the bill";

The bill also authorizes another group of about 116 Foreign Service officers who retired before October 16, 1960, and who made no provision for their widows, to let the maximum annuity for their surviving widows in accordance with present law.

The Senator from Delaware referred to this item.

The bill contemplates allowing retired officers of the Foreign Service who did not designate their wives as beneficiaries in the event the retiree died before the

wife, and thus received increased annuities, to make such a designation now.

There may be persons who have retired from a State service, who probably were asked, "Do you want to make your wife a beneficiary in the event you die before she dies? If you do, you will receive less money as your annuity; but if you do not, you will receive more money."

That is the identical situation which prevails in the Federal Government. It is a matter of not designating their wives and receiving a greater annuity, or designating their wives and receiving a lower annuity.

One hundred and sixteen of them have said, "I want the larger annuity, and I will not designate my wife as a beneficiary."

The bill as it is written gives them the right now to designate the wife as a beneficiary; yet it makes no provision requiring retirees to pay back the increased annuity which they have received.

One hundred and sixteen of them, who did not designate their spouses to be the recipients of annuities in the event the retiree died first, have received \$1,300 million by way of increased pay. That would be \$9,000 apiece. The bill contemplates allowing them to retain that excess pay and now to designate the wives as beneficiaries.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I wish to finish this point first. Then I shall be glad to yield.

I am a lawyer, and I sat on the bench for 10 years. If this is the concept of justice in Congress, the body which creates law, God help the administration of law and justice in the United States.

THE GERMANENESS RULE

Mr. MORSE. Mr. President, will the Senator yield to me, with the understanding that what I am about to say will follow his speech? I should like to make an insertion in the Record and speak for not more than 30 seconds.

Mr. LAUSCHE. I will not challenge the Senator's right to do that. However, is the rule of germaneness in effect?

Mr. MORSE. I forgot all about the rule of germaneness.

Mr. LAUSCHE. I will not object.

Mr. MORSE. Although I was against it, I will respect it. I shall come back later, and, instead of speaking for 30 seconds, I will speak for 30 minutes.

Mr. LAUSCHE. If no objection is made, when an irrelevant matter is sought to be introduced, is it automatically barred under the rule?

The PRESIDING OFFICER. The rule is not self-enforcing. In other words, the Chair will not take the initiative.

Mr. LAUSCHE. If objection is not raised, the matter may be presented. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. LAUSCHE. I raise no objection.

Mr. HUMPHREY. I must raise objection, much as I regret to do so, because I wish to see the rule applied in its pristine purity for at least a few days.

Mr. MORSE. I cannot agree more with the Senator. I will make it 3 hours.

Mr. LAUSCHE. If we are to allow the designation of a surviving spouse as a beneficiary, it would seem, in fairness to the taxpayer, and with due recognition of the meaning of justice, that those who have received \$1,300,000 in excess of what they were entitled to receive should be required to pay that money back into the Treasury.

I suppose that constitutionally we have the right to do what is proposed in the bill. Apart from the Constitution, it is pertinent to ask: What right have we as Senators to give taxpayers' money away under the circumstances which prevail in the situation before us?

The Senator from Delaware has stated that if this situation is allowed to prevail with respect to the Foreign Service fund, retirees covered by the civil service retirement fund will justifiably ask for identical treatment. I do not know how many retirees are under the civil service retirement fund. I am quite certain that among them are persons who have not designated their spouses as surviving beneficiaries.

Suppose all of them were to say, "We want a law passed, similar to the one passed for the benefit of Foreign Service employees, to allow us now to keep all the excess payments which we received, but permitting us now to designate our spouses as beneficiaries." May I ask the Senator from Delaware if it is this category to which he had reference when he said that the cost would be \$415 million?

Mr. WILLIAMS of Delaware. No, only partly so. The point is, as the Senator from Ohio has said, that if we pass the bill and allow those in the Foreign Service who failed to designate spouses as beneficiaries to receive these benefits retroactively we should do so for all civil service employees who are in similar position.

Then there is another category; namely, the overwhelming number of employees who did designate their spouses as beneficiaries. It is not fair to the 90 percent who did designate their spouses as surviving beneficiaries, with a reduction of 20 or 25 percent in their retirement check.

We cannot say that the employee who designated his spouse as the beneficiary is to get 25 percent less retirement benefits than the man who ignores his responsibility to protect his wife.

Ultimately we shall have to provide such benefits to all the 2,500,000 employees on the rolls today, plus those who have already retired. It would cost around \$400 or \$500 million a year to provide this additional benefit to all Government workers.

If it is proposed to give a special \$9,000 bonus, as the Senator has pointed out—and that is what it boils down to—for these 116 employees, why not provide it for all 2,500,000 employees? If that were to be done, a huge sum of money would have to be spent.

Mr. MORSE. Mr. President, will the Senator from Ohio yield for a question on the bill?

Mr. LAUSCHE. I yield.

Mr. MORSE. I have been scanning the bill. In the opinion of the Senator from Ohio, does the bill put the Foreign

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Service annuitants in a preferred position over many other classes of Federal employees?

Mr. LAUSCHE. In one respect, as now contemplated, allowing at this time a retiree to designate his wife as a beneficiary, even though he failed to do so when he retired, and therefore received increased pay, it would put him in a preferential position.

But more than that, as to those who did designate their wives, and thus received a smaller annuity, should they not have the right to say, "Treat us in the same manner as you are treating the 116 who did not designate their wives"?

When the bill came before the committee for hearings, it was rather cursorily sent through the committee. Ample hearings to obtain information were not held. I am now giving the results of 2 months of labor on my part—the writing of letters and the making of calls to the Department of Labor.

In addition, as stated in the report on page 1, the bill—S. 745—would authorize an annuity of \$2,400 for about 27 widows who now have no annuity whatsoever. In that category, the retiree never designated his wife as the beneficiary. He elected to take larger payments. Now it is proposed to make those widows the beneficiaries of payments of \$2,400 a year. I should like to see that done; but why should these 27 be selected when probably 5 million widows throughout the country similarly need direct relief or help? That is another situation.

So far as concerns paragraph 1 of the "Purpose of the Bill," I think that provision is sound. Paragraph 1 reads:

S. 745 would authorize about 164 Foreign Service officers who retired prior to October 16, 1960, and who provided annuities for their widows, to provide the annuities at the same cost as officers who retired after that date.

That phase is equitable. If the officer retired before 1960, why should his benefits be less than those of a person who retired after 1960?

Mr. MORSE. In the opinion of the Senator from Ohio, does not legislation on this subject also raise for appropriate consideration the policies that are being followed in connection with the whole social security program? In the whole social security program, as the Senator has pointed out, literally millions of people, including widows, do not receive anywhere near the benefits which the bill seeks to provide. Is not that true?

Mr. LAUSCHE. It is positively true. The principle would become applicable to every retirement fund operated by the Government. If we liberalize in this instance, and even liberalize beyond the extent of fiscal ability to carry the program into effect, we likewise must do so with respect to the social security and civil service retirement funds.

Mr. MORSE. I thank the Senator from Ohio.

Mr. LAUSCHE. I said a while ago that when this fund was established, the structure was of such a nature as to insure its financial stability. The amounts paid in by the Foreign Service employee together with the amounts paid in by the Government were adequate to sup-

port the fund. It might therefore be asked, Why is the fund now inadequate? It is with reference to the answer to that question that I now wish to direct my attention. The first liberalization of the fund was introduced in 1939. That liberalization provided that officers who had served 30 years could retire at age 60 on a reduced annuity. The retirement age was reduced. When the retirement age was reduced, the burden on the fund was increased. Thus, the first assault on the stability of the fund took place in 1939. Also in 1939, survivor annuities for wives were first provided. I agree with what was done. I agree that a retiree ought to make provision for his spouse. In the original bill, an employee in the Foreign Service could not designate his spouse as a surviving beneficiary. But when the change was made, no thought was given to increasing the amount of contribution to the fund. The conditions were liberalized, but the contributions remained unchanged. So twice in 1 year a successful assault was made upon the integrity of the fund.

Then, in 1941, the act was changed, so as to permit retirement at age 50, with 30 years of service. That was one of the real attacks on the fund; retirement under those circumstances was permitted, even though the individual was capable of taking another job the day after he resigned. That happened time and again.

When that liberalization was made, no requirement to increase the contributions was imposed upon either the Government or the employees.

But in 1946, voluntary retirement was permitted at age 50, with 20 years of service. The taxpayers had to carry the load of that liberalization; no amendment to require increased contributions by the Government and the employees was adopted.

If such had been proposed, the measure probably would not have been passed in 1946. What a liberal arrangement: the right to retire with substantial retirement pay at age 50, after 20 years of service.

Mr. HUMPHREY. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I am glad to yield.

Mr. HUMPHREY. What was the rate of retirement pay?

Mr. LAUSCHE. It was reduced, but it was still substantial.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. But if the Senator from Minnesota contends that what was done was sound, I ask why the fund is insolvent now.

Mr. HUMPHREY. Mr. President, will the Senator from Minnesota yield further?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. The difficulty is that most of the funds are without adequate capital, because the Government does not keep up its prescribed payments. That is the regrettable fact.

Mr. LAUSCHE. That is not a fact; the Senator is not conversant with the situation. Even if the Government paid the \$284 million which it owes, the Government's contribution and the employees' contributions would have to be

increased to 29.7 percent of their salaries; and I say that is improvident and impossible of achievement, and the mere suggestion is an offense to one's intelligence. I have previously heard the argument that the Government has not paid its share.

Mr. HUMPHREY. And of course that is true.

Mr. LAUSCHE. That is true; but the letter I have received shows that even though the Government pays \$284 million to keep the fund solvent, the employees and the Government must pay into the fund 29 percent of the salary.

Mr. HUMPHREY. But that is for the long-range program of the annuity system or of the pension system. I think there is no doubt that increased payments will have to be made into the fund if there are to be increased benefits. The bill does provide, as the Senator properly points out, some increased benefits. I think a case can be made for the Senator's amendment which relates to certain elections to be made—at the time of retirement—as to the benefits to be provided; and the Senator from Ohio has already made that point.

Mr. LAUSCHE. The point I am trying to make is that in the course of 24 years, 11 liberalizations were made, without any requirement that the contributions be increased so as to maintain the fiscal stability of the fund.

I have already mentioned the one made in 1946: voluntary retirement at age 50, with 20 years of service.

In 1946 came the fifth liberalization: disability retirement was liberalized, so that when a participant in the system became disabled, if he had at least 5 years of service, his annuity would be calculated on the basis of a minimum of 20 years of service.

I point out to the Senator from Delaware that, with respect to that liberalization, regardless of where the disability occurred—whether at work in the Foreign Service, or on a highway, or anywhere else, the Foreign Service employee thus became entitled to the benefits of this provision.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of Delaware. This represents an increase of approximately 400 percent in the benefits without any corresponding increase in the contributions by either the employees or the Government. As the Senator from Ohio has pointed out, that is one of the reasons why the fund is insolvent today and why it will be bankrupt—down to zero—by 1977, unless Congress takes action. Without any liberalization, by 1977 the fund will be completely bankrupt, under existing law.

Mr. LAUSCHE. The statement made by the Senator from Delaware is absolutely correct. I assume that his statement that the liberalization was in the area of 400 percent is correct, because when the law was enacted, it required contributions of 5 percent, whereas it now requires contributions of 30 percent.



Mr. WILLIAMS of Delaware. I was speaking of item 5. Under the law prior to 1946 if a man with 5 years of experience became disabled his annuity was computed on the basis of his pay during those 5 years.

In 1946 the law was again amended providing that upon disability a man with 5 years of service would get credit for a full 20-year period. This represents a 400-percent increase.

All of these increases have been piled up, one on top of the other. As to each one, it was said at the time of its enactment, "This is only a small cost, and we shall deal with the whole later on in the years to come."

These successive increases add up to a bankrupt retirement fund; yet instead of facing this situation the committee just reports out more bills, each time further liberalizing the benefits.

Mr. LAUSCHE. Mr. President, the sixth liberalization also occurred in 1946; at that time the law was amended so as to provide that the annuity would be based on the officer's 5-year average salary next preceding retirement, rather than on his salary for the 10 years next preceding retirement. So if the salaries of Senators are increased to \$37,000 a year, as has been proposed, and if the salaries of judges of the Supreme Court are increased to \$60,000, and if the salaries of Cabinet members are increased to \$35,000, this provision would have applicability in principle.

In 1946 the law required that the annuity be calculated on the basis of the average salary during the 10 years immediately preceding retirement.

It was changed to provide that the annuity shall be calculated on the basis of a 5-year average salary. Thus, instead of being required to work 10 years to have an annuity as a Senator calculated on the basis of a contemplated increase to \$35,000, I would be required to work only 5 years on that item.

Liberalization No. 7. In 1955, it was changed by way of liberalization to the best 5-year average next preceding retirement. If we should fall into a period of economic depression and it became necessary to reduce salaries under the amendment made in 1955, the employee would be entitled to have the average of his 5 highest salary years used as the premise for figuring his retirement annuity.

Liberalization No. 8. In 1956, the limitation on years of service on which an annuity could be based was raised from 30 to 35 years, thus allowing 70 percent of the highest 5-year average salary as an annuity. Under the law, an employee of the Foreign Service can draw 70 percent of his highest 5 years of salary, provided he has worked 35 years.

Mr. President (Mr. NELSON in the Chair), I do not know what their average salaries are, but under the law they are entitled to draw 70 percent of the highest 5-year average salary as an annuity.

In the discussions which have been held on the floor of the Senate dealing with the cost to the Government of hiring new employees, I have used the measurement that \$6,000 is about the

average salary. I know that the Foreign Service is much higher than the \$6,000 average.

Liberalization No. 9. In 1960, the retirement system was changed to provide that Foreign Service staff personnel, after they have served 10 years in the Foreign Service, would become participants in the Foreign Service retirement system. This liberalization meant that a new category was allowed to come within the provisions of the law. They were not originally directly connected with the Foreign Service, and therefore were not covered. But in 1960, it was declared that staff personnel, after they served 10 years in the Foreign Service, were permitted to become participants. Prior to that time, they were covered by the civil service retirement provisions. But that payment is less than that of the Foreign Service, so they worked themselves into the Foreign Service coverage.

Liberalization No. 10. In 1960, survivor annuities were provided for children. When the bill was initially passed, it covered only the worker. Subsequently, it was liberalized to cover the wives and husbands of workers. In 1960, it was liberalized, as I have indicated, to also make provision for children.

This is laudable. It is consonant with the highest concepts of charity and service to a family. But, looking at it realistically, it is thoroughly apparent that when these liberalizations were made, unless additional contributions were made to the fund, the fund could not survive, but would eventually become bankrupt.

Liberalization No. 11. Also in 1960, the act was amended to provide for recomputation of annuities of those who applied prior to 1956, to allow those with more than 30 years to be given added credit for the difference up to 35 years.

That is the end of the series of assaults that were made upon the financial integrity of this fund, except for the bill now pending before the Senate, which will be the 12th liberalization without any increased contributions in the fund, rendering it more unsettled and unstable than ever.

The Senator from Delaware [Mr. WILLIAMS] has pointed out that if the bill is passed, its provisions will become the precedent for arguments to be made advancing the application of similar concessions, definitely with respect to the civil service retirement fund. With respect to the social security fund, it is a delight to know that one can draw retirement pay having some semblance in amount to the needs of the recipient.

Although we rejoice, we should also recognize that unless the funds are kept actuarially sound, they will eventually become insolvent. Those who receive their benefits will get out more than they have paid in. Those who come along in the future will be likely to find that the basket is empty.

If and when that occurs—and it will occur with reference to the Foreign Service retirement fund—the proposal will be made to the taxpayers of the United States that the fund needs for its sustenance 29.7 percent of the Foreign Service payroll. If we, the workers, are to

pay in 50 percent of the 29.7 percent, it will cost 14.85 percent of our payroll. I, as a worker, cannot afford that, and I would ask to be spared the responsibility of paying in that much money. But I would ask the taxpayers to allow me to pay in 6½ percent while they pay in 23.2 percent. We may be able to establish that principle in Congress. We would not put it over if the question had to be debated in every forum in the country.

If the subject were discussed in the squares of the various municipalities and in service clubs, the Senate would never pass a bill which would require the Government to pay into the fund 23½ percent while the workers pay 6.2 percent.

If we pass the bill, what would we do with regard to social security? What would we do with relation to the civil service employees' retirement program? If we should allow such conduct to continue, what would happen to a medicare program if and when a medicare bill should be passed? Supposedly it would begin on an actuarially sound basis. Perhaps every 2 or 3 years liberalizations would be made. Into what proportions would the burden of the Government grow?

It will be argued by the proponents of the bill that it would involve a very small sum of money. That is a fact. Not much is involved by way of payments. But the principle involved is a serious one.

In conclusion, I point out that the limitation of 5 percent of salary up to \$9,000 provided by the 1924 act was changed to \$10,000 on February 23, 1931; it was changed to \$13,500 on August 13, 1946; and removed altogether on August 5, 1955.

When the law was adopted in 1924, it required contributions of 5 percent of the salary.

As I said a moment ago, to keep the fund sound would now require a contribution of 29.7 percent. At the present time employees are paying 6½ percent a year and the Federal Government is paying 6½ percent of the aggregate salary. But those contributions will not do, because the fund cannot be sustained in that way.

On that basis I urge that the bill be rejected. It ought not to pass. It is not just; it is not fair; it can only contribute to the fiscal disability under which the Government is already suffering.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I move to recommit the bill to the Committee on Foreign Relations.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

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Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to section 194 of title 14 of the United States Code, the Speaker had appointed Mr. GARMATZ, of Maryland, Mr. LENNON, of North Carolina, and Mr. GLENN, of New Jersey, as members of the Committee on Merchant Marine and Fisheries.

The message announced that the House insisted upon its amendments to the bill (S. 298) to amend the Small Business Act of 1958, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PATMAN, Mr. RAINS, Mr. MULTER, Mr. BARRETT, Mr. KILBURN, Mr. WINDALL, and Mr. HARVEY of Michigan were appointed managers on the part of the House at the conference.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 1959. An act to authorize the transportation of privately owned motor vehicles of Government employees assigned to duty in Alaska, and for other purposes;

H.R. 3368. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land to the Lexington Park Volunteer Fire Department, Inc.; and

H.R. 4801. An act to amend subsection 506 (d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records.

## ADJUSTMENT IN ANNUITIES UNDER FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

The Senate resumed the consideration of the bill (S. 745) to provide for adjustments in annuities under the Foreign Service retirement and disability system.

Mr. HUMPHREY and Mr. GORE addressed the Chair.

Mr. HUMPHREY. Mr. President, does the Senator wish to speak on this particular bill?

Mr. GORE. No.

Mr. HUMPHREY. I must regretfully state that the new rule of germaneness will be in effect until a later hour. Will the Chair state the time?

The PRESIDING OFFICER. Until 3:46.

Mr. HUMPHREY. And since this rule is in its early days of application, as I said a few moments earlier, I think we

should retain it in its pristine purity until it is later adulterated by Senate practice.

I am sure the Senator is about to come forth with an amendment.

Mr. GORE. I certainly am.

Mr. HUMPHREY. I thought that was the case, but I shall not yield for that purpose right now.

Mr. GORE. Mr. President, is the senior Senator from Tennessee or the senior Senator from Minnesota recognized?

The PRESIDING OFFICER. The Senator from Minnesota had the floor.

Mr. HUMPHREY. That is correct. I shall be more than happy to yield to the Senator from Tennessee in a moment for the purpose of his offering a non-germane amendment to test the rule of germaneness.

The arguments made against this particular bill relate, of course, to its more generous provisions concerning one group of Foreign Service officers in the number of 116 who retired before October 1960.

At that time the retirement benefits were not as generous as they are now, and the payments into the retirement fund in relation to these benefits were considerably higher.

Also, this group of 116, to which the provisions of the bill refer, made no provision for their widows. In other words, because of the cost of the retirement benefits for the individual Foreign Service officer, the process of election of beneficiary, or of those who were to be the recipients of an annuity, was limited to the actual Foreign Service officer rather than the officer and his surviving widow.

As the report on the bill (S. 745) indicates, the bill would authorize an annuity of \$2,400 to about 27 widows who now have no annuity whatsoever. It would also apply to any other widows who would have no annuity. If S. 745 were enacted, they could avail themselves of its provisions.

The latter is a sort of saving clause, since it is possible that if the bill were made public law, some officers would not have time to make the election or selection provided for in the proposed legislation.

I have discussed the bill with members of the staff of the Foreign Relations Committee who have been closely associated with the development of the legislation. I can well understand the concern of the Senator from Ohio and of the Senator from Delaware. There is much merit in the argument that has been made.

However, the bill has been before the Foreign Relations Committee, not once, but several times. As I recall—and I stand corrected if I am in error—hearings were held on the bill before the Foreign Relations Committee in previous Congresses. After a number of hearings during the 88th Congress, the Foreign Relations Committee reported the bill to the Senate, with minority views. Three of our colleagues in the Senate have expressed dissent or opposition to the bill in minority views.

The bill has the approval of the Department of State and of the Bureau of the Budget. That means, of course, that it represents the views of the administration. I believe it would be fair to say that, with the approval of the Bureau of the Budget, the cost items have been carefully evaluated; and that with the State Department approval the equities involved and the sense of justice involved have been given careful consideration.

The report is very explicit with reference to the various sections of the bill. There is included in the report a section-by-section analysis. Also, some examples are given in the report, which I believe are rather helpful in understanding this complicated piece of proposed legislation. For example, the report points out that prior to the enactment of Public Law 86-723, the most recent revision of the Foreign Service Retirement Act, the Foreign Service retirement system provided that the annuity payable to a surviving widow could not exceed 25 percent of a retired Foreign Service officer's average basic salary for the 5 years next preceding his retirement.

In other words, if a Foreign Service officer received \$12,000 a year, the most the widow could receive would be \$3,000. This presumes that there would be a 5-year period immediately prior to the retirement in which the Foreign Service officer's salary would not have been less than \$12,000 a year.

If he had elected, under the retirement system, to have his wife included in the annuity, the widow would be entitled to \$3,000.

The same revision in the law, known as Public Law 86-723, provided that an annuity payable to a surviving widow could be as much as 50 percent of the amount which the retired Foreign Service officer received as an annuity.

In addition, the annuity of the retired Foreign Service officer who elects to provide an annuity for a widow survivor is reduced by 2½ percent of any amount up to \$2,400, plus 10 percent of any amount over \$2,400, which he specifies as the base for the survivor benefit.

The committee report gives an example of this situation, which I believe will help clarify it. It indicates why there was a need for the provision contained in the pending bill.

To illustrate, according to the formula in effect for those who retired prior to October 16, 1960, a Foreign Service officer whose so-called high-five average salary was \$12,000 a year would, on the basis of 30 years' service, receive an annuity of \$7,200. This is calculated on the basis of 2 percent times 30 times \$12,000. That amounts to \$7,200. That is the formula. The maximum annuity he could provide for his surviving widow was 25 percent of \$12,000, or \$3,000. The cost to him for such a widow survivor annuity was \$1,500, or one-half of the annuity provided for her. Therefore, his reduced annuity would then be only \$5,700. That is for his widow and for himself.

Further, on the basis of the same figures set forth in the report, under the