# Senate Readies for Trial of Nixon

As the *Memo* went to press, a House vote on impeaching President Nixon had become a certainty, after the Judiciary Committee voted affirmatively on articles of impeachment, and the Senate was readying for the trial.

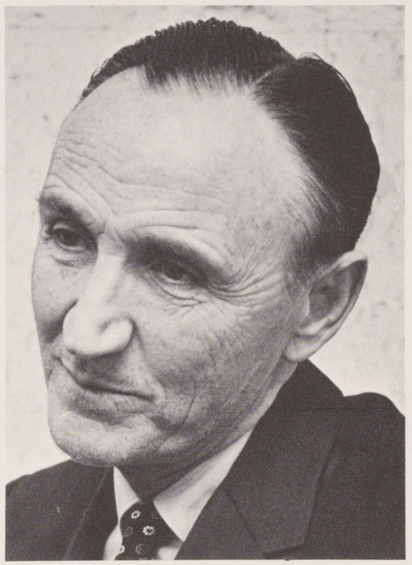
Except for White House spokesmen, who were keeping a stiff upper lip and still forecasting a negative vote in the whole House, few doubted the process would go the full route to the Senate for trial. And as this seemed more and more likely, different possible scenarios attracted discussion.

Many felt the President would fight it out all the way, taking his chances on getting the 34 Senate votes (one-third plus one) he'd need to avert removal from office and finish his full term.

Yet, there was increased mention of a presidential resignation even before the November elections to make possible the ascension of Vice President Ford and an appeal to Americans to elect members of his party to House and Senate to get him off to a good start in the early days of his presidency.

Meanwhile, as the likelihood increased that the Senate would finally sit in judgment on the President, Majority Leader Mike Mansfield (D.-Mont.) laid out plans for the procedure that would keep senators up for re-election too busy to campaign this fall and would allow passage only of emergency matters.

Mansfield announced he hopes a Senate trial can begin within two or three weeks after impeachment in the House. He said the Senate should meet, during the trial, from morning to evening six days a week, without any break for campaigning.



SEN. MANSFIELD
Clearing the decks

# Inflation, Recession Hit Simultaneously

*(Continued from Page 1)*

earnings to $91.48 in constant 1967 dollars, which compares to $95.83 a year earlier.

In 1965, that figure stood at $91.32 and had gotten as high as $96.40 before the recent decline.

The BLS figures followed a grim report from the Commerce Department a day earlier showing a decline for the April-June period in the nation's "real" gross national product, the total output of goods and services. It was the second successive quarter of decline.

"Together, these figures confirm the AFL-CIO statements of February and May that we are in an inflationary recession," AFL-CIO Research Director Nat Goldfinger noted in a statement.

Meanwhile, the rate of inflation was also setting records, with June marking the end of a quarter in which the inflation rate was 8.8 percent, the highest figure since 1951—except for the first quarter of this year, when the rate was 12.3 percent.

# *Meany Raps Nixon 'No-Program' Speech*

From near his Western White House in San Clemente, which has cost taxpayers millions of dollars, President Nixon—in what was billed as a major address on the economy—urged Americans to fight inflation by putting more in their piggy banks and to spend less. Following are AFL-CIO President George Meany's comments on the Nixon speech:

"The President admitted he has no program. His speech was completely bankrupt of ideas.

"The President blamed everyone but himself for the economic mess he has created. He has conveniently forgotten that before he started tinkering with the economy things were in much better shape. When he took office the inflation rate was 4.2 percent and 2.8 million Americans were unemployed. Today inflation is 11.1 percent and 4.8 million are jobless.

"He also conveniently forgot to mention that his Administration is responsible for the highest interest rates since the Civil War or that corporate profits have been permitted spectacular increase on top of spectacular increase . . .

"The President's advice to families to buy less and save more was an insult. Consumers are already buying less because they just can't afford today's prices, especially since their income—but not that of the corporations—was stringently controlled for 30 months.

"Families might be able to save something if it weren't for Nixon food prices and Nixon oil prices."



# Interest Rates Fuel Economic Woes

Economics used to be a dull subject which was left to the economists and money people—but no longer. Today's citizen ignores economics at his peril.

The subject is still complex but everyone knows when inflation hits and the value of his earned dollar declines, as it is doing now. And most people have a pretty good idea of what record interest rates are doing to them and to the economy, generally.

Interest rates are a factor in the price of everything we purchase, if not directly, indirectly—whether it's a house, a manufactured item, a service, clothing, transportation or even schools or utilities.

A manufacturer, a wholesaler, a retailer or a government must figure the interest rate paid on money borrowed in the total cost of the goods or service. And the cost is passed along until it finally comes to you, the consumer, in the form of higher prices.

That is why economists are so deeply concerned over the shockingly high level of interest rates which seems to be an integral part of the Nixon Administration's attempts to curb rampant inflation.

Three times in three months the Administration has increased the interest rates on government-insured home loans—VA and FHA. They are now at a record nine percent. Home building is at a near-depression level.

The nation's banks have been having a field day in raising their prime interest rates—the rate reserved for their major customers, usually corporations. The rate is moving upward past 12 percent.

The theory behind this hard money policy is that a higher cost of borrowing places restraints on the economy and will help to dampen the fires of inflation. The same theory holds that curbing wage increases will also act against inflation.

There are counter-theories to hard money. They are that in small doses a hard money program cannot be effective as an antidote to inflation. And while in large doses it may succeed in curbing inflation, it will only be at the cost of precipitating a decline in production, employment and incomes, redistributing income from lower to higher income groups, and forcing undesirable changes in the economy.

The problem today is that even in large doses hard money has not made an impact on inflation. And one

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# *The Major Differences in Health Plans*

Following are the major differences among three of the key health plans before Congress, the labor-endorsed Griffiths-Corman health security proposal, the Nixon plan, and the Mills-Kennedy program.

| | HEALTH SECURITY | NIXON PLAN | MILLS-KENNEDY |
|---|---|---|---|
| *Method of Financing* | 1% tax on $15,000 (2.5% on self-employed) 3.5% tax on employer payroll matched by general revenues. | Continue Medicare tax of .9% on $13,500 income base and family insurance premium of $210 per year. $8 billion from general revenues. | New tax of 1% on $20,000 earned income base or 2.5% on unearned income. 3% employer payroll tax. $8 billion new general revenues contributions. Continue Medicare tax. |
| *Cost Sharing* | None | All persons pay deductibles and co-pay. | Incomes over $4,800 pay deductibles and co-insurance. |
| *Coverage* | Universal | Voluntary | Some apparent gaps. |
| *Administration* | Health Security Board | States and private insurance companies. | Social Security Administration, private fiscal sources. |
| *Preventive Care* | Encouraged and fully covered. | Cost-sharing for children. Not covered for adults. | For children only, with co-payment. |
| *Reforms of Health System* | Strong incentives for greater efficiency and effectiveness, including special incentives and support for HMO's. | No change except some recognition of HMO's. | Incentives for cost controls for individual but open-ended budgets for institutional providers. |
| *Quality Assurances* | Quality Control Commission and administrative reviews. | PSROs | PSROs |
| *Medicare, Medicaid* | Complete coverage without co-insurance and deductibles. Medicaid continued on a very limited basis. | Cuts back on benefits and raises financial costs for both elderly and poor. | Long-term voluntary program paid by premium, state and federal revenues. Eliminates present services covered for poor and elderly in many states. |
| *Consumer Participation* | Involvement at all levels | No involvement | Little involvement |