

Private-College Woes Increase

For historical reasons, higher education remained largely a private matter in the major Northeastern states until fairly recently. While mammoth state-owned universities blossomed in the West and Midwest, the East tended to rely on its many well-established private colleges.

But when states like New York and Massachusetts finally made a commitment to public education, they did it with a vengeance. And now the leaders of the private (or "independent" they prefer it) colleges in New York are worrying out loud over whether their institutions can much longer survive the combined pressures of inflation, a shrinking applicant pool and bare-bones competition from the State University, the City University and the living community colleges.

They are now mobilizing critical support hoping for a temporary first aid in a "modest" \$15-million increase in state grants, just to make up for one year's inflation. Last week, the Assembly's Higher Education Committee in Albany approved, but the legislation's future is uncertain.

Beneath the maneuverings are underlying tensions that have been mounting since the State University erupted several years ago, sprinkling campuses from Stony Brook to Buffalo. Private institutions like Hofstra on Long Island, charging more than \$3,000 in tuition, have been hard put to compete with nearby State University College at Old Westbury, which offers a similar education at one-fourth the cost.

Urge Major Rethinking

Though New York's 135 private colleges are certainly better off than those in most other states (the taxpayer pays 8 per cent of their \$1.8-billion budget), their leader, say certain disaster awaits if enrollment and economic trends persist. The answer, they say, is not minor adjustments in state-aid formulas, but a major rethinking of the relationships between public and private sectors.

"Talking about private colleges is anachronistic," said Henry Paley, who heads the Commission on Independent Colleges and Universities. "We are not claiming we are better by virtue of being private. By and large we perform the same public mission for which we get little public support."

He and others argue that the low tuitions charged by state schools are illusory bargains, artificially lowered by subsidy and ultimately paid for by the taxpayer. And they resent what John R. Silber, president of Boston University, has called the "imperialistic duplication" of educational services by the public institutions.

It would be more efficient, they contend, to half public expansion and subsidize students to enable them to fill the existing but underused private facilities. Mr. Paley says the state private colleges have 50,000 empty places. Of the full-time and part-time students in New York — 932,000 strong — 63 per cent attend publicly owned schools; 30 years ago only one in five did. "All we want is to retain the ratio we've got now," Mr. Paley says.

A Fearful Vision

Mr. Paley paints a fearful vision of what would happen if many private schools folded: Thousands of students would flock to public institutions at greater taxpayer cost, and defaults on state loans for dormitory construction would create a major state financial crisis.

While suggestions that this may be an overly apocalyptic view, state education authorities are nonetheless concerned. "The Regents' policy is to maintain both public and private," said a high State Education Department official. "We will have to find a way to treat them with reasonable evenhandedness."

Leaders of the public institutions are not unsympathetic, but say they have severe economic problems of their own. A spokesman for the State University in Albany said the state system had cut back construction plans heavily, particularly on Long Island.

"We are facing a slow-growth situation," he said. And he pointed out, correctly, that New York State private colleges fare much better than in almost any other state.

For the moment, the private institutions are pleading for quick relief from inflation, comparable to the "mandatory" salary adjustments enjoyed by the public institutions. They hope this will stave off another self-defeating round of tuition hikes.

They want about a 10 per cent rise in the \$146-million

in various state subsidies, mainly in the so-called Bundy money and the Tuition Assistance Program (TAP). They seek \$6.2-million over the current \$56.9-million in Bundy funds, which pay the private institutions from \$600 to \$3,000 for each degree awarded. They would also like \$5-million more in TAP money, intended to help needy students attend private colleges.

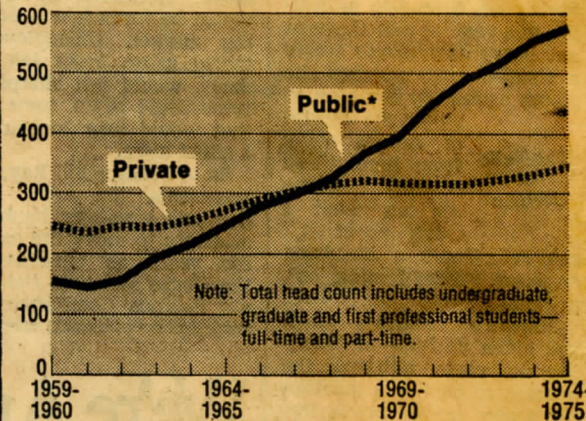
"The tradition is to keep a mix—we do have a stake in the private colleges," said Assemblyman Irwin J. Landes, Democrat-Liberal, of Great Neck, who heads the higher education committee. But given Governor Carey's resistance to new expenditures without new revenues, Albany observers were not overly optimistic about the private request.

Efforts are afoot on some campuses to whip inflation now, but it has nothing to do with money. It is grade inflation, which has turned D's and F's into endangered academic species. Now students at Stamford University report that some of their professors have become "grade vigilantes."

The vigilantes are beginning to make a dent. The university's latest statistics show that the proportion of undergraduate A's awarded in the School of Humanities

Higher Education Enrollment Figures for New York State, 1959-1975

(In thousands)



*Includes City University of N.Y., State University of N.Y., and Community Colleges

Source: State Education Department

The New York Times/June 11, 1975

and Sciences dropped from 39 per cent last year to 33 per cent this term. Similarly, the drop was from 37 to 31 per cent in engineering and from 35 to 29 per cent in earth sciences. Now some are even talking about restoring the extinct D. Still nobody fails at Stamford; the worst you can do is "incomplete/no credit."

But the University of Bridgeport has gone further, reviving the F. The reason was that many persons were interpreting as failure the designation NCR ("no credit received"), which was intended to encourage students to learn for knowledge, not grades. College officials say

some poor students have misused the designation to disguise failure.

This has been a year of student unrest, over money. One of the main disruptions occurred at Brown, where students struck for more control over spending priorities. But according to a survey of 517 of the Ivy League schools, 1,300 graduating seniors, nearly 90 per cent maintained they would still choose Brown if they had it all to do over. But 29 per cent rated the administration poor at 46 per cent, average. And 66 per cent felt the school played an inadequate role in decision-making.

Rate of Population Influx Declines in 8 Biggest

Continued From Page 1, Col. 2

sion whose inhabitants have dwindled in number and affluence.

Precisely why the growth rate of the major metropolitan areas has tapered off is still under study. But census and demographic experts interviewed recently offered the following theories:

¶A slowdown in growth was inevitable, and it is finally coming to pass in aging American metropolitan areas, just as it is in Europe.

¶Large metropolitan areas, where big cities, particularly during the early and middle 20th century, often annexed land to meet their growth needs, have run out of space and the cities are left with nothing more to annex.

¶An "equaling out" is taking place with laggard regions like the South beginning to catch up to regions like the Northeast that have had a protracted period of constant growth.

¶The absence of a cohesive Federal urban policy is contributing to the aging of older cities because there is no national focus on the problems peculiar to them. New York City, with its fiscal crisis, is cited in this context.

A 'Striking Reversal'

In the nineteen-sixties, according to Richard L. Forstall, a Census Bureau demographic expert, the eight major metropolitan areas together "absorbed 2.4 million net in-migrants but, since 1970, in a particularly striking reversal of trend, they have lost 664,000 net migrants."

Over all, Mr. Forstall said, the eight areas, which include major cities and surrounding counties deemed part of the central city's economic and social patterns, gained 7.9-million persons in the nineteen-sixties through both migration and natural increase—that is, births.

This increase was nearly one-third of the nation's total gain during the decade, according

to the growth of rural areas was faster than that of metropolitan areas. The nation's nonmetropolitan counties—those with no population center of at least 50,000 persons—gained 4.2 per cent population between April, 1970, and July, 1973, while metropolitan counties, which include suburbs, gained 2.9 per cent.

Mr. Forstall noted that the slowing down in the United States paralleled a similar recent pattern in northwestern Europe.

"London's population growth largely ceased in the mid nineteen-sixties," he wrote. "Several, though not all, of the West German metropolitan areas have shown little recent growth, after 20 years of rapid recovery" following World War II.

Recent statistics for Amsterdam, Copenhagen and Stockholm, he said, "show a virtual halt to population growth in the metropolitan area."

The slowing down of the growth rate of heavily urban areas of the United States since 1970 while the nonurban growth rate speeded up was, Mr. Forstall said, "a development that stands in contrast with practically all preceding periods back to 1790."

"The more rapid growth of larger urban concentrations as compared to nonmetropolitan territory has been one of the most persistent of American demographic trends," he said.

Growth in Capital

Of the eight major metropolitan areas, only the Washington area — one with increasingly large numbers of Government workers—has grown since 1970 by as much as 1 per cent a year in net migration into the city.

The San Francisco area, which had 485,000 in-migrants during the nineteen-sixties or 13.9 per cent, showed an increase of only 23,000 in the new survey, or 0.5 per cent.

The Boston area, which during the nineteen-sixties had 32,000 in-migrants, or 0.9 per cent, showed an increase of 15,000 or 0.4 per cent, in the 1970-73 study.

Now, he said in an interview, the era of annexation, particularly in the crowded northeastern United States, is over.

"Quite simply," he said, "the space is all filled up."

According to Mr. Forstall, the large gains made in the South during the nineteen-sixties—a rate of growth that has accelerated in the nineteen-seventies — is an "overdue catch-up" in an area that has traditionally lagged far behind the growth patterns of the Northeast and Midwest.

"What is really amazing is how the Northeast remained dominant so long," Dr. Gibson said. "What we're seeing now is a kind of equaling out."

Another possible factor, according to Mr. Forstall, is that a growing segment of the population is picking and choosing where it wants to live rather than letting the job market dictate location.

He said that this segment was probably quite small but that it nevertheless was larger than in the past, when "people didn't settle in Chicago necessarily because it was a desirable place to live. Jobs were there."

The new survey material showing a waning growth rate in the Northeast has raised questions about whether the Eastern Seaboard is "declining."

According to Prof. George Sternlieb, director of the Center for Urban Policy Research at Rutgers University, the question is not so much one of "decline" but one of: "Can the Northeast age gracefully?"

Dying Gracefully

"Vienna is dying gracefully, but it has no competition," Professor Sternlieb said in an interview. "New York is in competition with the rest of the country."

In Mr. Sternlieb's view, the slowdown in the Northeast has been accentuated by a lack of Federal policy in the urban field.

He also said that while the Federal Government asserted it had no migration policy its investment in subsidized housing leaned heavily toward the South and Southwest.

The Northeast, with its heavy welfare caseloads, Professor Sternlieb said, is also "the victim" of the fact that the Feder-



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place with laggard regions like the South beginning to catch up to regions like the Northeast that have had a protracted period of constant growth.

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This increase was nearly one-third of the nation's total gain during the decade, according to Mr. Forstall, who is chief of demographic statistics for the Census Bureau's Population Division.

But census data gathered between 1970 and 1973 show the over-all gain in the eight areas in that period to be fewer than 600,000 people.

In a study analyzing the new data, Mr. Forstall said that smaller metropolitan areas—those with populations between one and three million people—"have also experienced considerable reduction in growth since 1970."

Most of the in-migration in such areas has been in retirement centers in the areas of Phoenix, Ariz., Miami-Fort Lauderdale and Tampa-St. Petersburg in Florida.

Gains for Smaller Areas

Metropolitan areas of less than one million population, Mr. Forstall said, "have had a higher annual net in-migration rate since 1970 than they have had in the nineteen-sixties."

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"The near cessation of growth has been especially dramatic for Los Angeles," Mr. Forstall said.

During the nineteen-sixties the Los Angeles area had net in-migration of almost 1.2-million people, but from 1970 through 1973 it had a net out-migration of 119,000.

The New York metropolitan area, which for purposes of the census survey included New York City, Nassau and Suffolk Counties and portions of New Jersey within commuting distance, had a net decrease of in-migrants during 1970-1973 of 305,000.

For the Chicago area the decrease was 124,000; for Philadelphia, 75,000, and for Detroit, 114,000.

In discussing possible reasons for the decline, Dr. Campbell Gibson, chief of the Census Bureau's National Population Estimates and Projection Branch, noted that in the past large cities often annexed adjacent territory, thus adding land that often took decades to fill up with people.

He said that this segment was probably quite small but that it nevertheless was larger than in the past, when "people didn't settle in Chicago necessarily because it was a desirable place to live. Jobs were there."

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The Northeast, with its heavy welfare caseloads, Professor Sternlieb said, is also "the victim" of the fact that the Feder-

mind men of all ages agree about incomparable clothing value. Here you will find America's most expensive brands at a fraction of their usual cost; thousands of garments that encompass every degree of fashion from

Government Employees and Political Rights

To the Editor:

Spurred on by several large Federal employe unions, the Congress is moving steadily toward passage of a bill that ought to concern everyone who believes in good government. Unless stronger opposition suddenly develops, Congress will pass H.R. 3000 and deprive all Federal employes and certain state employes of the protection the Hatch Act affords against political pressure by the incumbent political party.

Ostensibly, the purpose of H.R. 3000 is to return to government employes certain political rights that are denied them by the Hatch Act. The proposed bill would permit government employes to manage and otherwise engage in political campaigns and to make political contributions.

It does not take too much imagination to visualize the results: subtle,

sophisticated and unrelenting pressure upon civil servants to maintain the incumbents in power, through direct contributions, through active campaigning and through favors for "friends" of the incumbent having business with the government. When politics can become such an important element in a government employe's career, the impartial performance of his duties and the public's confidence therein are both bound to suffer seriously.

One disquieting example of the impact active political participation by government employes would have on the government's operations concerns changes in administration. During such changes it has been the continuity provided by top-level civil-service executives that has brought about smooth and stable transitions of control. But smooth and stable transitions have resulted because these executives were able to work cooperatively and loyally with the new political appointees. This cooperation and loyalty could never survive the animosity generated by these same executives having campaigned vigorously for and contributed generously to the defeat of the appointees' party.

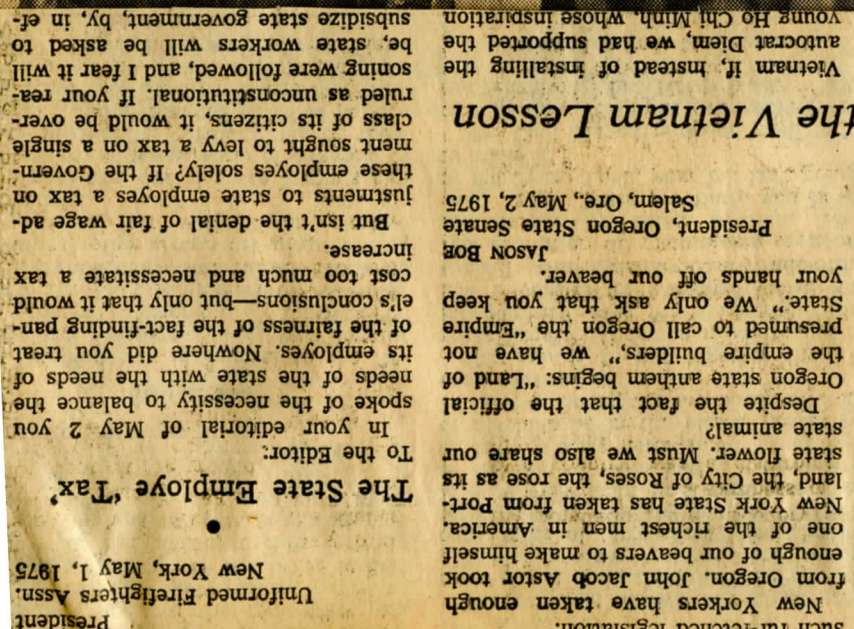
Enactment of H.R. 3000 would put the weight of the whole civil service behind incumbents, who already have a big advantage. It would jeopardize impartial execution of the government's business and seriously damage public confidence in fair government. It would be a clear indication that we have learned nothing from Watergate.

CLAYTON D. JONES
President, Federal Executive
Institute Alumni Association
Arlington, Va., June 2, 1975

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The New York Times/William E. Sauro



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America's Best Self

The victors in Cambodia have emptied even huge numbers of people on a forced march through the countryside, and recognized no distinctions of sex or circumstance in their ruthless zeal to create a "new society." The Communist rulers in North Vietnam, more accustomed to power and more sophisticated in creating images for the outside world, have adopted a more urbane style. But not far from there, too, coercion and "re-education" were the gray conformity of totalitarianism.

The values that Americans and most people in the western world cherish—such as the right of private property—

important role in the history of Oregon. It was, in fact, one of the primary incentives to developing the Pacific Northwest. Trappers came to the Northwest in search of the highly valued beaver fur. Because of the large numbers of these trappers, many of whom were no doubt originally New Yorkers, the beaver became almost extinct in Oregon. By proper management and protection, however, the once-rare beaver has flourished in Oregon. The frequent sight of a wet beaver on one of our river banks still brings joy to many of our citizens. Ever since an editorial appeared in one of Oregon's major newspapers announcing the intention of New York

Yorckers have taken enough Oregon, John Jacob Astor took of our beavers to make himself the richest man in America. York State has taken from Port-City of Roses, the rose as its flower. Must we also share our animals?

Write the fact that the official state anthem begins: "Land of Empire builders," we have not failed to call Oregon the "Empire We only ask that you keep hands off our beaver."

JASON BOE
President, Oregon State Senate
Salem, Ore., May 2, 1975

Vietnam if, instead of installing the autocrat Diem, we had supported the young Ho Chi Minh, whose inspiration

To the Editor:
In his May 4 letter to The Times
Tom McMillen suggests that liberals

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not be played any longer. Defense budget has more than doubled. Short-term obligations

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June 19, 1975

Unlected Legislator in Albany. Lawyers Who Shepherd the Bills

NY Times 5/12/75



Left: C. Daniel Chill, standing, counsel to Assembly Speaker Stanley Steingut, conferring with William E. Passanante of Brooklyn and Marcia Arnonoff, aide to the majority leader.

Right: Joseph F. Crangle, special counsel to Speaker, with Stephen R. Greco, left, of Buffalo, and Louis De Salvio of Manhattan.

Below: John F. Haggerty, top, counsel to Warren M. Anderson, left, Republican majority leader.

The New York Times/William E. Sauro



By FRANCIS X. CLINES
Special to The New York Times

ALBANY—As lawyers go, John F. Haggerty and C. Daniel Chill do not seem that high-powered. They sport no Wall Street shingles, no Brooks Brothers outfits, no important Manhattan bar credentials.

They have small offices a few doors apart on Court Street, Brooklyn. They speak in the outerborough vulgate of New York City that is down-home, side-of-the-mouth soul talk to Queens and Brooklyn partisans who believe there really is a "Manhattan Arrangement" of political power monopolized from midtown.

But actually, Mr. Haggerty, a Republican, and Mr. Chill, a Democrat, run two of the more-powerful law firms in the state right here in the Capitol, and for their busiest

makers, often part-time jobs providing valuable credit for the state pension system, up to the \$40,000-plus posts of such ranking lawyers as Mr. Chill and Mr. Haggerty.

While there are 96 lawyers in the 210-member Legislature, very few, beyond Mr. Steingut and Mr. Anderson, have the influence of the two counsels. While individual legislators may know more about specialized subjects, Mr. Haggerty and Mr. Chill know more about everything going on in the leaders' offices. They are paid to be in this position by the two leading legislative politicians who cannot afford to be caught short by the unexpected.

'You Can't Hedge'



June 19, 1975

Albany: The Bills

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But actually, Mr. Haggerty, a Republican, and Mr. Chill, a Democrat, run two of the more-powerful law firms in the state fight here in the Capitol, and they are about to enter their busiest season. They are the two principals in the small, highly valued cadre of lawyers hired by the legislative leaders to write and negotiate bills, artfully discourage others, and generally map and control each day and each move of the legislative session that is assembled and struck each year like some complicated circus.

Two of Many

Mr. Haggerty is counsel to the Republican majority, led by Senator Warren M. Anderson of Binghamton, and Mr. Chill is counsel to Assembly Speaker Stanley Steingut of Brooklyn. Theirs is the arcane art of practicing legislative law without an elective mandate.

There are several score lawyers employed as different sorts of counsels to the Legislature, virtually all of them loyal recruits from the world of politics that nurtures them as its unofficial bar. The jobs range from little-noticed posts with subcommittees and individual law-

makers, often part-time jobs providing valuable credit for the state pension system, up to the \$40,000-plus posts of such ranking lawyers as Mr. Chill and Mr. Haggerty.

While there are 96 lawyers in the 210-member Legislature, very few, beyond Mr. Steingut and Mr. Anderson, have the influence of the two counsels. While individual legislators may know more about specialized subjects, Mr. Haggerty and Mr. Chill know more about everything going on in the leaders' offices. They are paid to be in this position by the two leading legislative politicians who cannot afford to be caught short by the unexpected.

'You Can't Hedge'

The counsels disown any great personal power and defer to all the elected officials in conversations, but when each talks of "my client," he clearly means one of the two leaders. And it is a common sight in Capitol corridors to see one of them buttonholed deferentially by a legislator anxious that one of his bills be in the blessed minority to survive among the thousands offered each session.

"My job is to put together the 31 votes Senator Anderson needs to get a bill passed," says Mr. Haggerty. "It's not a matter of staring eyeball to eyeball with legislators, or trade-offs. It's a matter of maintaining a good relationship by being truthful. You can't hedge. There are times you have to tell them, 'Look, your bill isn't going to make it.'"

Mr. Chill played a major mediator's role in the 1969 fight over school decentralization in New York City,

The New York Times/William E. Sauro



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June 19

Continued on Page 44, Column 4

Unelected State 'Legislators': Lawyers Who Shepherd the Bills

Continued From First Page,
Second Section

shuttling rapidly between two rooms in the DeWitt Clinton Hotel, one containing Albert Shanker and other teacher-union officials, and the other containing the Legislature's black and Puerto Rican caucus. He arranged to bring them together in the same room and "let them shout it out—a microcosm of all the bitterness in the city between blacks and Jews."

Several days of 18-hour negotiating sessions followed, and finally a bill, chiseled paragraph by paragraph by Mr. Chill and other lawyers, that did not have the explicit blessing of either side but had enough tacit support to pass.

"Sometimes you find yourself practicing psychology, not law," Mr. Chill explains.

A counsel's contribution to an issue frequently revolves around personal contacts. For example, there was Mr. Haggerty's busy evening at the recent Inner Circle lampoon show by City Hall reporters, where he brought together banking officials—including an old friend from Queens politics—and Senator Anderson for talks that led to a key innovation in the Urban Development Corporation crisis.

Duties Vary Widely

White males dominate the counsels' world, with two notable exceptions who, as nonlawyer staff veterans, perform much the same work as counsels, but do not have the formal titles. They are Marcia Aronoff, executive director for the Assembly majority leader, Albert H. Blumenthal, and Ross Graham, executive assistant to the Senate Democratic minority leader, Manfred J. Ohrenstein.

They both get involved in bill drafting and political negotiations, and when Mr. Blumenthal is out of the chamber Miss Aronoff can be seen whispering instructions to substitute floor leaders, like a prompter.

There are some counsels whose strength is pure politics, such as Joseph F. Crangle, the former state Democratic chairman, who serves as special counsel to the Speaker and in particular sees to gathering the 76 votes that Mr. Steingut needs to pass bills. Mr. Crangle does see to an occasional bill, such as the one this year offering aid to his home town, Buffalo, and other up-state cities.

There are counsels from strength is their ability to draw legislation well, such as Edwin Margolis, a veteran of Mr. Steingut's staff who currently is entrusted with drawing the sensitive bill on legislative ethics.

There are counsel from the public world of politics, such as Jerome Kretschmer, the former legislator and New York City Environmental Protection Administrator who is counsel to the Senate minority leader, Mr. Ohrenstein. There are those known mainly to insiders, such as Michael J. DelGiudice, a quiet administrative specialist who is usually at Speaker Steingut's side.

Common Bonds

And occasionally there comes a legendary counsel, such as Donald Zimmerman, now a state judge, who in his years of labor for Senate Republicans actually appeared to have memorized the State Constitution and the Senate rules, which is like having a lock on the Albany game's bat and ball.

As legislative counsels, they are part of a strong fraternity whose bipartisan bond is built of the shared experiences of all-night negotiations in search of compromise, the ennui of checking for snags in the "boilerplate" language of bills, the diplomat's role of dealing privately with the opposition

even as the two parties decry each other in the public debating chamber.

Their closeness was demonstrated in 1973 at the annual Christmas party given privately for the leading legislative counsels by Philip J. Biscaglia. He is executive counsel to the Assembly Republican minority leader, Perry B. Duryea, and is reputed to be one of the best at moving a crowded agenda, a task in the Assembly comparable to being stage manager of a Wagnerian opera.

Lawyers at the 1973 party, Democrats and Republicans, were reduced to tears at the sudden news that Mr. Duryea, then Speaker, had that day been indicted on election-fraud charges.

A year later, the same group celebrated the fact that Mr. Duryea had successfully opposed the charges. He did so by hiring as defense attorney an alumnus of the counsel fraternity, Harold L. Fisher. Mr. Fisher epitomizes the truly suprapolitical world of the counsel. A Democrat, he made his reputation as counsel to a Democrat, former Speaker Anthony Travia, and in private practice was the first choice of Mr. Duryea, the Republican, who knew him as one of the experts—indeed, authors—of the election law.

The Fisher firm, also in Brooklyn, has direct and indirect contact with various past and current legislative counsels, including Republicans. The latter include Gary Axenfeld, his law partner, who helped compose last year's election-law revision with Mr. Fisher overseeing as a member of a legislative advisory committee.

'Lot of High Rollers'

Mr. Axenfeld, in turn, is in a separate firm with Richard Scolero, reapportionment technician considered skilled in the art of moving the winning margin of constituents from one district to another, and with Charles S. Webb, the legislative counsel for Mr. Duryea known for his unflappable style as

legal theoretician and administrator.

Mr. Fisher's base is bipartisan and widespread—his Republican partner is based in Syracuse—and his rewards of office include his appointment during the Rockefeller administration as a member of the Metropolitan Transportation Authority, and his position as a trusted friend of Governor Carey.

"There are a lot of high rollers in this business," Mr. Chill says, when asked whether he expects to inherit similar honors and profit because of his job. "You can't bank on it."

His point was that nothing is guaranteed in politics and that, after 10 years in Albany he is somewhat tired, particularly because his interest lies in the intricate joy of negotiation, rather than in pure politics.

Mr. Haggerty, on the other hand, is highly interested in politics and is considered one of the "sleeper" Republican powers in the state. He is well known to such City Republican leaders as George Clark of Brooklyn and to the party's Buckley wing. He managed Senator John J. Marchi's successful G.O.P. primary challenge of former Mayor John V. Lindsay and if, as some politicians speculate, Senator Anderson ever decides to run for Governor, Mr. Haggerty would be a key figure in his metropolitan operation.

Balance in Offices

"I have a 13-man law firm," says Mr. Haggerty. "I've got 12 of the best lawyers in the state. And in case there's a problem involving any area of the state, I've got it covered."

His assistants were chosen from Buffalo, Rochester, Binghamton, Albany, New York, Nassau and Suffolk, and while there may be no harm in having such agents during campaign time, Mr. Haggerty insists they were hired for legal expertise.

Mr. Chill's legislative salary is \$42,000 annually, and he estimates he makes about \$70,000 more from his law

firm, which, he said, is suffering more than it is gaining from his liaison with the Legislature. "Really," he says, "everyone always talks about 'contracts,' but I'm afraid to touch the stuff and I don't have the time."

He is doubly gunshy, he said, because of the notoriety he suffered in recent months in being identified as having been involved in a nursing-home negotiation. His involvement, he contends, was as an old friend of one of the principals, not as some sort of power broker. But he concedes one of the drawbacks of his position is that he is open to such suspicions.

Short-Term Situation

"You can get depressed about being caught up between these two worlds," says Mr. Chill, who is widely known here as "Danny" and is considered relatively accessible and candid. "There are tugs and pulls. You don't see your kids enough."

Mr. Haggerty is addressed as "Jack." He watches a person's face closely as he listens and he gets to the point quickly when he responds.

He is paid \$42,000 and estimates he earns up to \$30,000 more in private practice. "I enjoy this, but not as a long-run proposition—I don't expect to be here in my 50's," says Mr. Haggerty who, like Mr. Chill, is 38 years old.

He ran for Congress twice against Representative James J. Delaney, the Queens Democrat, and did well, reducing the incumbent's customary 50,000-vote margin to 8,000. Mr. Haggerty smiles at the memory, telling how he was attacked as an opponent of parochial-school aid in pamphlets distributed outside Catholic churches the Sunday before the election. "Mell!" says the Fordham University alumnus. "I argued the case for parochial aid in the United States Supreme Court."

"I can admire a political coup, but I don't enjoy being hosed," he says in a dictum that serves as well in Albany as Queens.

State of the City: Planning the Future

With New York's immediate problems, the long view may seem like a luxury. But the quality of the city's future depends greatly on the quality of its planning. Today planning means hard decisions about policy and goals; it is a determination of the city's optimum destiny based on its assets and liabilities.

The old notion of a Master Plan that would neatly plot an ideal and orderly physical future in static land use diagrams has turned out to be a chimera; what has followed is a good deal messier and more confusing but infinitely more aware and humane. Abstract dogma has been replaced by the concept of process planning, which allows for flexibility and change, recognizing the physical environment as the definitive factor in the way we live and work.

Planning is one area in New York in which municipal vision and action have been joined to the perception of problems. But New York's plans and the planning process, like so much else, are in crisis now. From the need for housing and parks to the realization of city-size, multi-use developments such as Manhattan Landing and the comprehensive Harlem Task Force plan, they are linked to the general state of the economy and the city's fiscal straits. What is ultimately affected is not only New York's function and appearance, but its existence as a viable metropolis.

A New City

We are, in fact, building a different kind of city from that of ten years ago, using the same set of developers but a different set of rules. In some ways, it is a distinctly better city. New York has transformed conventional restrictive zoning into some of the most progressive and provocative zoning policies in the world. The result is a kind of preventive planning, or the setting of objectives and standards in advance of development, based on the ability to see trends and potential consequences and to guide them constructively.

This new zoning has recognized the aspects of the city to be prized and protected, and the strengths on which we must build. In many cases, it has kept these assets from being destroyed. Special zoning districts have been established that deal with the particularized needs of such diverse areas as the Clinton and Yorkville neighborhoods in Manhattan and Atlantic Avenue in Brooklyn. They provide an incentive both to conservation and to compatible, constructive development. They cherish the neighborhood, once pulled apart by bulldozer renewal, and respect unique city character and function.

Other zoning innovations encourage open space, scenic view and natural area preservation, and provide services and amenities. Planners call these procedures incentive zoning, because builders get bonuses for carrying out its special features; the cynics call it tradeoff. It is indeed tradeoff—a realistic, legitimate tradeoff of private interest for public good, a way of reaching a balance between the sanctity of property and the protection of the public environment.

Some Old Problems

If there are planning successes, however, there are also dismal failures. For the renaissance of downtown Brooklyn, there is the horror of the South Bronx, proving again that physical renewal cannot cure the deeper, unresolved problems of urban pathology. These are subjects for continuing concern and effort.

Housing and transportation are among the more stunning examples of design and planning bankruptcy. Even in the so-called luxury field, New York has some

city's recently proposed set of incentive zoning rules for housing quality that would "trade off" bonuses for changes in building design (respect for neighborhood scale, rooftop recreation space, landscaped open areas and features to encourage security) needs to be instituted speedily. The relatively recent device of tax abatement to reduce luxury rents—one pathetically small attempt to encourage housing construction that does not even touch its broad social needs—is now up for renewal; the planners are proposing to tie that benefit at least to improved urban design standards.

In transportation planning, the record has been abysmal. The city and state must get on with a modified Westway for the rebuilding of the West Side Highway. The need is as much for balanced transportation and the servicing of the central business district as for mass transit; it must not be an either-or proposition. A chance for improvement of the bordering communities must be part of any reckoning of costs and benefits.

Land Use and Landmarks

Other actions are needed. Revision of the present complex methods of making land use decisions, a matter basic to intelligent planning, should be part of City Charter reform. There is an equal need for sweeping changes in the city's building bureaucracies, where the best plans are frustrated by gelatinous delays and persistent payoffs.

In another area, the Landmarks Commission has made a cautious, but impressive record of designation to promote New York's architectural and cultural assets, particularly in the recognition of historic districts which provide neighborhood stability and environmental enrichment. But there are serious flaws in the landmarks law that need swift and skillful correction by the Corporation Counsel. The appeal on the adverse decision on Grand Central Terminal is crucial to the city and the nation. New York is in the difficult position now of testing preservation legislation, much as zoning law was tested in the 1920's.

It is not lack of necessary sensibility for the present and the past that is at issue in New York. On that score, the city is doing well. Nor is it basically a question of such matters as the highly publicized controversy over the decentralized community planning boards, which confuse and delay projects in some areas and contribute enormously to neighborhood design and controls in others. This is essentially a constructive process.

The threat facing the city today goes much deeper than vision or mechanics. It is that most planning projects have been brought to a standstill by the state of the economy and the municipal fiscal crisis. Even funds for essential studies are drying up.

The price for this will be great, and it will be paid in the future. Without continuing development to carry out the planners' schemes, there must be a shift in planning priorities. There is a pressing need for things that can be done during the lull in building activity. A coordinated, city-wide traffic plan, for example, and appropriate uses for the waterfront (there has been total silence since last year's preliminary waterfront study) should be at the top of the list.

Policies must be pursued—for the policies that determine land use, density, design quality, building types, housing, transportation, recreational, park and cultural facilities, the relationships of buildings to spaces, of people to places, are what seal a city's fate. To deal with metropolitan form and function is not to chase the lost dream of the City Beautiful. It is to shape the tough and

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State of the City: Housing and Energy

N.Y. Times 5/14/75
"The time has come for the city or state to take over all rent-controlled apartments. We are not asking for any cash, just mortgages covering the condemnation value of our property."

That statement of surrender comes from the chief spokesmen for owners of 900,000 New York City apartments seeking to get out from under the vagaries of rent control, rising real estate taxes, high fuel and utility charges and kindred afflictions of infinite variety.

In terms of equal desperation tenants complain that decent housing is unobtainable at rents any but the wealthy can afford—and much of it is shoddy at any price. Even where apartments are built with exemption from municipal taxes, they now come in at monthly rents of \$125 a room or higher, triple or quadruple what used to be considered a tenable middle-income figure.

Uncollected realty taxes are expected to total a quarter-billion dollars this year, and landlords shrug off the scheduled 10 per cent increase in the tax rate July 1. "The money just isn't there to pay it," is their almost unanimous comment. Savings banks squirm as defaulted mortgage payments reach astronomic totals, but they do not foreclose for fear of even more staggering losses if the banks become owners. Abandonments at the rate of 30,000 per year convert entire neighborhoods into wasteland; arson in abandoned apartments is a growing menace.

At least 30,000 new or substantially rehabilitated family units annually for the next decade is the officially calculated housing need for this city. Yet public and private rehabilitation—and there are some brave efforts in this direction—is near a standstill. Many existing low-rent housing developments are fear-swept jungles. Federal rent supplements offer a glimmer of hope—a dim glimmer.

The Empty Skyscraper

In the soaring skyscrapers that are the external symbol of New York's commercial greatness more than a tenth of the floor space is vacant—a total of 27.5 million square feet of unfilled offices. By cutting rents to half or less their original level, operators of shiny new towers in midtown Manhattan made a modest dent in their backlog of surplus space in the last year, but much of their gain was at the expense of Lower Manhattan buildings.

The twin peaks of the World Trade Center, with two million of their nine million feet still unrented, are monuments to unplanned expansion—mispending by the Port Authority of reserves that should have gone to mass transit but that were used instead for unfair competition with commercial builders. As if all this were not dismaying enough, the combination of municipal tax policy and of quest for speculative advantage has put a premium on the destruction of sound and often handsome buildings in prime sections of the downtown district. The owner comes out ahead by paving over the vacant property as parking lots; the city is left with an ugly ruin.

The only palliative currently being applied is the promising, though still decidedly limited one, of rehabilitating commercial and loft buildings for residential use, an approach that has worked well in SoHo and a few other areas. A more expansive application of the same principle to brand new construction is getting municipal encouragement through tax abatement for structures

that heap luxury apartments on top of commercial floors, shops and showrooms; but this is only for the rich.

It is evident that the city's need for livable housing for middle-class and low-income families will never be met by such methods. The overwhelming immediate need is to preserve and upgrade the existing stock of sound housing, not to let more and more buildings sink into decay, mortgage and tax default, and total abandonment.

The many months it took to get a feeble bill for a passalong of skyrocketing fuel costs through the City Council, despite consistent pressure from Mayor Beame, provides fresh proof that rent policy is too close to the ballot box to be safely left to political decision. The present creaky control structure, a patchwork carried over from World War II, ought to be replaced either directly by the State Public Service Commission or by some counterpart agency.

In recent years the P.S.C. has proved an independent watchdog in policing utility rates; gone is the subservience it once showed to the big power companies and to the Bell System. Similar independence is needed in the housing field if some element of equity and realism is to characterize rent determination until over-all supply of housing is adequate to allow deregulation.

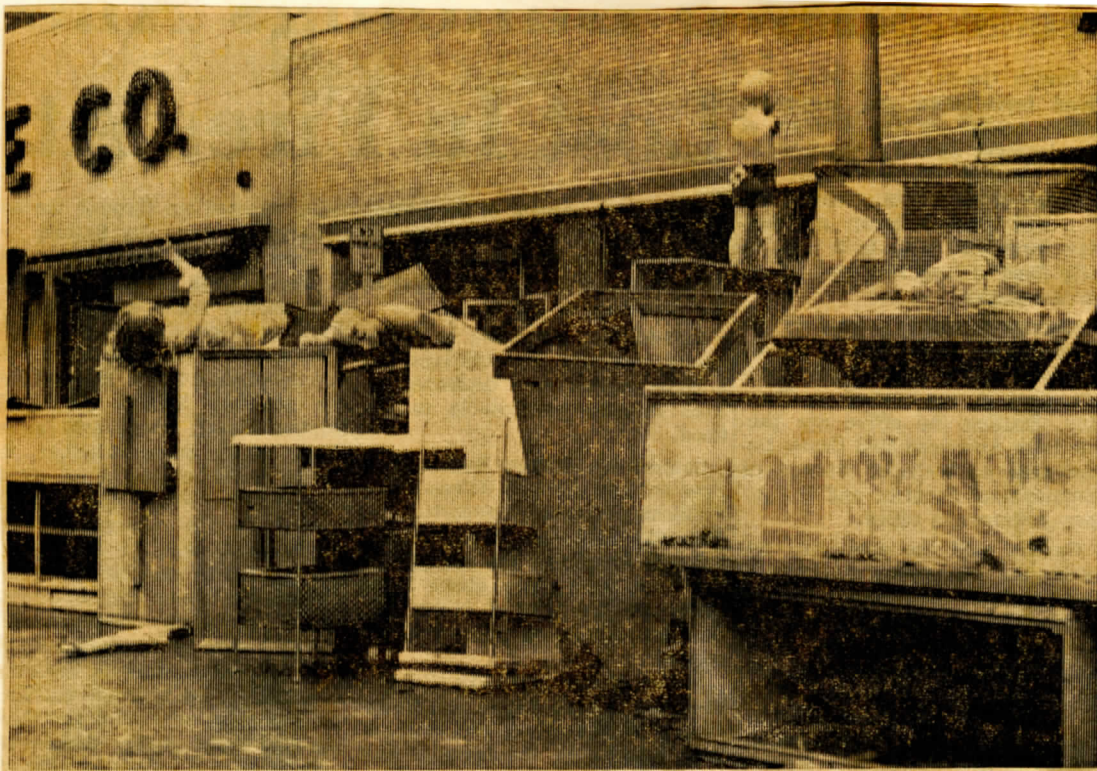
Even with that, a considerable expansion in Federal rent subsidy, rehabilitation and construction funds will be needed to assist renters with low and moderate incomes. Preferential loans and special mortgage terms, backed by governmental guarantees, can do much to encourage conversion of marginal rental units to cooperatives and condominiums. Unlocking the door to new construction at reasonable rents depends on action by the building unions and employers to ease restrictive work rules and to avoid another round of inflationary pay boosts in talks now under way.

High Cost of Energy

The high cost of shelter for householders and business alike is pushed higher still by electric rates well above those that prevail in any other community. No city is more dependent on electric power than New York, making Consolidated Edison, the monopoly supplier, as vital an element in the well-being of the metropolis as City Hall.

The dependence is far from a happy one, though the company's managerial competence has improved enormously since a systemwide power failure blacked out the city and Westchester County almost a decade ago. High costs are inescapable in an underground distribution network that is eight times as expensive to install and repair as overhead lines would be. More than half of Con Edison's bill to its customers directly reflects outlays for fuel and taxes.

A coordinated interdepartmental approach is needed to the economic, environmental and technical problems this giant utility presents, but the Lindsay administration's attempts along this line accomplished little and the Beame administration is not even trying. Responsibility for holding down light and power costs has fallen back primarily on the P.S.C. and the State Power Authority. The most that seems in immediate prospect is a more rational rate structure aimed at discouraging the present profligate waste of energy and at cutting Con Edison's long-term need for new generating equipment.



—Photo By Joe Walsh
JUST JUNK—Showcases, other equipment and infant-room items piled in front of Isaac Long store on Public Square waiting to be carted off to a disposal area.

July 1, 1972 TLEN



—Photo By Jack Walton
LANDFILL VIGIL—Employee of State Department of Environmental Resources stands vigil over East Side Landfill Site in Plains Township ready to radio any reports of scavaging of flood area debris being dumped there.

July 1, 1972
 TLEN

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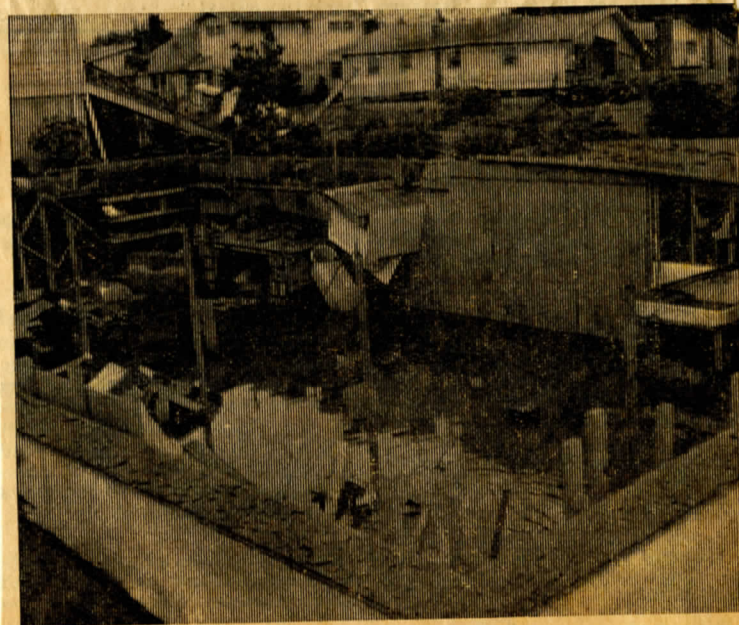
—Ace Hoffman Photo

SHICKSHINNY AIRVIEW—Here's how the central Shickshinny area looked from the air on Friday, June 23. Photo was taken looking north along Main Street (Route 11) showing many buildings inundated by flood waters.



—Photo By Salonick

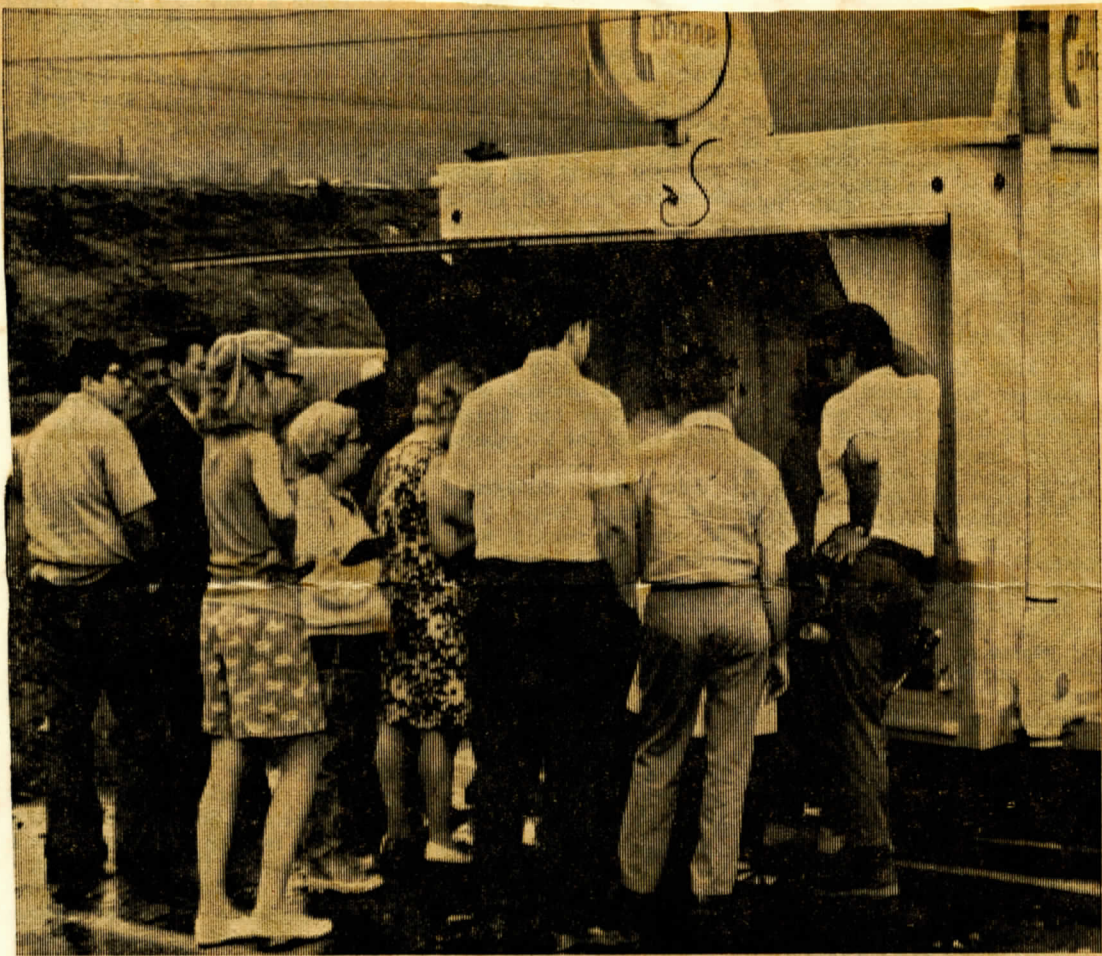
HOME TOTAL LOSS—This home is one of many in the Riverside Park area of Wilkes-Barre devastated by flood waters of the Susquehanna.



—Photo By Salonick

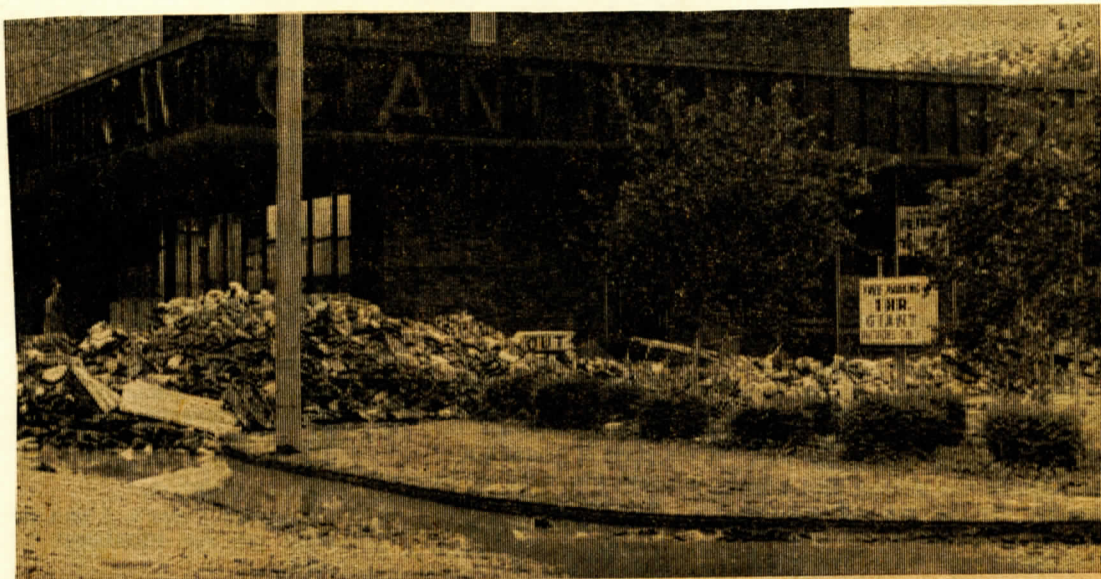
WALLS STAND ALONE—The basement walls are all that remain of a home in the Riverside Park area of Wilkes-Barre.

July 1, 1972
TLEN



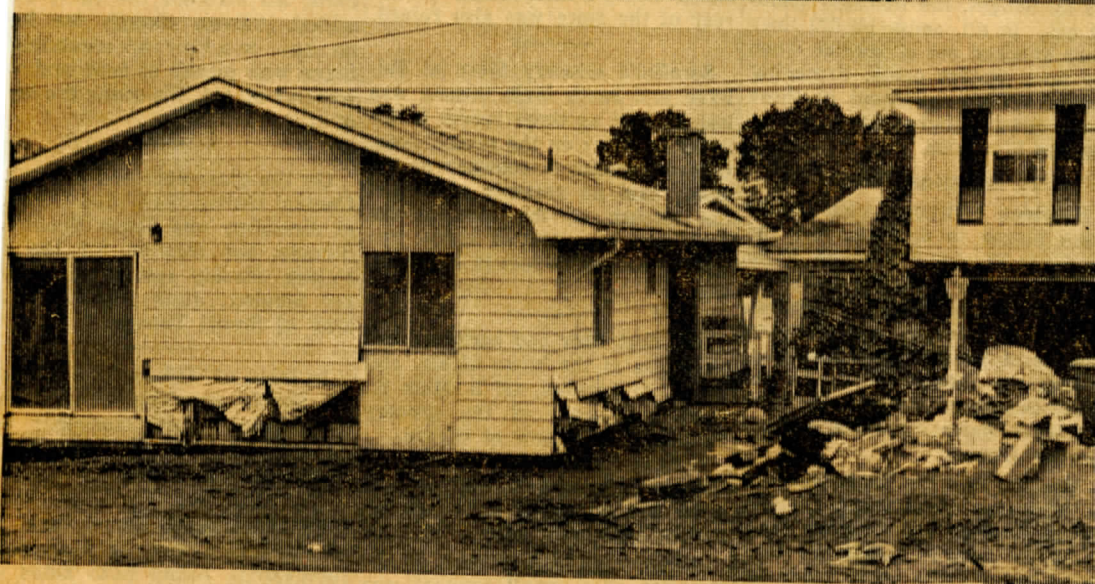
—Photo By Jack Walton
COMMUNICATIONS EFFORT—Eager residents stand around the special mobile telephone booth at East Side Arlans on Route 309 awaiting the opportunity to place calls to relatives and friends.

July 1, 1972
 TLEN



—Photo By Joe Walsh
FOOD DESTROYED—Tons of water-damaged foodstuffs were removed from the Giant Market on South Main Street, City.

July 1, 1972
 TLEN



"TOY TOWN" FLOODED—Several homes in the Atherton Park — "Toy Town" — section of West Wyoming were lifted from their foundations and moved by the flood waters.

—Photo By Joe Walsh

July 1, 1972
TLEN

Operation Of Emergency Network Ends

The Northeastern Pennsylvania Flood Information Network went off the air Friday afternoon at 3, in conjunction with the shutdown of Luzerne County Defense headquarters at the Wilkes-Barre Area School District building.

The network functioned full-time during the early days of the flood emergency, and offered a five-minute flood program each hour around-the-clock during the late part of the week.

At its peak, the network had 13 stations involved. The emergency setup grew out of the flooding that forced all Wilkes-Barre AM stations off the air.

Eventually, the only Wilkes-Barre-based station left broadcasting was WYZZ-FM and this outlet served as a link between Civil Defense headquarters and the rest of the network.

As of Friday, Wilkes-Barre radio stations WBRE, WBAX and WNAK had returned to the air. Still without a transmitter was WILK. An emergency staff at WILK is currently working on the restoration of one of its three company-owned transmitters. However, the station has ordered a new transmitter and is awaiting delivery, according to Roy E. Morgan, general manager.

All Flood Information Network personnel returned to their home stations yesterday, including David DeCosmo, news director of WILK who served as network coordinator through Civil Defense.

In addition to WYZZ, the network utilized the facilities of WSCR, Scranton, to keep the messages going out over the airwaves. The Scranton station left its news car at Civil Defense headquarters all week to provide a backup to the hookup through WYZZ.

National Guardsmen strung wire to link field telephones at CD and WYZZ. This was the disaster center's first link with the outside.

Stations on the network were WILK, WBRE, WNAK, WBAX, WYZZ, WPTS, Pittston; WCDL, Carbondale; WAZL, Hazleton; WBRX, Berwick; WICK, WEJL, WGBI and WSCR, all of Scranton.

July 1, 1972
TLEN

Forty Fort Cemetery Association Announces Rehabilitation Plans

Forty Fort Cemetery Association has released this information on its plans for rehabilitation:

On the afternoon of Friday, June 23, at approximately 3 p. m., the Susquehanna River broke through the dike at the rear of the Forty Fort cemetery with the force of a gigantic tidal wave. The collapse of the dike occurred when flood waters weakened the base support of the dike's steel pilings at the point where Abraham's Creek at one time flowed into the river prior to the construction of the flood control system. The river, nearing its historic crest of approximately 40.6 feet, cascaded into the V-shaped basin lying between the Forty Fort Cemetery and the dike, a low lying area which had not been flooded before the breakthrough. The water moving inside the dike in waves described by eyewitnesses has high as 10 feet in height washed in a northerly direction over the flat lands at the rear of Colonial Gardens, Sunset Court, the Forty Fort Airport, and Midway Shopping Center in Wyoming. A large whirlpool of tremendous force instantly cut into the rear bank of the Forty Fort Cemetery along Abraham's Creek washing hundreds of burial vaults, weighing over 2,000 pounds, into the flood waters like match boxes. As the river reached its crest, large amounts of sand and gravel were deposited throughout the cemetery, grave markers were toppled and roadways washed out.

The historic Forty Fort Meeting House, constructed in 1807, was spared, and although surrounded by tons of debris, its only noticeable damage was a broken window.

The difficult task of collecting the many burial vaults and caskets dislodged by the flood waters was begun before the river had receded. Working through the office of the Luzerne County Coroner, Dr. George E. Hudock, Jr., volunteers labored day and night under the direct supervision of the Chief Deputy Coroner Joseph M. Shaver and Deputy Coroners, Hugh B.

Hughes, Jr. and Harold C. Snowdon, Jr.

Additional aid was supplied through the Pennsylvania State Police under the command of Lt. Col. Edward McGroarty and through the intercession of Congressman Daniel J. Flood, who was instrumental in obtaining the services of two Army helicopters in the collection work. A base of operations was established next to the Swetland Homestead in Wyoming.

Marine Air Reserve Training Unit stationed at Forty-Fort Airport; Trucksville Volunteer Fire Company; U. S. Army Helicopters stationed at New Cumberland Air Depot; German Vault Company employees; Dr. Charles C. Scrobala of Wyoming and Dr. Robert Stroh; Sordoni Construction Company; numerous civilian volunteers, many of whom are in allied funeral service fields; Luzerne County Funeral Directors Association and U. S. Coast Guard.

Through the co-operation of Robert Kirchner, president of the Memorial Shrine Cemetery, a special section of that cemetery has been made available to receive the Forty-Fort Cemetery displaced burials. In this special section, individual reinterments of more than 300 unidentified vaults and caskets have been made. Those burial vaults and caskets which have been identified will be held in a separate section pending notification of families by the Forty-Fort Cemetery Association.

The president of the Forty Fort Cemetery Association, Atty. Harry S. Schooley, Jr. indicated that a study of the cemetery records will be made as soon as possible to outline the exact areas and lot numbers which have been disturbed.

The Forty Fort Cemetery has been closed to all persons, including cemetery lot owners, because of the hazardous conditions within the cemetery grounds. Plans for the rehabilitation of the Forty Fort Cemetery will be announced after the immediate flood emergency

has been passed and the full extent of the damage to the cemetery can be assessed. It is anticipated that appropriate memorials be erected both at Memorial Shrine for all burials which were lost will Cemetery and at the Forty Fort Cemetery.

July 1, 1972
TLEN

Barbarous Piracy

New York Times May 15, 1975

By Anthony Lewis

The diplomacy of violence: That is still, then, to be our trademark. Once again an American Government shows that the only way it knows how to deal with frustration is by force. And the world is presumably meant to be impressed.

The Khmer Rouge were wrong and foolish to seize the American merchant ship Mayaguez, if the facts were as stated in Washington. They violated necessary norms of international behavior. We had reason to be concerned, especially about the fate of the crew.

But using a sledgehammer to crack a nut is self-defeating for nations as for individuals. Violent escalation of the conflict could hardly be expected to achieve the immediate aim of the crew's release; to the contrary, it might heighten the danger. More broadly, the military action showed a lack of that perspective expected of a great power—the perspective, in this case, recent history.

Imagine that in 1775 and for years after an enormously powerful state equipped with futuristic weapons had intervened in our Revolutionary War. From bases in Canada it rained destruction on the thirteen colonies. A million Americans, a third of the population, fled their homes; 300,000 were casualties.

When the war was finally over, how might the victorious Americans have felt about that foreign state? If one of its ships had sailed into what were claimed to be Americans waters, might we have been tempted to board and seize the vessel?

A comparison between America in 1775 and Cambodia in 1975 is not so far-fetched. The peasant society of Cambodia today is hardly more advanced, technologically, than eighteenth-century America. Cambodia was just as defenseless against B-52's as the thirteen colonies would have been.

American planes dropped 250,000 tons of bombs on Cambodia between 1969 and Aug. 15, 1973, when Congress prohibited all U.S. military action in, over or on the waters adjoining Indochina. Between a third and a half of Cambodia's 7.5 million people became refugees. Jon Swain of The London Sunday Times, one of the correspondents recently evacuated, described the physical damage he saw as follows:

"The entire countryside has been churned up by American B-52 bomb craters, whole towns and villages razed. So far, I have not seen one intact pagoda. . . . The war damage here [Kompong Chhnang], as everywhere else we saw, is total. Not a bridge is standing, hardly a house. I am told most villagers spent the war years

living semi-permanently underground in earth bunkers to escape the bombing."

With that background, Americans should be slow to point a finger of moral disapproval at the Khmer Rouge. Nor can we rightly take a lofty position on the need to respect law. Washington has not reacted with force when Ecuador seized U.S. fishing boats more distant from shore than the Mayaguez was. And the American bombing of Cambodia was itself of dubious constitutionality.

The United States also bears a heavy responsibility for the political character of Cambodia today. If we had not invaded the country in 1970, and then intervened massively in her civil war, Prince Sihanouk would doubtless have

ABROAD AT HOME

returned to power soon with a left-leaning but more traditional regime. The Khmer Rouge movement would not have developed as it has, in all its hardened zeal. Most of the human suffering of the war would have been avoided.

The Khmer Rouge inherited a ruined nation. We are rightly horrified by accounts of the harsh measures taken. But after what has been done to them, are the Cambodians really to be blamed if they are xenophobic?

Those Americans who had a part in the savagery of our policy toward Cambodia over the years should be particularly slow to utter deploring pieties now. Secretary of State Kissinger, a principal author of the policy, has described events in Cambodia as "barbarous," "inhuman," "very tragic" and "an atrocity of major proportions." A man so steeped in the blood of Cambodians should have the shame to remain silent.

And now the insensitivity is in deeds as well as words. Once again we have to show the world how tough we are: The attitude of the teen-ager proving his manhood did not end with Richard Nixon's Presidency. Demonstrative violence is in fact a central element in Henry Kissinger's diplomatic philosophy. But how long must it be our country's?

How disheartening, too, to see the Mayaguez affair evoke from Congress the old jingo talk and calls for Presidential action. Senator Clifford Case, co-author of the 1973 ban on military action in Indochina, lived down to his reputation as a pusillanimous liberal by telling President Ford that he could ignore the law. Have we learned nothing from Vietnam about law and the Presidency? Have we forgotten that America had the world's respect when she stood for patience and magnanimity in human affairs?

Municipal Unions Warn They Won't Yield Gains

May 15/75
By DAMON STETSON

Leaders of municipal unions reacted angrily yesterday to what they regard as a continuing effort by the Beame administration and banking interests to place the greatest burden for solution of the city's fiscal crisis on the backs of its employees.

"There's now a feeling that the only ones being asked to sacrifice are the unions," said Victor Gotbaum, chairman of the Municipal Labor Committee. "As for talk of a wage freeze, no labor leader can ask people—some making only \$8,000 to \$9,000 a year—to give up an increase they have coming."

In interviews during the last two days, leaders of city unions and the uniformed services emphasized that they would continue to resist the layoff of employees, payless days, the suspension of negotiated wage increases, furloughs and other economies aimed at city employees alone.

Resistance Vowed

None of the union leaders was talking of strike action, but they expressed profound concern over what they considered an onslaught on city unions, their memberships and "hard-won" benefits and wages.

"I'm not going to stand still and let anybody cut the city unions up in pieces," John J. DeLury, president of the Uniformed Sanitationmen's Association, said.

The strongest and most critical comments of the union leaders were aimed at banking and business interests, which, they contended, are calling for economies that would penalize city employees and reduce vital services.

Barry Feinstein, president of Local 237 of the Teamsters Union, representing 15,000 housing employees, building tradesmen, school guards and maintenance workers, said that the banks had a vested interest in the city but were "squeezing us to death" with high interest rates.

"The banks could hold some of the paper," Mr. Feinstein said. "They could pitch in and hold some 6 per cent or 5 per cent paper. They have an investment in the city. Let them take a piece of the action."

Mr. DeLury said that he did not think the banks should have "such a stranglehold" on the city. He charged that they were refusing to lend money to the city except at "terrifically high" interest rates, compared with those charged other cities and states, such as Jersey City, Minneapolis, Alaska, Ohio and Michigan.

The Chase Manhattan Bank made a loan recently to Michigan at 5.6 per cent interest, Mr. DeLury adding: "If any state is in serious trouble, it's Michigan."

Police Sgt. Harold Melnick, president of the Sergeants Benevolent Association, expressed the view that the current pressure on unions was aimed in part at eliminating contract bargaining in the city.

"I really think the city is attempting to go back to the days of dictating what it will give us," the sergeant said. "But it can't work like that now. It's a different time. And in the crunch you can't expect the unions to bear the load alone."

More Information Sought

Asked what they would propose to solve the city's fiscal problems, the union leaders said they wanted to know more about the extent of state and Federal aid.

Mr. Gotbaum explained that he still did not know how to respond because of continuing uncertainties about new taxes, Federal help, and significance of funds from the Comprehensive Employment Training Act.

"Unless we know the whole package," he said, "there's nothing we can say in terms of what we can do . . . But we're not about to negotiate anything away—not when

Albert Shanker, president of the United Federation of Teach-

ers, whose union is scheduled to begin new contract negotiations in about two weeks, said that proposed reductions in Board of Education jobs would result in classes of up to 40 students. Disturbed children in special, small units might have to return to regular classes, he added.

If this occurs, he said, the problems will go beyond the teachers. He noted the boycott of schools in Newark because of staff cuts and warned that there might be similar protests here.

Richard J. Vizzini, president of the Uniformed Firefighters,

expressed concern about cutbacks in fire protection that had already been made and demanded that Fire Commissioner John T. O'Hagan "meet his responsibility and publicly denounce plans by Mayor Beame to make further cutbacks in fire personnel and protection."

A spokesman for the Patrolmen's Benevolent Association said that New Yorkers need police protection and that Mayor Beame should check his priorities before laying off any more police officers.

Antioch Law School Offers 'A New Breed of Lawyer'

6/21/75 N.Y. Times

By NANCY HICKS

Special to The New York Times

WASHINGTON, May 20—Antioch Law School has held its first graduation sending forth what its founders hope will be a "new breed of lawyer."

"The new breed of lawyer means many things," said Edgar S. Cahn, who is co-dean of the school with his wife, Jean Camper Cahn. Interviewed the other day at a reception for 80 graduates on the front lawn of his home, he continued: "At the very least, however, it is the understanding that a license to practice law is not just a license to make money. It carries with it some responsibilities."

Among these responsibilities, he said, is a constant awareness that the law is a critical instrument of enfranchisement for economically and ethnically powerless groups, and the school seeks to instill this fact daily.

The students begin their studies by living for two weeks with inner city families of Washington to learn firsthand the problems they will be asked to help solve. They then make a series of week-long observations, among them in community organizations, food stamp certification centers, courts and police car patrols.

'Sense of Community'

"We want the students to get a sense of the community immediately," said Sally Begley, the school's administrator and chief admissions officer. "We don't want them to think they are visitors to this community or tourists."

After their observation, they enter what Miss Begley describes as "boot camp," where they learn legal research, negotiation and interviewing techniques. This is followed by an exam, and those who pass go on to clinical work.

It is here that the school adopts medical school techniques. The school has a law firm that serves clients. The students are expected to serve clients in the firm, handling such matters as consumer complaints, landlord-tenant problems, uncontested divorces, immigration problems and employment discrimination cases. The firm also has a criminal division, representing prisoners, and a juvenile division.

For Social Awareness

Under the District of Columbia's student-in-law program, the students argue cases in the United States District Court and in the United States Court of Appeals, under faculty supervision. During the second year of study, they serve internships in legal services programs and government agencies.

Reflecting on the first three years of operation, Mrs. Cahn is pleased that the school she and her husband planned years

ago has completed one cycle "without being denuded." It is, she feels, a 1970's approach to 1960's social awareness.

Mrs. Cahn founded the urban law institute, an antipoverty program, that was housed at George Washington University until the university evicted it because of its activist approach. With Mr. Cahn—who was her classmate at Yale Law School and is credited with her with designing the basic plan for the legal services program of the Office of Economic Opportunity—she set up the institute in an old stone mansion here that was slated for demolition.

The institute became a teaching law firm of the school that is now Antioch. It operates as a satellite of Antioch College of Yellow Springs, Ohio.

After much parental opposition to the school, the first class of 145 students was chosen in 1972. Ninety-five stayed to complete the course work, although 15 had not completed all mandatory requirements by graduation last Saturday.

No Outside Work

The school has gained a favorable reputation in the legal community. Its 20 full-time professors are not allowed to do outside work.

The students are selected for "maturity, commitment and ability to work hard," Miss Begley said, and not on the basis of their Law School Aptitude Test, the basic requirement of most law schools.

To apply, they must complete a seven-page form that includes 10 essay questions.

The school has 360 students, 30 per cent from minority groups. It runs on a \$3.2-million budget. One-third of it comes from tuition and the rest is raised by the Cahns each year.

The graduates are entering a variety of legal areas.

Julie Lloyd Williams, 25 years old, from Arlington, Va., is working for Fried, Frank, Harris, Shriver & Kampelman, one of Washington's most prestigious law firms.

Phillip A. Griego, 25, of Santa Fe, N.M., is going to work in the office of Pete V. Domenici, a Republican Senator from his home state.

One graduate is going to be a prosecutor. Another is going to work for the Securities and Exchange Commission, a job she has had since she served her internship in that agency.

But half the graduates, including many of those interested in public interest practice in poor communities, have not yet been placed. The number of such firms with money to hire new staff is low, so that many of the new lawyers may not be able to serve in the capacities they are most qualified for.

Nixon Never Did

6/5/75

By William Safire

N.Y. Times

WASHINGTON—Amidst the rash of books and magazine series rehashing all the frightful things Richard Nixon did, it might be useful to recount just a few of the items he has not yet been accused of having done.

1. *Nixon never ordered the murder of a fellow chief of state.* Recent accounts have alluded to the way the Kennedy brothers, fuming over the Bay of Pigs fiasco, might have had a little something to do with C.I.A. and Mafia activity in connection with Fidel Castro. We will never know the full story about this, because no Congressional committee will put a dozen witnesses under oath to testify about their involvement, but enough has surfaced to justify suspicion that President Kennedy did not frown on murder as a tool of national policy.

2. *Nixon never ordered the Justice Department not to prosecute a case that the Internal Revenue Service sent over with a recommendation for prosecution.* The Kennedy brothers did this in the Sherman Adams case, infuriating the I.R.S. professionals; in the post-Watergate morality, such conduct in quashing the prosecution for political gain would be labeled "obstruction of justice."

3. *Nixon never ordered the extended wiretapping of a civil rights leader for the purpose of leaking derogatory information about him to the press.* Certainly the deposed President's eavesdropping proclivities were reprehensible, but his motive was the plugging of national security leaks. The tapping of Martin Luther King Jr. approved by Attorneys General Robert Kennedy and Nicholas Katzenbach had no such justification, and the deliberate playing of such taped conversations to reporters and Congressmen violated Federal law.

The Justice Department has recently admitted that the purpose of the King tap was "investigating the love life of a group leader for dissemination to the press." As Harvard Law Prof. Alan Dershowitz has recently written in *The New Republic*, "The King intrusions involved the taping of as many as 5,000 separate conversations that violated the privacy of hundreds, perhaps thousands, of innocent King callers and visitors." And nobody ever sued.

4. *Nixon never amassed millions of dollars in public office.* One of his aides went to jail for backdating a deed that would have saved his boss a bundle, but Nixon did not enter public life a poor man and emerge a generation later with a net worth over \$14 million, as his predecessor did. Fortunately for President Johnson, Senator Sam Ervin was there to cast

a ringing vote against a Senate investigation into the activities of long-time Johnson intimate Bobby Baker.

5. *Nixon never used the F.B.I. or C.I.A. to spy on political opponents.* Wrongly, Nixon hired his own "plumbers." But he never ordered the F.B.I. to examine the telephone records of a Vice-Presidential candidate, as Lyndon Johnson did with Spiro Agnew in 1968. Nor did Nixon get the F.B.I. to snoop on Robert Kennedy at the 1964 Democratic convention (no honor among tappers) as L.B.J. did. A New York Times editorial referred to one of these taxpayer-supported dirty tricks as "an even graver offense than the original Watergate break-in."

Nor did Nixon order the illegal surveillance of the Mississippi Freedom party at that well-bugged 1964 Democratic convention; curiously, nobody seems to want to go to court to discover who did.

6. *Nixon never lied to the people about his health just before an election.* We have known for about a year that F.D.R. knew he was dying in 1944 and concealed that fact from the voting public with the connivance of his doctor. Only recently have we learned from Ben Bradlee that John F. Ken-

6/4/1975 N.Y. Times

School for Blacks Offers Money-Back Guarantee

By SANDRA BLAKESLEE

Special to The New York Times

EAST PALO ALTO, Calif., June 3—There is a small private school within this predominantly black, low-income community that is making an extraordinary offer: The school guarantees to teach black children to read within one school year or it will refund their parents' money.

The institution is called Nairobi Schools, Inc., and it was founded six years ago by Gertrude Wilks.

Nairobi Schools, Mrs. Wilks said in a recent interview, is a five-day-a-week alternative school (kindergarten through the 12th grade) devoted to the special needs of low-income black children. These needs include special attention to black values, building self-esteem in a less than perfect environment and teaching survival skills, such as how to cook, to the very young.

Born Out of Need

Nairobi Schools arose, Mrs. Wilks said, from the fact that "our children were moving out of the eighth grade, illiterate, into the mortification process of an unteaching public high school. Our school," she said, "was born of need. There just came a time when we decided to stop reacting and to begin creating."

Nairobi Schools, according to the Institute for Black Child Development in Washington, D.C., is one of the best educational programs for black children in the country.

"What our children get here, what they get no where else," Mrs. Wilks said, "is self-confidence and self-esteem. It is a crucial attitude in early childhood."

Barbara Mouton, director of the Nairobi Elementary School, said the school was unusual in that it was focused entirely on the premise that black children could learn and it attempted to extend and build on the values found in black homes.

Most schools for middle-class children, she said, extend home values unconsciously. But schools for blacks, other minorities and low-income groups nearly always try to act as agents of intervention, she said. They label home-parent values as bad and school-teacher values as good.

Nairobi Schools, after do-

cumenting student achievement over a period of years, began offering families in 1972, an iron-clad guarantee. They would positively teach a child to read or they would refund all the tuition for that year. So far there have been no refunds.

"This guarantee would be remarkable anywhere," Mrs. Mouton said. "For it to be offered inside a black community at an institution whose survival is based literally on the number of chicken dinners or sweet potato pies cooked in any given period is phenomenal."

It costs \$6,500 a month to operate both the elementary and secondary Nairobi schools. They are not endowed nor do they receive any Federal, state or county funds. Teachers and students raise most of the operating expenses by giving banquets, fashion shows, carnivals, conferences and other benefits.

Day-Care Centers

Families that can afford it pay 22 a year in tuition.

This fee covers all the children in any one family for a full year. Of the 35 families now in the Nairobi school system, 28 are given financial assistance. Some families pay nothing, some pay \$200, some pay \$500, and a few can afford the \$1,000. The present school enrollment (K-12) is 67 students.

"We also run two day care centers," Mrs. Wilks said, with 40 children attending. Some county money is available to the day care centers through welfare agencies.

Another 36 students attend Saturday morning tutorial classes at the Nairobi school. They are mostly students from public schools who need special attention. They come voluntarily and they get help free.

Traditionally, private schools in America have been for upper- and middle-class white children whose parents desire exclusiveness or separateness for a wide variety of reasons, Mrs. Mouton noted.

Until now, the black subculture has not had this option open to it for the obvious reason that it costs too much money in a society that wor-

ships the whole notion of public education.

The Nairobi Schools and day-care centers, however, don't try to be fancy. They operate out of six shingleboard houses in a residential section of town. There are currently 12 full-time teachers with five assistant teachers. When the going gets rough, as it did recently when fire destroyed two of their buildings, the teachers go without salary.

Mother of Three

The story of Nairobi Schools is very much the story of Mrs. Wilks, who was born on a Dubach, La., plantation. She has three children. When her oldest son graduated from an East Palo Alto high school in the early nineteen-sixties he could not read well enough to get a job. Today he is in prison.

Mrs. Wilks was able to help her second son in time. He has a master's degree in political science from Harvard University.

Back in 1965, Mrs. Wilks said, her intention was to work to improve the public schools.

"I saw that the white teachers were afraid of our black children," Mrs. Wilks said. "And they figured that black parents don't care about their children."

"But I knew," she said, "that

Brookings Study Terms Military Pay System a Costly Anachronism in Need of Overhaul

By JOHN W. FINNEY

Special to The New York Times

WASHINGTON, June 8—The military pay system, which costs \$37-billion annually, is costly, anachronistic muddle," urgently in need of overhaul, a Brookings Institution study has concluded.

Under the present system, which is geared to a military establishment of an earlier era, the study found, "the United States pays more than is necessary to field its military forces."

Unless reforms are undertaken, the report cautioned, "the cost of military manpower will continue to impose a growing and inevitably insupportable burden on the defense budget with serious and adverse consequences for programs to meet most pressing national security and domestic needs."

The conclusions were contained in a study entitled "The Military Pay Muddle," published today by the Brookings Institution. The study was written by Martin Binkin, a senior fellow at the institution who is a retired Air Force colonel and regarded as a leading academic authority on military manpower issues.

The study comes at a time when the Defense Department is engaged in a quadriennial review of military compensation, with the emphasis upon determining whether military pay and benefits, which have more than doubled since 1968, have become too high.

Some preliminary Pentagon studies indicate that military compensation which, in principle, is supposed to be comparable with civilian pay, now greatly exceeds civilian levels.

With the large pay increases of the last decade, military compensation has sharply risen to the point that it now accounts for about one-third of the defense budget.

Military pay and allowances will cost \$20.2-billion in the present fiscal year, and fringe benefits, such as pensions and medical care, will add \$15.6-billion to the cost of maintaining military forces.

The study concluded that the system had become a cumbersome, perplexing and inherently wasteful "hodgepodge" of basic pay, allowances, and fringe benefits. The system, it said, has become so complex that few servicemen know how much they earn, and military pay is widely misunderstood by Administration officials and members of Congress.

The complexity, it said, also has contributed to inequities and inefficiencies; within the

military establishment. Currently, nearly 40 per cent of military compensation depends upon whether an enlisted man is married, the size of his family, the availability of military housing and whether he serves until retirement.

As a consequence, a sergeant with four years service who is married receives \$10,063 a year in compensation while an unmarried sergeant receives \$8,778.

The study suggested that

such discriminatory pay patterns were an adverse morale factor for first-term enlisted men, the bulk of whom are unmarried, and were contributing to the increasing number of married persons in military ranks, with a resulting increase in the cost of military manpower.

As his major reform, Mr. Binkin proposed that the current "hodgepodge" of pay and allowances be replaced with an over-all salary, with military

personnel required to pay for such services as clothing, food and housing out of their pay.

This step, he argued, would eliminate inequities in the pay structure, make military pay "more visible and understandable" to the military and give the executive branch and Congress a better basis for assessing how much military pay should be.

The study also proposed changes in what it described

as an "inefficient, inequitable and costly" retirement system, which now costs \$6-billion a year and whose costs are expected to rise to \$13-billion (in 1975 dollars) by the year 2000.

Under the noncontributory retirement plan, military personnel can retire immediately at 50 per cent of base pay after 20 years of service and 75 per cent after 30 years of service.

The proposed changes would

increase benefits for those remaining in service for 25 years or longer, reduce benefits for those staying in less than 25 years and reduce Social Security benefits for military retirees.

The study estimated that the proposed changes would reduce military manpower costs by at least \$1 billion a year within 15 years. While the savings are relatively small, Mr. Binkin pointed out that the alternative was a steady increase in military manpower costs.

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Military pay and allowances will cost \$20.2-billion in the present fiscal year, and fringe benefits, such as pensions and medical care, will add \$15.6-billion to the cost of maintaining a 2.2 million-man military establishment.

The Binkin study deliberately avoids examination of the controversial question of whether military pay has become unduly high. Instead, it concentrates on the structure of the pay system, which it finds to a "costly anachronism" of an earlier period when low military pay was offset by such fringe benefits as a generous retirement plan and free medical care.

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Fiscal Policy Appraised

Economists Developing a Consensus That Ford's Plan Is Too Restrictive

By EDWIN L. DALE Jr.

Special to The New York Times

WASHINGTON, March 2—The long Congressional hearings on the state of the economy and the appropriate Government policies for dealing with it are now almost at an end, and a conclusion of sorts has emerged. This conclusion is that President Ford's fiscal policy —

Economic Analysis

—spending, revenue and the deficit for the fiscal year 1977—is needlessly, perhaps dangerously, restrictive, particularly as it applies to next year, despite a deficit of \$43 billion.

This view was taken even by conservative economists such as Herbert Stein and Paul W. McCracken, who were advisers to President Richard M. Nixon, though they presented their analysis in cautious terms.

The liberals were more forceful. For example, Walter W. Heller, who was an adviser to Democratic Presidents, said that "full acceptance of President Ford's budget proposals would hit the economy with a sickening thud later in 1976—mostly after the election."

Both the Administration's own document and a separate analysis by the Federal Reserve Bank of St. Louis show the budget, as measured on the "full employment" basis, moving fairly sharply from stimulus to restraint. The St. Louis bank estimated that there would be swing from a stimulative \$13 billion "full employment deficit" in the final quarter of 1975 to balance in the fourth quarter of 1976, and the bank concluded:

"By the fiscal impact interpretation, such a change would represent a move toward restraint in calendar 1976 compared to a substantial stimulus

to Congressional ears. Among other things, it casts a glow of fiscal respectability on what Congress was almost certainly going to do anyway—namely, increase the President's deficit figure of \$43 billion, chiefly but not exclusively by declining to enact reforms in existing benefit programs designed to slow the growth in their spending.

The open, and crucial, question as the Congressional budget committees prepare to start writing their first budget "concurrent resolution" for this year—setting a ceiling on spending and a floor on revenues—is just how far in the expansionary direction Congress will want to go. A lot is at stake for 1977 and later years—the years of the next Presidential term.

Four variables are involved, two in the area of spending and two affecting revenues:

¶ Estimating the "uncontrollables" (interest on the debt, unemployment compensation and receipts from leasing for offshore oil drilling). Congress can "play games" here by making optimistic estimates and thus allow more room for discretionary actions to increase spending, though there was no

Continued on Page 46, Column 5

Economic Analysis: Ford's Fiscal Policy Appraised

Continued From Page 43

serious sign of this in the first budget exercise last year.

¶Congressional action to increase spending and inaction on Presidential proposals to reduce it. The budget committees are supposed to come to grips with matters before all other committees involving spending, and not only the appropriations committees.

¶Social Security and unemployment compensation taxes. Congress seems most unlikely to raise Social Security taxes as the President requested, and it may delay higher unemployment taxes (borne entirely by employers). This changes the revenue picture.

¶Income and corporate taxes. A tax reduction amounting to \$18 billion on a yearly basis technically expires July 1; in one way or another it will be extended. But will further tax reduction be added? The President's program allowed for \$10 billion of additional tax reduction, but only on the assumption of an unrealistic holddown of spending to \$394 billion.

It is obvious that, once again, the nation—and its business and banking communities—are faced with uncertainty on fiscal

policy. This was well illustrated by the Senate Finance Committee last week in going through the required and useful exercise of preparing for the Budget Committee a tentative idea of what the Finance Committee intended to do this year.

The committee decided tentatively not to raise Social Security taxes, not to cut Medicare costs, to estimate a lower figure for unemployment compensation payments than the Administration and to allow for "countercyclical" revenue-sharing payments to the states.

The net effect of all this was to leave the committee, by its calculations, room to cut taxes some \$3 billion beyond extension of the present cuts—not so much as the President's \$10 billion but still an additional reduction.

Challenge Seen

Regardless of whether this was "playing games," it shows the problem. Unless the budget committees are very tough, Congress could well make the fiscal 1977 budget program a good deal more expansionary than almost anyone wants.

Up to now, even the conservatives have been fairly optimistic. Arthur F. Burns, chairman of the Federal Reserve

Board, has been heartened, for example, by the indications from Representative Brock Adams, Democrat of Washington and chairman of the House Budget Committee, that he would like to hold total spending to \$410 billion—well above the President's figure but well below the \$425 billion that spending could reach just with no change in present programs.

Only this week Mr. Adams gave another signal of his cautious attitude. He said, "We must recognize that we cannot continue forever running up deficits in the neighborhood of \$75 billion." And he warned of the "simple reality that we do not live in a world of infinitely expanding revenues."

Striving for Goal

But intentions are not always reality. Can Mr. Adams and his counterpart on the Senate—Senator Edmund S. Muskie, Democrat of Maine—actually keep spending down to \$410 billion without enactment of at least some of the changes proposed by the President in existing law in "formula" or "entitlement" programs (such as Medicare, food stamps and veterans' benefits) to check their growth?

And what of the revenue

side? A meaningful cap on spending at \$410 billion—which would be regarded, privately, by Dr. Burns as a pretty good outcome in a difficult world—could still leave a very stimulative budget and a very large deficit if Congress enacts none of the proposed higher revenues and deepens the existing tax cuts.

Given that the situation is unpredictable, three things can be said at this point.

Expansionary View

First, Congress will make the budget somewhat more expansionary, and within limits that should cause no great problems.

Speaking of the alleged restrictiveness of the Administration budget, Citibank's monthly economic letter commented that, "unless Congress acts in a thoroughly uncongressional manner, restrictiveness isn't likely to be one of its faults."

Second, the new Congressional process of budgetary control is likely to curb the growth of spending to some degree from what it would have been under past procedures.

Professor Heller and others argue forcefully that it is "misguiding the American public" to argue, as the Administration has done, that Federal spending has exploded and "threatens to snuff out economic freedom and initiative." He notes that after correcting for the effects of the recession, Federal spending remains at about the same 20 percent of the gross national product that has prevailed for more than 20 years.

Spending Pattern

And yet it is also true that spending has grown by 36 percent in fiscal 1975 and 1976 alone, only partly because of special recession-induced outlays. There is a sense of alarm about this in Congress and in the public at large, evidently, and in the new congressional budget resolution setting the spending ceiling is likely to reflect it. Professor Heller himself praises the new procedures.

Third, the revenue side remains a potentially serious problem. The temptation in this election year seems less likely to be to add more spending programs, as conventional wisdom used to hold, and more likely to be to cut taxes still further and certainly not to raise the very visible Social Security tax.

The net stimulative effects—and possible future inflation and interest-rate problems—could be the same.

About Education

New York Times 3/3/76

Tight Job Market Is Helping to Create a Booming Demand for Admission to Graduate Schools

By GENE I. MAEROFF

Many students seem to be reasoning that if jobs are scarce only the best-qualified are going to find it easy to be hired. Thus, the tight job market is helping to create a booming demand for admission to graduate schools of business.

One reflection of the heightened interest in "business schools," as they are called by the students, is the 12 percent increase in the number of candidates signing up for the business school board examination given by the Educational Testing Service. This surge comes on top of

23 percent rise last year, when 128,538 took the test.

Business schools, to a far greater degree than other professional schools, get applications not only from among new college graduates but also from people already working in the field.

The sputtering economy is apparently contributing to the popularity of business schools by restricting growth and increasing competition for the limited opportunities for career advancement by those with jobs.

"People aren't being promoted as fast from within organizations, so business school looks like a good place to be," said Dick Lazarus,

admissions officer for Stanford's graduate school of business in California. "We're seeing very few applicants from mining, oil or natural resource companies, where internal demand—and chances for promotion—remain strong."

Mr. Lazarus said that new Master of Business Administration graduates at Stanford averaged three job offers each last year and that starting salaries averaged \$18,566, a one-year increase of 9 percent.

Adding to the applicant pool at most graduate business schools is the fresh interest that has developed among women and blacks,

who are being wooed as never before by the business world.

For example, Columbia's graduate business enrollment is now 42 percent female.

An American Council of Education survey found that 10 percent of the nation's freshman women this year were thinking about careers in business, three times the proportion planning to become physicians.

Perhaps another explanation for the move toward the M.B.A. degree is the intense competition for positions in professional schools, particularly medical schools. It may well be that some students are readjusting their

sights and setting them on more readily attainable goals.

Once enrolled in graduate business schools, students are gravitating toward courses that emphasize content applicable to situations in Federal, state and local government, where the job market has remained strongest.

Columbia's graduate business school, for instance, in its policy course now draws far more of its case studies from the public sector. Government procurement has become an important area of study in marketing.

Furthermore, Columbia and other schools are finding ways to tie the M.B.A. pro-

gram to other fields of study. Graduate students in public health and social work can now minor in business.

The National Council of Teachers of Mathematics has designated the week beginning May 10 as National Metric Week and is encouraging educators to develop "metric awareness" in their elementary and secondary school students during that period.

Among the suggestions by the council are that schools should have metric fairs at which each booth has an activity related to the metric system (such as guessing heights in meters), a metric field day in which track

Graduate Business Schools

events are measured only in meters, metric cooking projects in home economics and schoolwide scavenger hunts involving metric maps.

One of the world's few exclusively graduate universities, the Rockefeller University, will celebrate its 75th anniversary with an international conference next Monday.

The university, though little known to the general public, has been a leading contributor to scientific research. Sixteen Nobel Prizes have been awarded to scientists associated with the institution at one time or another.

The day-long session at Rockefeller, on York Avenue, will bring together leaders in biomedical research, health care, education, business, government and foundations to consider goals, problems and opportunities in medical research and education.

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Washington Fiscal Interest in New York

ny Times 4-9-76

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, April 8—"If Mayor Beame doesn't want Governor Carey to run his city, does he want the President of the United States to be Acting Mayor of New York City?" The question was asked by President Ford during a speech at the National Press Club last October.

News Analysis

He added: "I see a serious threat to the legal relationships among our Federal, state and local governments in any Congressional action which could lead to disrupting of this traditional balance." He was citing such a threatened imbalance as one of the major reasons he then opposed Federal aid to avert default by the city.

Nobody has suggested that Mr. Ford is now the Acting Mayor of New York, but some have discerned a marked intrusion by the Federal Government into local decision-making since Washington agreed to provide \$2.3 billion in loans to New York.

Last week, for example, the Treasury Secretary, William E. Simon, told Congress that New York City's rent control was "inequitable as well as uneconomic" and that fringe benefits for municipal employees, the city's contribution to health insurance, uniform allowances, union welfare funds and annuity funds should be carefully studied.

"The possibility of moving to a 40-hour week, thus achieving substantial reductions in costs without a loss in services, should be examined," Mr. Simon also told the Senate Banking Committee. It was holding oversight hearings on the Federal loans, which Mr. Simon

must approve each month.

Last Tuesday, Senator William Proxmire, chairman of the Senate Banking Committee, called the transit settlement "a tragic mistake" because it provided increased cost-of-living benefits that could set a precedent for other unions. The Deputy Treasury Secretary Robert A. Gerard, said that "I think there's a serious risk" that the transit settlement will destroy the city's financial plan.

These statements are not totally unwelcome at City Hall, and provide a heft and a candor that could lead to changes in municipal policy. "City Hall is committed to do something about fringe benefits when collective bargaining comes up," an official said, "and the statements on the transit contract are particularly helpful."

The advice given by Mr. Simon, Senator Proxmire and their colleagues raises the larger question of the Federal role through June 30, 1978, when the Federal debt must be repaid.

Felix G. Rohatyn, chairman of the Municipal Assistance Corporation, notes that "any time 'somebody lends money to somebody else, it implies a certain degree of involvement." He added:

"It automatically means a new type of relationship, and one that involves a certain amount of intrusion."

Mr. Rohatyn noted when the creditor was a political entity, the intrusion would have political implications "because it is the political decisions that have created the financial situation."

Nor did Mr. Rohatyn lament this change in traditional Federal-state-city relations. "People are living in a dream world," he said. "We're living

in an age of nuclear power, and we think that archaic Federal-state-city relations are immutable and sacrosanct. They're not."

For union leaders, the Federal pressures to economize by reducing employee benefits and end rent control are suspect. "If we make a loan, as we did, they certainly have the right to audit us," said Victor Gotbaum, executive director of the largest union of municipal employees—District Council 37 of the American Federation of State, County and Municipal Employees.

"But when they begin to comment on contracts, rent control benefit administrative operations, then they go into a policy area that I find distressing," he added. "Once they start getting into areas of policy, it's a hell of a situation."

Stephen Berger, chief administrative officer of the state's Emergency Financial Control Board, said of the statements of Federal officials: "I think it's a perfectly legitimate role for them to play. Nobody has said to us, If you don't take away rent control, we're going to take away your left sneaker."

Indeed, although the Deputy Treasury Secretary, Mr. Gerard, talks almost daily with Deputy Mayor Kenneth S. Axelson, and although the Federal officials have been outspoken in pointing up the areas in which reductions should be considered, they are adamant about leaving policy decisions up to the city.

Enough Problems

There are enough pitfalls in being President without adding the woes of being Mayor of New York, a Treasury Department official said.

Nevertheless, there have been calls for more, not less, Federal intervention. In testimony before the Senate Banking Committee, Joel W. Harnett and Burton H. Marks, chairman and president of the City Club of New York, urged that "follow-

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April 9, 1976

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Senator Proxmire rejected this proposed whittling away of the city's sovereignty as elitist, and noted that its elected officials had been selected by the voters to manage their city.

The expectation, however, is that the Federal Government will become increasingly involved with policy-making in New York city.

"To some extent, it's going to become inevitable," said Jack Fredgut, an economist who is vice president of Citibank. He has the distinction of having first sounded the public alarm about New York City's impending fiscal crisis, in a meeting with the city's Congressional delegation exactly one year ago.

He is among those who believe that Federal involvement in the city's decision-making is probably necessary if the city is to recover. "If you were a New York City politician, it would be the kiss of death to come out for ending rent control," Mr. Friedgut said.

April 9, 1976

Pension Realities

The cost of civil service pensions and other retirement benefits have doubled in the last five years to a statewide total of \$3.5 billion for 1976. The steepness of that rise is contributing to the push of New York State and many of its localities, especially New York City, toward bankruptcy. Unless these costs are brought under control, there is little chance that either state or city can achieve balanced budgets at levels taxpayers can afford to sustain.

The stark compulsion of that economic reality lies behind the proposals for sweeping pension reform submitted by the Permanent Commission on Public Employee Pensions and Retirement Systems, a state agency headed by Otto Kinzel. This is a reality which Governor Carey and the State Legislature cannot ignore as they come to grips with the need for pension action in the current legislative session.

There is no way to cut pension costs without also reducing future benefits. Current levels are not only far beyond those enjoyed by public and private employees in other states and cities; they enable many state and city workers to receive income in retirement that is substantially higher than their take-home pay while working. One example: a married city employee retiring at 65 may collect as much as 128 percent of his preretirement disposable income. The comparable figures for some other cities surveyed by the commission are 51 percent in Atlanta, 56 percent in Chicago, 63 percent in Los Angeles and 112 percent in Detroit.

Such largesse is clearly beyond the means of near-bankrupt state and local treasuries. The Kinzel Commission has set more reasonable, and affordable goals for New York under a new unified retirement system designed to provide maximum benefits approximately equal to—but not exceeding—net take-home pay. The plan's key elements are:

- Integration of the pension system with Social Security by deducting one-half of primary Social Security benefits from an employee's pension benefits. It is unreasonable to ask taxpayers to contribute to two totally independent retirement plans, as they currently do in New York. Many communities and at least one state have dropped Social Security altogether, an alternative already discussed by some New York City officials.

- Elimination of the "increased take-home pay" provision in New York City contracts, under which the city assumed responsibility for \$170 million in employee pension contributions—a sum already reduced by half. When combined with proposed elimination of city payments to certain union annuity funds, costing \$35 million, this action would go a long way toward offsetting increased payments required to restore the city's underfunded pension system to actuarial soundness.

- A requirement that all state and city workers contribute 3 percent of yearly gross salary to their pensions. State employees currently make no contribution, whereas city employees currently contribute up to 8 percent of their salaries.

- A guaranteed, automatic 3 percent yearly cost-of-living increase each year from date of retirement, thus protecting retirees against the erosion of inflation on the value of their pensions.

These and other Commission proposals provide a practical base for the debate which must now be joined in Albany, leading to a thorough overhaul of the state's diverse pension systems. There is plenty of room for dispute over details, but there can be no room for retreat from the Commission's goal of bringing benefits in line with the economic realities while also providing a pension "fair to the employees by any reasonable standards."

REVENUE SHARING FEARED IN PERIL

N.Y. Times 3-3-76
**Governors and Mayors Push
Efforts for Renewal by
Congress of Program**

By ERNEST HOLSENDOLPH
Special to The New York Times

WASHINGTON, March 2—Last year governors and mayors politely passed the word that they would be pleased if Congress would renew the general revenue-sharing program in 1975, a year before its expiration date.

Now, following a year of Congressional inaction, the Governors and Mayors are desperately afraid that the \$30.2 billion program, enacted in 1972 to run five years, will not be renewed.

General revenue sharing, which channels Federal tax dollars back to states, counties and cities for programs of their own choosing, just might get lost in the legislative shuffle this spring, the local leaders fear, even though mayors, county executives—and now the governors—have been swarming over town to get favorable action.

States and localities obtain their share of the Federal funds under the program through the use of a complex formula. The shares depend upon population, average family income and the local tax burden in a way that gives maximum funds to large, needy and heavily taxed jurisdictions.

Urban financial officers are in a desperate quandary because most of them are not putting together their budgets for next year, and they do not know whether they can count on these considerable sums of money beyond December.

Moon Landrieu, the Mayor of New Orleans, said last week: "the New York experience has shown us the danger in anticipating revenues that might not materialize. The only alternative under present circumstances, however, is to cut back service or begin to lay off people right now."

As needy as they are, the cities and counties are leery of accepting as a compromise a simple resolution to extend the program one year, rather than for the proposed five years and nine months. The temptation would be for Congress to make the program an annual appropriation, making it difficult for jurisdictions to do long-range planning.

The facts surrounding general revenue sharing make it appear that the program would be safe. More than 38,000 jurisdictions are recipients of aid, and they provide a solid political front in favor of renewal.

President Ford last week, in a speech to a governors meeting here, reaffirmed his support of general revenue sharing. Key Congressional leaders, including Senator Russell B. Long, Louisiana Democrat, who is chairman of the Finance Committee, and Senator Edmund S. Muskie, Maine Democrat who is chairman of the Budget Committee, strongly favor the program.

Some Congressmen oppose general revenue sharing in principle, though, preferring to help localities with categorical aid programs that require local matching funds and have provisions for Federal control.

Others want to make important changes in it. The House Government Operations Committee's Subcommittee on Revenue Sharing has before it 41 bills on revenue sharing. A planned meeting to draw up a revenue-sharing bill last week was put off because of other business.

Public interest groups and civil rights groups, as well as sympathetic Congressmen, strongly support changes that would give more to industrialized cities and that would provide more protection for the civil rights of citizens affected by the programs.

In an atmosphere of mounting concern about prospects for revenue sharing renewal, Treasury Secretary William E. Simon recently sent a letter to Representative Don Edwards, Democrat of California, assuring him that the Office of Revenue Sharing was "doubling" its civil rights staff and tightening up its process for monitoring programs.

A civil rights spokesman said last week, however, that no new personnel had been hired and that it was feared that nothing would change unless the law required it.

Representative Jack Brooks, the Texas Democrat who heads the House Government Operations Committee—which has charge of the revenue-sharing legislation—opposes the program.

And Representative Brock Adams, the Washington Democrat who is chairman of the House Budget Committee, told the assembled governors last week:

"My message to the nation's governors is that America cannot at this time afford a five-year commitment to Federal revenue sharing. As long as the Federal budget is in deficit there are, by definition no revenues to share."

A coalition of governors and local leaders sat down with Congressional leaders last week, and what they heard underlines their problems; the Senate is favorable to revenue sharing but it is not likely to move before the House acts, and House leaders promise only to get legislation to the floor by May 15.

Rep. Flood pressured officials

Failing schools got \$3.5 million in loans

By William Vance
Inquirer Washington Bureau

WASHINGTON — Rep. Dan Flood (D., Pa.), as chairman of a powerful subcommittee, exerted unusual pressure which helped a group of unaccredited southern California trade schools obtain about \$3.5 million in federally insured student loans.

Most of the \$3.5 million will be defaulted and will come out of the taxpayer's pocket, according to officials of the Department of Health, Education and Welfare (HEW).

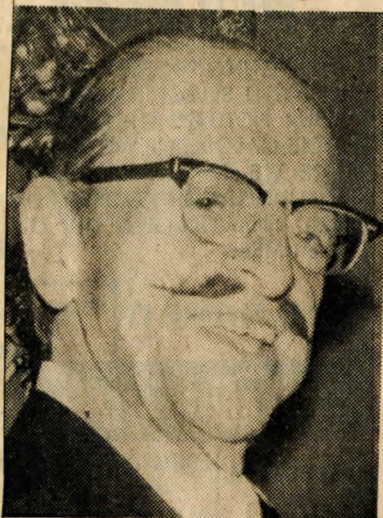
Flood, chairman of the appropriations subcommittee that shapes HEW's \$80-billion budget, started pressuring the agency in May 1972. He wanted a decision that would have allowed the schools to stay in the loan program and also become eligible for other federal aid.

Soon after Flood's office began intervening with HEW, Fred Peters, an alias used by the president of the trade school group, personally delivered a \$15,000 check to a Wilkes-Barre company once managed by Flood's administrative assistant, according to investigators.

The assistant, Stephen B. Elko, said he had several connections with the firm, In-Tech Corp., when he joined Flood's staff in 1970, but he was able nonetheless to provide a reporter with his version of the \$15,000 transaction, which took place on June 30, 1972.

All but \$1,500 of the \$15,000 was withdrawn in cash from the In-Tech

Pressure got aid for failing schools



Rep. Dan Flood
... tax aid for 'squawks'

money. And the law authorizing these aid programs contains no specific penalty for the proprietor of a trade school who diverts the money for personal use.

One of Peters' schools, Automation Institute, had been fully accredited before he became its president in

1971. Between 1970 and 1973, that school received more than \$1.2 million under the direct aid programs.

The other five Los Angeles trade schools were acquired by Peters in November 1971 with \$1.2 million in Automation Institute funds.

Peters then tried to get the five new schools accredited so they could be eligible for the direct aid programs.

HEW had agreed to let the schools participate in the separate, insured student loan program, but had warned that their eligibility would be cut off if they were not accredited by Sept. 1, 1972.

The law said that accreditation could come only on approval of a nationally recognized accrediting agency — in this case the National Association of Trade and Technical Schools (NATTS).

Nonetheless, on Aug. 1, 1972, Flood — in a lengthy letter drafted by Elko — told Marland that the failure of NATTS to accredit the schools in time for the new fiscal year was "a shocking case of misfeasance, nonfeasance and possibly malfeasance,

which is simply beyond my understanding."

Flood urged Marland to use his own authority to accredit the schools.

Marland told Flood he could not circumvent the law, and that the schools had not met statutory eligibility requirements for funding in fiscal 1973.

However, Maryland did use his authority to extend the schools' eligibility for the insured-loan program from Sept. 1 to Oct. 31. On Aug. 19, Maryland received another letter from Flood, saying: I personally examined all of the documents provided by the West Coast Trade Schools and I'll be damned if there isn't sufficient documentation to accredit every trade school in the 50 states . . .

"Let's knock off the waffle job now — unless somebody wants to start a war — and do what is necessary to correct this gross injustice."

Although the five schools never did win accreditation, Flood's message was not ignored at HEW. The schools' eligibility for the insured-loan program was extended three

more times and was not finally suspended until two weeks after Peters closed them on May 24, 1973.

Senate records show that West Coast Schools collected more than \$3.5 million from insured student loans that could not have been placed if HEW had stuck to its initial cutoff date of Sept. 1, 1972.

On May 3, 1973, S. W. Herrell, deputy associate commissioner of education prepared a memo to Marland's successor, John R. Ottina, discussing West Coast Schools:

"In the summer of 1972, someone (as yet unknown to us) persuaded Congressman Daniel Flood to become a strong advocate for a rapid, positive eligibility determination for West Coast Schools. There was direct pressure on NATTS and the Office of Education from Congressman Flood's office."

The following year, Ottina, in a memo to then-HEW Secretary Caspar Weinberger, said West Coast Schools kept getting extensions on the loan program because "as a result of appeals from Congressman Flood and others, the termination proceedings were postponed."

Laverne Brannen, was called before the subcommittee last December. But he invoked the Fifth Amendment on all questions, including those about the In-Tech transaction.

Would not testify

It was learned that Mrs. Brislin and Elko had retained the same lawyer, who has indicated that they too, will refuse to testify under oath to the Senate subcommittee.

In an accounting summary prepared for the Senate subcommittee, staff investigators said the \$15,000 payment came from more than \$1.1 million in loan proceeds and federal grants, which they said Peters and his associates diverted from West Coast Schools. The money, said one HEW official, "left the premises."

Peters himself, according to the summary, received at least \$312,667 in diverted school funds on top of any normal salary. In addition he and two other school officials used about \$294,000 for "personal investments," the summary said.

Senate investigators said that Peters apparently was introduced to Flood and Elko by Washington lobbyist Deryl E. Fleming, whom Elko described as "a close personal friend for 12 years," Fleming, according to the subcommittee's accounting summary, was paid at least \$30,000 by Peters from school funds.

Flood, a colorful and influential veteran of 28 years in Congress, maintained that his intervention with HEW on Peters' behalf was not unusual and "certainly not" improper. Officers of the trade schools came to see him and seemed to have a case, he said, so he told Elko to relay their arguments to the Office of Education.

'An open door'

"It's something I do all the time," Flood said. "the fact that they turn out to be bastards later on, well, there's nothing I can do about that."

"I have an open door. If someone comes in with a squawk, if it's legitimate, we try to do something for them."

Peters' "squawk," by all accounts, was that he was having trouble winning accreditation for five of the six trade schools he operated.

Accreditation was needed not only to keep the schools in the insured-loan program but to gain eligibility for lucrative on-campus assistance programs, such as college work-study and direct student loans.

Under the insured loan program, a student may sign a promissory note to the school for tuition. The school in turn gets its money in advance by assigning the note to a bank, savings and loan association or credit union. The federal government pays only if the lender cannot collect from the student.

But the campus assistance programs involve direct federal grants to the schools. Applications go to regional advisory panels under the direction of HEW's regional financial aid officer.

The Senate investigation showed that HEW had virtually no way of checking up on the use of the grant

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Flood's pressure got aid for failing schools

FLOOD, From 1-A

which discovered the transaction while looking into the student loan program, say they do not know where the money went.

It is known, however, that the transaction occurred seven weeks after Flood and Elko first wrote to then-Education Commissioner Sidney P. Marland Jr. on behalf of West Coast Schools.

Two other strongly worded letters, apparently written by Elko with Flood's approval and signature, were sent to Marland on Aug. 1 and Aug. 19, 1972, on behalf of Peters and his schools.

'Exceptional'

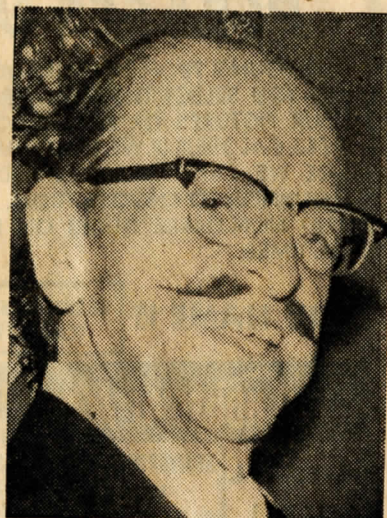
Marland, in a telephone interview from his home in Connecticut, said that Flood's interest in the West Coast Schools case was "exceptional," adding that it was unusual for the congressman to concern himself with such matters.

"I do not know what his interest was in this matter," Marland said. "I would have to say this was an exceptional circumstance."

In separate interviews, Flood and Elko defended their involvement in the West Coast Schools case as both proper and normal.

Flood said he had no knowledge of any transaction between Peters and In-Tech, a data processing firm. Elko, however, called it "a straight in-and-out" deal. Peters, he said, used a \$15,000 check to pay for about \$1,500 worth of technical manuals he had ordered from In-Tech. The \$13,500 listed by Senate investigators as a cash withdrawal was simply Peters' change, Elko said.

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Students Flock to Job-Related Courses

By GENE I. MAEROFF
Special to The New York Times

STATE COLLEGE, Pa., Nov. 1—The nation's troubled economy and the accompanying complications of the energy shortage are causing an unprecedented boom in business and energy-related courses at the nation's colleges and universities.

In a quest for better job credentials and an improved understanding of the forces that they think will shape their lives in years to come, students are deserting the humanities and many of the social sciences for academic programs that they consider more practical.

Here at Pennsylvania State University, which has an on-

campus enrollment of 31,583 and 21,393 others at its branches, the nationwide trend is reflected in record enrollments in business administration, economics, engineering, agriculture, mining and mineral sciences.

Officials of the rapidly growing College of Earth and Mineral Sciences say they have received more liberal arts transfers in the last six months than in the previous 20 years. One of the new graduate stu-

Bills Beat Jets, 24-23

The Buffalo Bills defeated the New York Jets, 24-23, yesterday at Shea Stadium on a late touchdown pass play from Joe Ferguson to O.J. Simpson that covered 64 yards. Details on Page 51.

AIN PLASTICS of Mt. Vernon, N.Y., thanks all our friends for making our 5th Anniversary possible.—Advt.

dents in metallurgy got her bachelor's degree in French.

Accounting and economics are bearing the brunt of the stampede into business-related programs at Penn State and elsewhere. Many of the students are seeking vocationally oriented minors to go with their less marketable majors, and others want one or two basic courses so they will at least be conversant on the economy.

Economics has become the largest undergraduate department at Harvard. Class sections in economics filled up so quickly at Brooklyn College that registration had to be closed early. More than 2,660 students signed up for lower-division economics courses at Ohio State, an increase of 24 per-

cent, and 120 students had to be turned away.

"It is testing our ingenuity to find enough classrooms and instructors for all these students," said Dr. Grant N. Farr, chairman of Penn State's economics department. "It's a problem, but I am sure it's a problem that history, foreign languages and the others with falling enrollments wish they had."

An academic offshoot of the energy shortage has been the wedding of students' curiosity in programs dealing with the Middle East and the Arab people, whom they see as holding a pivotal spot in determining the course of the future. New and enlarged programs are appearing regularly.

The Middle Eastern Studies Center at the University of Texas gets more than 30 letters of inquiry a week from people considering a master's program tying in with business and petroleum engineering.

In the business area, students everywhere have developed a special fascination in courses in accounting. Jobs in that field are plentiful; the average starting salary for an accountant with a bachelor's degree is now \$11,760.

Enrollment at Bentley College in Waltham, Mass., which produces more accountants than any school in the country, increased almost 20 percent in one year, from 4,065 to 4,860, at a time when many other private institutions are withering from a lack of applicants.

What bothers Dr. Edward Sommers, chairman of the accounting department at the University of Texas, is that "there has been a tremendous influx of marginal students" into accounting because of the employment opportunities.

Not only has this led to a massive quality control problem, Dr. Sommers said, but it also has made crowding so severe that fire marshals have expressed concern.

Recruiting Campaign

This enrollment pressure in a few select areas is coming at a time of fiscal exigency for many universities, when the other departments is leveling off.

Thus, faculty expansion in the newly popular disciplines frequently does not occur, even though it seems warranted.

Not only are payrolls weighted down by tenured professors, but there also is institutional anxiety over the possibility that the enrollment shifts may . . .

Brandeis University in Waltham, Mass., which had three sections of about 35 students each last year in introductory economics, is saving money this year by putting them all in one class, even though the number of students taking the course has risen to 200. The University of California at Berkeley has simply placed enrollment ceilings on its business programs.

An impetus for the dramatic enrollment increases is the new-found interest of women in some fields they have traditionally shunned. By and large, their motives appear to parallel those of their male counterparts.

"What do I expect out of majoring in accounting?" Susan Phillips, a junior at the University of Texas, asked rhetorically. "A good job with lots of money," she said.

Carol Leisenring, who joined the economics faculty at Penn State in September as the only woman in a 46-member department, has about 10 women among the 60 students in her "Introductory Microeconomics Analysis and Policy."

"Just a few years ago, I wouldn't have expected more than two or three women in a class like that," remarked Miss Leisenring, a monetary specialist who is completing work for her doctorate at Michigan State.

A radio and television recruiting campaign by Penn State has raised the number of women in engineering from less than 1 per cent five years ago to 8 per cent today, helping the College of Engineering to show a 40 per cent enrollment growth in the last three years.

Penn State also has six women in mining engineering, a field in which the university has graduated just one woman.

The prospect of readily available jobs for men and women who can help the world satisfy its hunger for energy and minerals is raising enrollment on a wide front.

A mining engineering program that was allowed to die 10 years ago at the University of Pittsburgh has been reinstated. Lamar University in Beaumont, Tex., is offering a new degree in energy resources management. New courses on solar energy have been added to the curriculum at the University of Arizona.

Meanwhile, liberal arts programs at many institutions are enrolling in a tumbling, the flurry of activity in fields as business, mining and engineering with a mixture of disdain and jealousy. One back students by infusing liberal arts with a vocational element.

Eastern Michigan University will train man-

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Chicago Council Votes to Replace Civil Service System

By WILLIAM E. FARRELL
Special to The New York Times

CHICAGO, Oct. 27—As of Jan. 1, Chicago's 80-year-old Civil Service Commission, affecting 40,000 city workers, will be scrapped in favor of a new system that critics of Mayor Richard J. Daley say will further enhance his already tight grip on city government.

The decision to end the present Civil Service Commission was made by the Chicago City Council on Friday by a vote of 43 to 3 after two days of hearings and over the objections of three aldermen opposed to the Mayor.

Last month, Mr. Daley said that he was seeking to abolish the Civil Service Commission to provide himself and his department heads with what he described as "more flexible" control over the 40,000 jobs.

Removal Powers Feared

Since the plan was announced, some minor changes have been made in the Mayor's proposal, but the major objection raised by critics remains: It is a provision in the new ordinance permitting the Mayor and his department heads to exempt from competitive examinations and other provisions normally found in career civil service systems an unspecified number of jobs due to "administrative necessity."

According to critics, the vagueness of that clause could give the Mayor carte blanche removal powers over all city

workers without cause or notice.

Currently those with exempt status are elected officials, department heads, city law-department workers and police officers above the rank of captain.

Proponents of the new system, which calls for the establishment of a personnel director and a four-member personnel board all to be appointed by the Mayor, argue that it will be more efficient than the old system, in which raises were automatic and dismissal of an incompetent employee took an inordinate amount of time.

"We cannot afford to hamstring our city executives," said Alderman Edward M. Burke, who led the Daley forces for the ordinance in the City Council. "The ultimate and final control of this matter is political in the highest sense, and, we, as politicians, will be increasingly judged on how well we provide efficient government at minimal cost."

'Temporary' Classification Ends

The new ordinance abolishes by Jan. 1, 1978, the existing category of "temporary" city employees. These currently number about 10,000 and are primarily used to fill patronage jobs for the Cook County Democratic machine, which Mr. Daley also heads.

Some of the city's "temps," as they are known, have been on the municipal payroll for as long as 40 years. It is possible that the "temps" will be retained under the "administra-

tive necessity" provision of the new ordinance.

A number of amendments to the ordinance were easily defeated in the council. They included limiting exempt positions in any city department to 10 jobs and providing for

a "nonpolitical" committee to make the nominations for the personnel board.

In addition, another amendment, quickly relegated to limbo, would have prevented city employees to work on election campaigns.

RUTGERS TO DISMISS 15 New Mayors Spend 215 ON ITS FACULTY A Weekend at College

NEW BRUNSWICK, N.J., Nov. 25 (UPI)—Rutgers University announced plans today to send dismissal notices to all 215 first-year and second-year faculty members because of the prospect of reduced state aid.

A spokeswoman for Rutgers, which is the state university, said the notices would be mailed next Monday to 94 second-year faculty members and on March 1 to 121 first-year members unless the prospect of adequate state funds improve.

Under the University's contract with the American Association of University Professors, which represents the faculty members, Rutgers must give all second-year faculty members seven months' notice. Otherwise, according to the contract, the professors are automatically rehired.

The dismissals will effect all 18 degree-granting units and Rutgers campuses in New Brunswick, Camden, Piscataway and Newark.

CAMBRIDGE, Mass., Nov. 25 (UPI) — Fifteen newly elected mayors went to Harvard during the weekend to learn how to do their jobs. They agreed that their biggest problems were too little money and too much unemployment.

During the four-day seminar at the Kennedy Institute of Politics at Harvard, the mayors listened to experts on municipal finance, budgets, labor and crime. They discussed the difficulties of transition from one administration to another.

But they sounded much like their more experienced colleagues when it came to specifying their problems.

Abe Drasin, the Mayor-elect of Grand Rapids, Mich., said the nation's cities need cash. "enough money just to keep going the way we are now."

"The important thing for us is to get more jobs," said Margaret Hance of Phoenix, Ariz., where the jobless rate hovers at 12 percent.

Nov. 26, 1975

Study Says That Good Schools Do Not Make Better Students

By EDWARD B. FISKE

Christopher Jencks of Harvard University has cast new doubts on whether the usual standards for good schools — small classes, experienced teachers and so forth—actually lead to improved student performance.

In a new study of high school students published in the current issue of The Harvard Education Review, Mr. Jencks, the well-known sociologist and educational researcher, argues that while some schools seem to be somewhat more effective than others, the reasons for their superiority remain "obscure."

His conclusion is that "neither educators nor social scientists know how to change high schools so as to raise students' test scores, educational attainment or occupational status."

The article, which was written with Marsha D. Brown, a researcher at the University of California at Los Angeles, is the latest in a series of studies over the last decade or so that have questioned how much effect public schools have on their students.

James S. Coleman, a University of Chicago sociologist, has argued that student achievement is largely a reflection of family background, and Arthur R. Jensen, a psychologist at the University of California at Berkeley, has emphasized heredity and race.

Income Redistribution Urged

In a major study two years ago, Mr. Jencks argued that income redistribution, not more spending on schools, was the key to promoting equality in American society.

The new study makes use of data generated in the early 1960's by Project Talent, a federally financed research effort that followed students over a period of years, and deals with 5,000 students, most of them white, in 98 high schools.

It examines characteristics of the schools, such as per-pupil expenditures, in relation to the 9th-grade and 12th-grade test scores of the students and their educational and occupational attainment five years after graduation.

A major conclusion was to question the assumption that there was such a thing as a "good" or "bad" school.

Mr. Jencks found that while some schools were more effective than others in raising test scores, they were not necessarily the ones that succeeded in encouraging students to continue their studies or that promoted high occupational status.

ter finding, he said, is that educators simply do not know what it is that promotes academic achievement and that "if we want to boost student performance, we will need drastically new methods."

In the past, such studies have been criticized both for their conclusions, which seem to contradict common sense and their methods, this is no exception.

In another article in the same issue, Daniel F. Luecke and Noel F. McGinn, two other Harvard social scientists, question whether Mr. Jencks and other researchers have taken into account enough of the social and educational factors that influence students to establish a causal relationship — or lack of one—between past and present circumstances.

Gregory A. Jackson, an editor of The Harvard Education Review, suggested in an interview that the data available to researchers, such as test scores, might in fact describe general aptitude rather than what schools teach. "It may measure things like the ability to psych out tests," he said.

Different Differences

Others have suggested—and in the article Mr. Jencks suggests that this line of inquiry is worth pursuing—that the crucial factors in educational quality may not be those that distinguish "good" schools from "bad" ones but differences within schools or even within classrooms.

A study released last fall by the Federal Reserve Board of Philadelphia, for instance, found that bright elementary school students responded most positively to experienced teachers, while slow pupils did best with young, relatively inexperienced ones. Likewise it found that low achievers performed better when they were in classrooms with high achievers, but that the presence of slow learners, while not affecting the high achievers, tended to pull down the average achievers. In both cases the conclusion on a school-

wide basis would be that teacher experience or classroom heterogeneity had no effect on the "average" student. In fact, however, their effects on individual students were profound.

Temple University in Philadelphia has found a way of taking much of the tension out of the college-admissions process—by giving "on the spot" decisions.

At 17 local high schools, admissions counselors now tell students at the end of their interviews whether or not they will be accepted. Those that are rejected are given reasons and advised of alternative educational opportunities. Acceptance is not predicated on a student's making Temple his or her first choice.

Margaret Weirick, the assistant admissions director, said that the project was begun on a pilot basis as a way of "offering a special service" to the local community and will probably become a permanent policy. "The kids like it a lot," she said. "It makes the whole process more personal."

Vassar College has taken a small step to resist the general academic trend away from liberal-arts studies. It has established a visiting research professorship in classical studies.

The chair will be named in honor of the late Carl W. Blegen, a prominent archaeologist and his wife, Elizabeth, a Vassar alumnus. It is being financed at the level of \$625,000 by combining the proceeds of a trust fund established under Mrs. Blegen's will with two small endowment funds that had been in the college's possession for some time.

Barbara J. Wells, dean of the faculty, said that the action was taken in response to what several other colleges, including Princeton, have reported: increased enrollment in classical studies. Miss Wells called the increase "a source of satisfaction to all, especially in a time when we are witnessing a national preoccupation with prevocationalism."

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Nov. 26, 1975

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Mr. Jencks found that while some schools were more effective than others in raising test scores, they were not necessarily the ones that succeeded in encouraging students to continue their studies or that promoted high occupational status.

Schools that were able to increase performance on one test, he reported, were "not especially likely to boost performance on other tests." Schools that were effective in increasing the occupational prospects of men were "not especially likely to help a woman."

No Consistent Impact

Moreover, within the cognitive area, he concluded that "high school characteristics such as social composition, per-pupil expenditure, teacher training, teacher experience and class size have no consistent impact on cognitive growth between 9th and 12th grades."

The implication of the lat-

est Harvard social scientists, question whether Mr. Jencks and other researchers have taken into account enough of the social and educational factors that influence students to establish a causal relationship — or lack of one — between past and present circumstances.

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Nov. 26, 1975

Fusion Research in U.S. and Soviet Turning to New Techniques

By WALTER SULLIVAN

Two potentially significant changes in direction are occurring in American and Soviet efforts to discover a font of unlimited energy in a fusion process like that which powers the sun.

Soviet scientists, in seeking to achieve this by crushing pellets of nuclear fuel to super-density, have decided to shift their emphasis from the use of laser beams to a method that, in this country, is receiving only modest support. This is the use of electron beams converging on the pellet at very high energy.

In the United States roughly 90 percent of the funding in this area of fusion research is on converging pulses of laser light. However, in recent months a new contender has appeared—one that apparently does not figure, so far, in the Soviet program.

This is the use of ions—atoms that have been stripped of some or all electrons—to bombard the pellets. Such an ion-beam approach has generated considerable excitement because of certain apparent advantages over the electron-beam method from which it evolved.

In all these cases, where pulses of laser light, electrons or ions are used, the objective is to deliver a vast amount of energy to the shell of the fuel pellet in less than a millionth of a second or less. This causes the shell to explode both outward and inward.

Fuse Into Helium

It is the inward blast that must crush the pellet core to 1,000 times its original density. If this is achieved and the temperature high enough, the atoms of the fuel—a mixture of two heavy forms of hydrogen (deuterium and tritium) fuse into helium. A small amount of residual mass is converted into a large amount of energy.

Pellet crushing is one of two basic approaches to controlled fusion. The other, of longer standing, seeks to squeeze and heat the fuel in gaseous form (a plasma) to the required den-

Union. The most powerful electron beam, in terms of public knowledge, is the Aurora device built by Physics International and installed at the Harry Diamond Laboratories in White Oak, Md.

Pulses of Energy

It can produce pulses that, within 125 billionths of a second, deliver up to three million joules of energy. A joule is a little less than the energy required to lift one pound one foot. The Aurora is apparently used to simulate nuclear weapons effects but is not well-suited to pellet crushing.

The rationale for the Soviet shift is that making efficient high-energy lasers will be extremely difficult whereas electron beam generators are already able to produce very energetic beams in a relatively simple manner.

At present the Russians are building two high-powered lasers each to produce pulses of 10,000 joules. They are in laboratories headed, respectively, by Nikolai G. Basov and Aleksandr M. Prokhorov who both shared, with Dr. Charles H. Townes of the United States, a Nobel Prize for their role in development of the first lasers.

At the Lawrence Livermore Laboratory in California, a High Energy Laser Facility is being built, at a cost of \$25 million, that also is to produce 10,000 joules by late 1977—the same year that Academician Velikhov expects the new Soviet lasers to be finished.

The Livermore device will consume more energy than it produces but, it is hoped, will provide information needed in the design of a break-even system.

Electron Beam Work

Soviet electron beam work is concentrated at the Kurchatov Institute in Moscow under Leonid Rudakov. Academician Velikhov said a five or six million joule facility was being designed. If, as hoped, it is included in the next five-year plan it should be operating in about five years, he added.

According to Dr. Gerold Yonas who directs the research

to induce fusion and release energy. This contrasts with the laser projects where neutrons from fusion reactions are thought to have been observed.

In the primary American electron beam effort, the chamber holding the pellet is itself the electron accelerator, making for a device measured in inches and, therefore, a potential for much smaller explosions. The devices being studied at Sandia consist of an inner shell that is positively charged (an anode) to attract electrons from a negatively charged outer shell (a cathode).

Elections Accelerated

The difference in electric potential suddenly imparted to these two shells (voltage) is sufficient to accelerate the electrons to high energy. They pass through the inner anode, which may be a wire mesh, and strike the central pellet, which is about the size of bird shot.

In laser fusion the pellet is more like a sand grain. The resulting explosion would be no more than that of a few pounds of TNT, and designing a system that would not be blown apart is still a challenge. A satisfactory energy output would require a rapid repetition rate, as in the explosions of an automobile engine.

In a typical design, the pellet is enclosed by two hemispheric devices producing two simultaneous bursts of electrons. One difficulty, according to Dr. David Mosher of the Naval Research Laboratory, has been that, as negatively charged electrons fly in toward the anode, positively charged ions are drawn off the anode and fly in the opposite direction, weakening the flow of electrons.

It has been exploitation of this ion effect that has opened

a new approach to the problem. By reversing the arrangement, making the outer shell an anode and the inner mesh a cathode, a shower of ions can be drawn toward the target.

Use of Ion Effect

An advantage of the ions is that, being for heavier than electrons, they deliver their energy to the outer shell of the pellet. High voltage electrons bore deep into the pellet and blow it apart instead of heating the shell and crushing the interior. For this reason a focus of the electron beam effort is to produce beams with very large numbers of electrons (high amperage) but relatively low voltage.

It has been found that when an electron current reaches millions of amperes it generates magnetic fields that scatter the electrons much like the atoms in a hot gas. Consequently the electrons generated by a single anode-cathode system spread around the pellet and hit it from all sides. Ions are too heavy to be affected in this manner and hence ways must be found to distribute their impacts around the pellet.

Ions are too heavy to be affected in this manner. Hence a way must be found to distribute their impacts around the pellet. Nevertheless their paths are deflected enough by the electron-induced magnetism so that, in a purely spherical system, many, it is feared, would miss the pellet. It is hoped that a suitably shaped anode and cathode can overcome this problem.

Computer simulations, on which the project depends heavily, suggest that the crushing effect from an electron beam is more stable than that to be expected from ions, but this has not been tested experimen-

tally. A variety of ions might prove the most effective, Dr. Yonas said, including those of hydrogen, helium or argon.

In the Dec. 29 issue of Physical Review Letters, he and his colleagues discuss a model in which the distance from the pellet to the outer, anode shell is 8 centimeters (3 inches). This porous shell is sprayed from the outside with plasma that works through the pores to provide the ions.

To approach energy production sufficient to balance the energy requirement, the authors believe, a radius of 72 centimeters (22 inches) and a potential of 20 million volts would be needed.

Despite the small size of

the device, a large roomful of capacitors immersed in oil is needed to accumulate the energy for each pulse. In stressing the relative simplicity of the method, however, Dr. Yonas likened it to the ignition system of an automobile in which electrical energy from a low-voltage battery is stored in a condenser to produce high-voltage sparks at appropriate moments.

As in many aspects of fusion research, charting the next steps involves complex sets of trade-offs in which many little-understood factors are involved. While ion beams are currently the chief novelty in the pellet-crushing field, laser fusion is still considered by many the front runner.

Fuse Into Helium

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Pellet crushing is one of two basic approaches to controlled fusion. The other, of longer standing, seeks to squeeze and heat the fuel in gaseous form (a plasma) to the required density and temperature and for the necessary duration. This is being tried in a variety of magnetic "bottles."

The largest such machine, a descendent of the original Soviet "Tokamak," is projected at Princeton at an estimated cost of \$220 million or more.

Because one of the components of fusion fuel (deuterium) occurs in all water, and the other (tritium) would be a byproduct of fusion reactors, the process would offer almost unlimited energy. The cost, however, remains as much of an uncertainty as the most effective method.

The shift in Russian emphasis was reported last month by Academician Yevgeny P. Velikhov, at a meeting in this country of the Soviet-American Joint Commission on Atomic Energy.

His account has been summarized in a memorandum by Dr. Robert L. Hirsch, director of the Division of Controlled Thermonuclear Research in the Energy Research and Development Administration.

In telephone interviews this week, he and researchers in the field elaborated on the status of the Soviet and American efforts.

Emphasis in Soviet Union

The Soviet Union, according to Academician Velikhov, has decided to increase its emphasis on the electron beam approach, leaving the laser-induced fusion program at its present level of effort. Manpower committed to the two programs at present is roughly equal, with some 200 people assigned to each.

By contrast, according to Dr. Hirsch, roughly 1,000 Americans are working on the laser approach and only 50 to 100 on the electron beam line of attack.

The latter effort in the United States is chiefly concentrated at the Sandia Laboratories in Albuquerque, N. M., one of three weapons research laboratories operated by E.R.D.A. Research is also being conducted by the Physics International Company of San Leandro, Calif., and the Naval Research Laboratory near Washington.

At other centers, notably Cornell University, a variety of other electron beam applications are being studied.

Because of potential military applications, there are also secret efforts in the United States and presumably in the Soviet

Union to be finished.

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According to Dr. Gerold Yonas who directs the research at Sandia in this field, the Soviet approach to electron beam fusion consists of a multitude of beams converging on the pellet from many sides. This is analogous to the laser approach. In this way the explosion chamber surrounding the pellet can be large and explosions, equal to that from a ton or more of TNT should be possible.

So far as is known, however, no attempt has yet been made on either side of the Atlantic to crush the pellets sufficiently

that, as negatively charged electrons fly in toward the anode, positively charged ions are drawn off the anode and fly in the opposite direction, weakening the flow of electrons.

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New Mexico Chief Turns Taskmaster

By JAMES P. STERBA

Special to The New York Times

SANTA FE, N.M., July 25—State government in the New Mexico calls itself, has always been looked upon as something of a casual enterprise.

A few snowflakes in winter served as a clear signal to many of the state's 12,000 employees to go back to sleep instead of going to the office. Multi-martini lunches fueled many a bureaucrat through the day. Others found the Santa Fe Downs racetrack far more lucrative than office paper shuffling on Friday afternoons during the summer.

It all looked too much like the land of the long lunch and short work week for a Las Cruces shoe store owner named Jerry Apodaca. He once said that state government in New Mexico had all the energy and efficiency of "a 700-pound marshmallow."

Last November, Mr. Apodaca was elected Governor—the first Mexican-American in the statehouse in half a century. In his Jan. 1 inaugural speech, he declared, "Too many citizens have given up hope, too many believe government is ineffective. We need to show them they are wrong."

Since then, the 40-year-old former University of New Mexico halfback has been poking at the marshmallow.

The bureaucrats don't like it, but most of the state's 1.1 million citizens—40 per cent of whom are of Mexican ancestry—seem to love it.

"The other day, state employees asked for two hours off to go to a parade and I said no," Governor Apodaca said in an interview. "There are parades all the time. Traditionally, the Governor let them out, but I couldn't see it. I told them to take annual leaves if they wanted to go and if they don't like it they can resign. That caught some flak, but, you know, there are so many people unemployed who would like to work."

A few days after he took office, Mr. Apodaca called a news conference and put the 4,800 state employees in Santa Fe on notice:

"I'm tired of secretaries who take an hour and a half for lunch and department heads who wander in at 9:30, leave at 11:30, come back at 2 and then leave for the day at 4," he said.

A few weeks later, after lunching on yogurt at his desk, the Governor tried to telephone the state Motor Vehicles Commissioner at 2 P.M., but the man was not at his desk. An hour later, Mr. Apodaca announced the man's replacement. Then, in May, the state personnel director informed all employees:

"Governor Apodaca has requested all agency directors

to limit their lunch time to 55 minutes. He further requests agency directors to refrain from partaking of alcoholic beverages during the lunch hour as this constitutes drinking on the job."

"Why should agency directors [there are about 200] take hour-and-a-half lunches, have three martinis and come back less able to function when there's so much to do?" Mr. Apodaca said. "The general public sees this. They see state employees taking long lunches, or getting a haircut at 3 in the afternoon, and it's a bad impression."

The Governor, incidentally, is a martini man himself—but only after work, his aides say. His goal, he says, is to improve the quality of employment throughout the state, which last year ranked 49th in per capita income. And that means starting by raising state salaries, which have been so low that many state employees qualified for and received food stamps to supplement their incomes.

Last year, for example, state maintenance men started at salaries of \$379 a month. In January, the Legislature voted raises ranging from 4 to 1 per cent for all state employees and the Governor says he will seek yearly pay increases.

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N.Y. Times
July 28, 1975

A Chronicle of the Crucial Dates in the City's Financial Crisis

By RONALD SMOTHERS

For a year the city has been buffeted by financial crises.

The successive attempts to deal with massive budget deficits and cash flow problems that threatened insolvency have led to layoffs that often were more apparent than real and were always confusing; to mostly unsuccessful pleas to the Federal and state governments for aid, always hampered by costly political maneuvering, and to repeated and unavailing efforts to shed New York's national image of fiscal profligacy.

Through these developments the public has been barraged with figures and revised figures, conflicting projections and rapid reversals of the city's fortunes.

Each decision, based on the then-current logic and political situation, inexorably narrowed the options. But much as the principals and ordinary citizens might have wanted it, no simple solution emerged to resolve the conflicting interest of the banks, the unions, the political leaders and the general public. Even those who tried to keep track found themselves frequently confused, and the confusion intensified the crisis of confidence in the financial markets and the public.

The crisis had its roots in practices going back 10 years as the city raised its levels of spending above its income from taxes and began to borrow money to pay one month's bills anticipating that revenue in the following months would let it repay the loan. But it took the combination of recession, inflation and a credit crunch to show the basic weakness in the structure.

This week is a critical time in the city's fiscal crisis, marked by Mayor Beame's notice to unions to accept a wage freeze voluntarily by midnight tomorrow or face an undefined "action" by City Hall.

The following is an attempt to chronicle some flash-points and crucial dates in the events that began to reach a climax one year ago.

1974

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In the following months he issued muted warnings that the city's borrowing was getting out of hand, and Mayor Beame hinted that the city might have a deficit at the end of the fiscal year. Such warnings went unnoticed for the most part, as the Mayor, fresh from getting approval of his 1974-75 budget, which he said could not be cut, cautiously sought to make trims by not filling vacancies, curbing capital spending and seeking more Federal aid.

The Mayor's office, angered, rejects the advice. Mayoral aides seeking from behind the scene to discredit Mr. Goldin's predictions, ask why the Controller should disclose such startling and significant figures while the Mayor is vacationing in Florida if it were not for his own mayoral ambitions.

DEC. 2—"Just poor judgment," says Mayor Beame of the timing of Mr. Goldin's deficit estimates. This "costly press release," Mr. Beame continues, accounts for the 9.5 per cent interest on short-term city notes. Mr. Goldin says his statement has capped reports that the city's deficit was approaching \$1-billion and adds it is necessary to be "candid and realistic" in finding solutions to the growing fiscal problem.

DEC. 11—Mayor Beame announces the dismissal of 3,725 city employees, including, for the first time, uniformed services employees and teachers. A "terribly saddened" former civil servant, Mayor Beame also announces a program of forced retirement for 2,700 city workers. This is Phase Two, which with Phase One will reduce the \$330-million deficit to \$135.4-million, Mr. Beame says.

DEC. 17—Saying that spending economies should be matched by borrowing reductions, Controller Goldin cuts a planned January issue of \$500-million in bonds and an unspecified amount in notes to an issue of \$620-million in one-year notes and the sale of \$450-million in bonds to the city pension funds. With city securities reportedly making up 30 per cent of the municipal debt market, the move will "give the market a breather," a breather.

Some people in the financial community still advocate "massive layoffs," wage freezes and an end to such city services as free tuition at the city university, transit subsidies and others.

1975

JAN. 15—Phase Three, the final attempt to diminish the projected deficit to \$120-million, will mean dismissing 4,050 policemen, firemen, teachers and other city workers to save \$15-million, the Mayor says. The union leaders loudly and bitterly begin to talk of job actions and strikes. Dismissals and forced retirements since December supposedly total approximately 12,700 workers.

FEB. 1—The Mayor announces that the bulk of the three phases of layoffs have been averted by agreement on the part of city unions to forgo some contractual rights. The announcement seems to give the lie to the warnings of the last six months that cutbacks were needed to overcome deficits and regain investor confidence in city notes and bonds. The Mayor is praised for winning union concessions and for extracting economies from non-mayoral agencies such as the Board of Education, the Board of Higher Education and the Health and Hospitals Corporation. Union leaders, too, are praised,

it needs for the rest of the fiscal year. It will have to make do with whatever loans, advances or additional aid it can get from the state and Federal Government, he says. The Board of Estimate and City Council leadership is on hand for the Sunday announcement at Gracie Mansion. So, too, is the once, disputatious Mr. Goldin, now nodding in agreement as the Mayor berates the financial community for prompting "negative publicity" on the city's credit position. Mayor Beame insists that the program of curtailed borrowing is his own idea and not one demanded by the banks. "Nobody is going to tell me how to run the city," he says.

APRIL 3—The state agrees to advance the city \$400-million in revenue-sharing funds it would normally have received in June. The advance is as much the product of the close relationship between Governor Carey and the Mayor as it is a product of the city's immediate need. Both men are all smiles as they assert that the advance will ease the cash-flow crisis by allowing the city to forgo the already reduced schedule of April borrowing and work on bolstering confidence in the city's credit.

APRIL 4—Officials acknowledge that the city actually dismissed only 1,941 of the 12,700 employees proposed for layoffs, transferred scores of others, did not succeed in forcing retirements and fell about \$10-million short of its Feb. 1 savings goal.

APRIL 22—Attention shifts briefly from the cash-flow problems of the city to the budget-deficit problems as Mayor Beame announces a \$12.8-billion proposed budget for 1975-76 that would require nearly 3,000 layoffs and leave the city with a deficit of \$641.5-million. The earlier projection of a \$1.68-billion deficit had been slashed to \$883.9-million by proposals to raise the real estate tax. The further reduction to \$641.5-million would be accomplished with the proposed layoffs, the Mayor says.

MAY 14—President Ford rejects city pleas for a loan or other aid in meeting a cash shortfall of \$1.5-billion for the months of May and June. The President says the city aid ideas are improper and he urges the Mayor to seek help from the state. But Federal officials go on to question whether the city's basic problem is with the credit markets, which had levied high interest on borrowing, or with the city's overextended budget and support of otherwise desirable but costly programs. The city's insistence that cash flow is separate from deficit becomes harder to maintain.

MAY 15—When it rains it pours and the city suffers another setback when the State Senate, under Warren M. Anderson, the Binghamton Republican and majority leader, rejects the package of aid and taxes proposed to close the budget gap. Mr. Anderson says

to reform the city's accounting measures, limit future city borrowing and oversee the budget, but city and state officials deny that the corporation will have broad powers over the city's future spending.

JUNE 19—Back to the budget deficit. Mayor Beame, after being promised \$150-million in taxing authority, modifies his "crisis" budget to \$12.08-billion and says he can keep 11,000 of the 51,000 city workers scheduled for dismissal by June 30. Of the 40,000 still to go, half are in nonmayoral agencies and those agencies say other economies will avert some layoffs.

JUNE 30—On the last day of the fiscal year, the city orders the dismissal of nearly 19,000 employees in mayoral agencies and says nonmayoral agencies will have to come up with equivalent savings or drop 21,000 more workers. In the fiscal year just ended 5,050 workers were dismissed of the 12,700 first listed for discharge.

JULY 1—Sanitationmen go on a wildcat strike to protest the dismissal of 2,934 of their number. Tons of garbage piles up in city streets. Dismissed policemen angered at the layoff of 5,034 officers stage a rush-hour demonstration that blocks traffic on the Brooklyn Bridge and erupts into violence. Firemen angered by the planned dismissal of 1,700 men, begin a campaign calling in "sick."

JULY 2—Albany approves \$180-million more in city taxing power in a deal for larger state education subsidies that Republicans want. Not enough says the Mayor, berating the Legislature for prompting a "reign of error."

JULY 3—Sanitationmen end their strike as their union puts up \$1.6-million to help pay salaries if the 2,934 men are put back to work. Other unions unable to pay such a price, seek restorations from the new taxes.

JULY 7—Mayor Beame says the new taxes will save the jobs of 3,650 uniformed employees, 1,850 nonuniformed employees and 3,400 employees of nonmayoral agencies. The original 51,000 dismissals, already down to 40,000 shrinks further to 31,000. The Mayor notes that halting a scheduled 6 per cent pay raise could mean more restorations, adding that he cannot freeze salaries unilaterally and unions will have to agree voluntarily. The fiscal crisis, he adds, is "behind us."

Controller Goldin, a few days later, says bankers are confused by the job restorations and the Mayor's bid for \$32-million in nuisance taxes with which to restore more jobs; they feel, he says, that the city is not being serious about limiting its spending.

JULY 15—Directors of the Municipal Assistance Corporation join the chorus from the financial community in admonishing the city against the increased taxes and spending for restoration of jobs. They say

by midnight tomorrow or face an undefined "action" by City Hall.

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NOV. 1—In his annual report, Mr. Goldin expresses serious concern over the widening gap between revenues and spending and cautions against continued borrowing. Still the problem is cast in terms of a general malaise that is infecting the nation's economy and the warnings are more disquieting than dire. An overextended municipal bond market is particularly alarmed at the frequency of New York City borrowing and increasingly skeptical about the marketability of the city notes, he says.

NOV. 8—Mayor Beame forecasts a \$430-million deficit in the current budget, with "recession" dropping revenues \$150-million under estimates and "inflation" increasing spending \$280-million over estimates.

"This is no fault in our operation," Mr. Beame says. "Our bonds are good and secure and will be paid." He orders \$100-million in economies and asks agencies to come up with ideas on cutting the rest. One such suggestion is the dismissal of nearly 20,000 city workers. "Too harsh," says the Mayor.

NOV. 22—The Mayor announces the dismissal of 1,510 civil servants and provisional employees and other savings totaling \$43.8-million. This Phase One of his deficit program lacks any of the high drama that accompanied such budget trims before. Many assume the moves are posturing and doubt that the Mayor will carry them out fully.

NOV. 30—The Controller says the deficit is \$650-million, not the \$430-million the Mayor projects. He again cautions against trying to close the gaps with more borrowing or increased taxes, and suggests even harsher personnel cuts.

and advocate massive layoffs, wage freezes and an end to such city services as free tuition at the city university, transit subsidies and others.

1975

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FEB. 1—The Mayor announces that the bulk of the three phases of layoffs have been averted by agreement on the part of city unions to forgo some contractual rights. The announcement seems to give the lie to the warnings of the last six months that cutbacks were needed to overcome deficits and regain investor confidence in city notes and bonds. The Mayor is praised for winning union concessions and for extracting economies from non-mayoral agencies such as the Board of Education, the Board of Higher Education and the Health and Hospitals Corporation. Union leaders, too, are praised, and praise themselves for unselfishness.

FEB. 15—Turning to the next fiscal year, Mr. Beame predicts a \$1.68-billion budget gap. Mustering his forces for the annual joust with the State Legislature, which approves a state budget on April 1, Mayor Beame proposes a 10 per cent real estate tax increase and increased state aid and Federal aid to close the gap. He says much of the city's problem is attributable to a \$1.5-million deficit incurred in the last year of former Mayor John V. Lindsay's term.

After a six-week hiatus, the city resumes its attempts to borrow money, but the default of the state's Urban Development Corporation leaves securities dealers as nervous as before. They demand new verification of city estimates of taxes, which represent the security for notes, and certification that the city is not borrowing beyond its limit.

MARCH 22—The city narrowly succeeds in borrowing \$260-million to pay its March bills. Officials begin to refer to a "cash-flow" crisis—a situation in which money that the city expects does not arrive in time to pay the bills that come due. Mayor Beame stresses this it is not the same as the budget deficit that has shadowed him and blurred the city's fortunes for months. He insists that the "receivables" are there to pay the city's bills, but not at the moment.

He says that the city has asked the Federal Government to help, possibly by a loan, a purchase of city securities by the Federal Reserve Bank and faster payment of grants.

MARCH 24—Mayor Beame says the city will borrow only \$1-billion of the \$3-billion

1975-76 that would require nearly 3,000 layoffs and leave the city with a deficit of \$641.5-million. The earlier projection of a \$1.68-billion deficit had been slashed to \$883.9-million by proposals to raise the real estate tax. The further reduction to \$641.5-million would be accomplished with the proposed layoffs, the Mayor says.

MAY 14—President Ford rejects city pleas for a loan or other aid in meeting a cash shortfall of \$1.5-billion for the months of May and June. The President says the city aid ideas are improper and he urges the Mayor to seek help from the state. But Federal officials go on to question whether the city's basic problem is with the credit markets, which had levied high interest on borrowing, or with the city's overextended budget and support of otherwise desirable but costly programs. The city's insistence that cash flow is separate from deficit becomes harder to maintain.

MAY 15—When it rains it pours and the city suffers another setback when the State Senate, under Warren M. Anderson, the Binghams Republican and majority leader, rejects the package of aid and taxes proposed to close the budget gap. Mr. Anderson says the city's real problem is "trick-or-treat" budgeting and trying to deliver more services than it could afford. The answer is to cut the budget, he says, echoing President Ford.

The Mayor says he will postpone the submission of his budget while he attempts to reverse the Senate decision. Almost parenthetically, aides say the \$1.5-billion cash-flow problem is now a \$1-billion cash flow problem because they have convinced securities dealers and underwriting banks to allow the city to spend money that had been segregated for interest payments on outstanding notes.

MAY 21—Governor Carey appoints a panel of four non-politicians to devise ways in which the state could help in the cash-flow crisis. Republican legislators grumble that any such help must be linked to serious cuts in the proposed 1975-76 budget.

MAY 29—Mr. Beame, in an emotional television address, announces his proposed 1975-76 budget of \$11.9-billion and labels it a "crisis budget" that will require through layoffs, attrition and the dropping of vacant positions the loss of 67,347 city jobs. Of the total, 51,000 are real layoffs. An "austerity" budget, with the \$641.5-million in requested aid and taxes, would cut the actual dismissals to 13,782, he says. Governor Carey gives the city its second advance, \$200-million, to pay bills due in May.

JUNE 11—Shortly before dawn, with the city on the edge of default, the Legislature creates the Municipal Assistance Corporation, dubbed "Big Mac," to raise \$3-billion so the city will not have to borrow itself for the next three months. The corporation is

"reign of error."

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JULY 15—Directors of the Municipal Assistance Corporation join the chorus from the financial community in admonishing the city against the increased taxes and spending for restoration of jobs. They say that the first \$1-billion in Municipal Assistance Corporation bonds has not been completely sold and the city's rehiring actions are creating an image that endangers future sales.

JULY 17—In a rump session, the usually pliant Board of Estimate tells the Mayor to drop the "nuisance taxes," give up hopes of further rehiring and consider a wage freeze. The Mayor says the sanitation union's \$1.6-million is running out and orders 1,434 dismissals immediately and 750 more by July 31.

JULY 18—Mayor Beame, capitulating to the pressure from the board of the Municipal Assistance Corporation, the City Council and the Board of Estimate, withdraws the "nuisance-tax" proposals, agrees to consider a wage freeze, pay cuts for some city employees and the dismissal of still more workers. City University tuition and transit fare increases are also considered as part of "whatever is necessary" to restore investor confidence in the Municipal Assistance Corporation bonds.

JULY 25—At the Mayor's urging, the City Council approves an increase in the Staten Island Ferry fare from its traditional 5 cents for a one-way trip to 25 cents for a round trip. The move is designed to restore jobs of 39 ferry employees dismissed and restore service that had been eliminated between 11 P.M. and 5 A.M. in earlier budget cuts. The Mayor also, showing a new toughness with his aides, excoriates agency heads who, he says, misled him in carrying out his dismissal orders. The results, he says, are "attacks on my credibility."

Notes on People

Hartford Man Named To U.S. Transit Post

Robert E. Patricelli, president of a civic group in Hartford, has been nominated as Urban Mass Transportation Administrator by President Ford. The 35-year-old nominee is president of Greater Hartford Process, an arm of the Hartford Chamber of Commerce.

He has a varied background in government, ranging from three years as an Assistant Secretary of Health, Education and Welfare to counsel for a Senate subcommittee on employment, manpower and poverty. The mass transport post requires Senate confirmation.

Mr. Patricelli is the son of Leonard J. Patricelli, president and owner of WTIC, the largest radio and television station in Connecticut.

He succeeds Frank C. Heringer, who recently resigned from the \$40,000-a-year job to manage San Francisco's Bay Area Rapid Transit System.

The Nebraska Supreme Court yesterday suspended G. Bradford Cook, former chairman of the Securities and Exchange Commission, from the practice of law in Nebraska for three years because of his false testimony before Congressional subcommittees and a Federal grand jury.

Mr. Cook has conceded his perjury, which was in connection with the S.E.C. investigation of Robert C. Vesco, the financier and Nixon campaign contributor. Mr. Cook later was a prosecution witness in the trial here of John N. Mitchell and Maurice H. Stans. The Nebraska Supreme Court said Mr. Cook's "admitted perjury may well

have affected his creditability" as a witness in the trial, and as a consequence, the administration of justice."

The Supreme Court rejected the recommendation that Mr. Cook be censured, a penalty the court decided was too light.

Carlo Gambino, 73, the reputed Mafia leader, suffered a heart attack yesterday at his summer home in Massapequa. He has been admitted to Victory Memorial Hospital in Brooklyn, where his condition is reported as guarded. He had been admitted to the same hospital in May in serious condition with chest pains but released after one week. Mr. Gambino has been appealing a deportation order since 1967 and one of the grounds he has presented is his heart trouble.

For its two-hour spectacular to celebrate the 500th anniversary of the birth of Michelangelo, Italian National Television Network has asked Irving Stone to represent the United States. Mr. Stone, author of the best seller, "The Agony and the Ecstasy" about the life of Michelangelo, will comment on the sculptor's statue of David and his unfinished statue Heroic Prisoners, both of which are at the Academia in Florence.

Representing England on the show will be Henry Moore, the sculptor. Andre Malraux, former Minister of Culture, will represent France and Ingmar Bergman, the Swedish filmmaker, will represent Scandinavia.

Two-year-old Tiare Jones was full of smiles and re-

Sept. 12, 1975
N.Y. Times

China: Image and Reality

By Andrew L. March

N.Y. Times 9/12/75

DENVER
The American public mind does not cope easily with the People's Republic of China. This is largely the fault of the missionaries, businessmen, diplomats and intellectuals who have over the years shaped our images to serve their own or their patrons' purposes.

They have taught us that China is by nature overpopulated and wanting in resources—"doomed," one geographer said, "to choke on its own vast numbers"—and that little that can improve the situation will be done by European and American spirituality, finance, and know-how rather than by the 800 million homogeneous Chinese brothers and sisters.

And yet today visitor after visitor reports that on the crowded shores of the Yellow Sea and in the valleys of the Yellow and Yangtze Rivers live a people healthy, well-fed and reasonably housed, mostly literate, articulate, and happy with socialism. And this without help from the West, without even copying our principles and methods. How is this possible?

Only at a price, comes the stock response: They have blown their chances of being truly free. Aristotle said it first: "The natives of Asia are intelligent and inventive, but they are wanting in spirit, and therefore they are always in a state of subjection and slavery." Clearly, Mao Tse-tung must have reduced the Chinese to a new and more terrible bondage, giving full rein to his personal fantasies of immortal and absolute power.

But if we look more closely the Chinese haven't really paid any such price. By all indications most of them honestly believe that they are far freer now than in 1949 or ever before, freer in fact than practically everybody else, whether in the underdeveloped or the developed world. Even unsympathetic travelers can no longer describe them as blue ants, mindless hordes of pyramid-builders under the whip of a latter-day pharaoh.

The old images and theories of China and the mythological "Asia" of which it is supposed to be part are simply confusing, and the American

public mind has no way to account for the realities of the last 25 years.

It is striking that so many American intellectuals and professionals can come increasingly to admire China's

achievements in such areas as medicine, food production and water control, yet willfully ignore the Chinese explanation of what made all this possible: the success of the revolution.

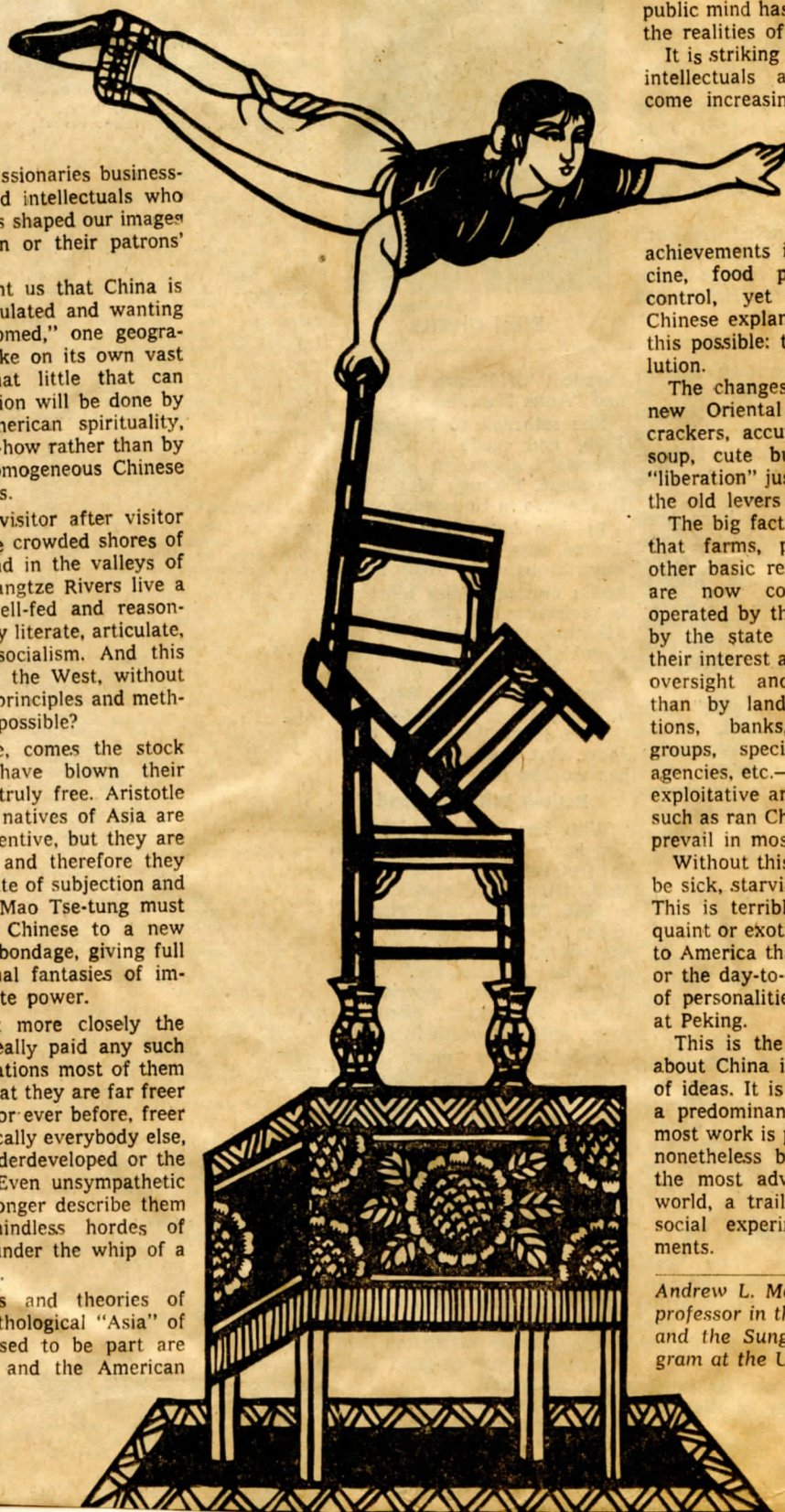
The changes in China are not just new Oriental subtleties, like fire-crackers, acupuncture, or bird's-nest soup, cute but antipodal; nor was "liberation" just a new clique grasping the old levers of power.

The big fact about the revolution is that farms, pastures, factories and other basic resources and enterprises are now collectively owned and operated by the people themselves, or by the state in their name and for their interest and with their systematic oversight and participation, rather than by landlords, private corporations, banks, warlords, financial groups, special-interest Government agencies, etc.—in short profit-oriented, exploitative and alienating institutions such as ran China before 1949 and still prevail in most of the world.

Without this the Chinese would still be sick, starving, divided and helpless. This is terribly important, not at all quaint or exotic, and far more relevant to America than table-tennis, kung fu, or the day-to-day advance and retreat of personalities on the political stage at Peking.

This is the truly high-priced news about China in our free market place of ideas. It is why China, though still a predominantly peasant land where most work is performed by hand, must nonetheless be looked on as one of the most advanced countries in the world, a trail-blazer for us all in its social experiments and accomplishments.

Andrew L. March is visiting assistant professor in the geography department and the Sung China humanities program at the University of Denver.



Management Reform in Charter

The way New York City conducts its day-to-day business—how its scores of agencies manage their personnel and their budgets—will undergo substantial change if voters at the Nov. 4 election approve the second of nine propositions submitted to reform the City Charter.

Proposition No. 2 on the ballot embodies a series of management reforms that would place in the city's basic government document for the first time a number of precepts aimed at improving the delivery of services to the public.

The question will be stated in the following form on voting machines in each of the 4,730 election districts in the five boroughs:

Shall the personnel, collective bargaining, contract and purchasing and other management changes proposed as amendments to Chapters 1, 2, 13, 16, 35, 49, 51, 52, 54 and 59 of the City Charter be adopted?

As paraphrased by the State Charter Revision Commission, whose 12 members voted unanimously to support this along with five other of the nine propositions they have put before the voters, the question is:

Shall the City of New York adopt management reforms designed to enable its service agencies to deliver services more efficiently, to eliminate delays and duplication, to make the city's work force more productive, and to make its managers accountable for performance and expenditures?

Wide Authority

Each agency head would be required to designate a close aide for personnel and budget matters. The agency would have considerable latitude to recruit, train, assign and evaluate the performance of employees. It would be given wider authority than at present to conduct its own legal affairs, to handle purchasing and to provide its own audit and control mechanism, under mayoral supervision.

Development of stronger middle management—a widely perceived need, according to the Charter Revision Commission—would be sought through a managerial service intended to give special recognition to technical, professional and supervisory personnel. To promote the same goal, Proposition No. 2 would prohibit supervisory employees from belonging to the same collective-bargaining unit as their subordinates.

Along with greater responsibility, individual agency heads would be held to stricter accountability. Following their quarterly budget accounting, the Mayor would be required to submit semi-annual management reports to the City Council and Board of Estimate, and those bodies would be mandated to

Department. Last spring, Mayor Beame put into effect some of these changes unilaterally, delegating to agency heads a greater measure of control in assigning employees.

Another proposed Charter change, designation of a

This is the second of a series of articles presenting arguments for and against the nine charter revision proposals to be decided by voters on Election Day. The

third will appear next Friday. Deputy Mayor to coordinate fiscal and management reforms, is about to be accomplished as part of the temporary fiscal takeover by the state at the behest of the Municipal Assistance Corporation to deal with the current fiscal crisis.

Coordination Provided

The Mayor would also be required by Proposition No. 2 to appoint a Criminal Justice Coordinator to review budget requests of the Police Department, the District Attorneys, the courts and other activities in the law-enforcement field. This would institutionalize the present Criminal Justice Coordinating Council, which exists to funnel state and Federal aid to the system's various components.

A requirement that the Municipal Service Administration assume responsibility for expediting payments to vendors and other holders of city contracts is viewed as a needed improvement. A long-standing complaint of businessmen dealing with the city has been slowness of payment.

The Controller now has this function, but he is powerless to impose speedier processing on agencies under mayoral control, and, indeed, on independent agencies such as the Board of Education, and the Health and Hospitals Corporation.

Another provision of Proposition No. 2 that has won wide approval prohibits the Mayor from charging any retroactive wage or salary settlement with a municipal employees' union to the capital budget. In recent years, hard-pressed Mayors have resorted to this budget "gimmick" when they have found their revenues insufficient to provide money for negotiated increases. The result has been to add long-term borrowing at excessive interest cost for a current expense.

Opponents' Views

Criticism of Proposition No. 2 stems in good part from the fact that it is a portmanteau, or, in the words of one nonpartisan civic watchdog, "a grab-bag that has a lot of important advances, but also a lot of things that don't belong in a Charter and other things that just won't work." Provisions

compel public disclosure of the terms of all agreements with municipal unions, together with a statement of budgetary costs of each agreement, but only after the contract was ratified by the workers and signed, and thus had become a fait accompli.

Agency heads, under the new provision, would have a voice with the Mayor's collective-bargaining negotiators in developing the city's position on work rules and other practices. But they would have no further voice as to wage costs and other elements that may have a serious effect on their budgets.

Indeed, according to the Citizens Budget Commission, unless the entire collective-bargaining process is revamped, delegating personnel authority to the line agencies will be a hollow gesture.

Flexibility for agency heads to hire, assign and promote employees, while generally applauded by good-government groups that view present Civil Service restrictions as too severe nevertheless is perceived as opening the door to abuses.

Hiring of Provisionals

All provisionals — non-Civil Service—appointments would have to be reviewed by the Department of Personnel within 60 days to ensure compliance with merit rules, but this safeguard is criticized as insufficient to thwart a determinedly political agency head.

The "one-in-three" rule allowing more latitude in awarding competitive posts is likewise felt by some critics to be less than satisfactory. In the typical instance, they say, the top 10 or 15 qualifiers in a Civil Service test are so closely bunched that restricting the promotion to one of the first three is meaningless.

Depriving the Controller of his authority to question contracts entered into by city agencies, which would be accomplished by requiring him to register all contracts within 30 days, is criticized as doing away with a needed check against fraud and inefficiency.

Finally, the potential cost of Proposition No. 2 is cited as a reason for its rejection. The Charter Revision Commission calculates the cost of personnel management in the various city agencies at between \$2-million and \$3.5-million a year. The cost of operating a management service to strengthen the supervisory echelon could cost up to \$2-million, the commission says. Some of these costs could be recouped by trimming staffs of the Controller, the Director of Personnel and the Budget Bu-

Sept. 12, 1975

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Development of stronger middle management—a widely perceived need, according to the Charter Revision Commission—would be sought through a managerial service intended to give special recognition to technical, professional and supervisory personnel. To promote the same goal, Proposition No. 2 would prohibit supervisory employees from belonging to the same collective-bargaining unit as their subordinates.

Along with greater responsibility, individual agency heads would be held to stricter accountability. Following their quarterly budget accounting, the Mayor would be required to submit semi-annual management reports to the City Council and Board of Estimate, and those bodies would be mandated to conduct public hearings at which each agency would be called upon to defend its performance.

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The Mayor would also be required by Proposition No. 2 to appoint a Criminal Justice Coordinator to review budget requests of the Police Department, the District Attorneys, the courts and other activities in the law-enforcement field. This would institutionalize the present Criminal Justice Coordinating Council, which exists to funnel state and Federal aid to the system's various components.

A requirement that the Municipal Service Administration assume responsibility for expediting payments to vendors and other holders of city contracts is viewed as a needed improvement. A long-standing complaint of businessmen dealing with the city has been slowness of payment.

The Controller now has this function, but he is powerless to impose speedier processing on agencies under mayoral control, and, indeed, on independent agencies such as the Board of Education, and the Health and Hospitals Corporation.

Another provision of Proposition No. 2 that has won wide approval prohibits the Mayor from charging any retroactive wage or salary settlement with a municipal employees' union to the capital budget. In recent years, hard-pressed Mayors have resorted to this budget "gimmick" when they have found their revenues insufficient to provide money for negotiated increases. The result has been to add long-term borrowing at excessive interest cost for a current expense.

Opponents' Views

Criticism of Proposition No. 2 stems in good part from the fact that it is a portmanteau, or, in the words of one nonpartisan civic watchdog, "a grab-bag that has a lot of important advances, but also a lot of things that don't belong in a Charter and other things that just won't work." Provisions relating to collective bargaining draw the most skeptical views.

The Charter revision would

agreement, but only after the contract was ratified by the workers and signed, and thus had become a fait accompli.

Agency heads, under the new provision, would have a voice with the Mayor's collective-bargaining negotiators in developing the city's position on work rules and other practices. But they would have no further voice as to wage costs and other elements that may have a serious effect on their budgets.

Indeed, according to the Citizens Budget Commission, unless the entire collective-bargaining process is revamped, delegating personnel authority to the line agencies will be a hollow gesture.

Flexibility for agency heads to hire, assign and promote employees, while generally applauded by good-government groups that view present Civil Service restrictions as too severe nevertheless is perceived as opening the door to abuses.

Hiring of Provisionals

All provisionals—non-Civil Service—appointments would have to be reviewed by the Department of Personnel within 60 days to ensure compliance with merit rules, but this safeguard is criticized as insufficient to thwart a determinedly political agency head.

The "one-in-three" rule allowing more latitude in awarding competitive posts is likewise felt by some critics to be less than satisfactory. In the typical instance, they say, the top 10 or 15 qualifiers in a Civil Service test are so closely bunched that restricting the promotion to one of the first three is meaningless.

Depriving the Controller of his authority to question contracts entered into by city agencies, which would be accomplished by requiring him to register all contracts within 30 days, is criticized as doing away with a needed check against fraud and inefficiency.

Finally, the potential cost of Proposition No. 2 is cited as a reason for its rejection. The Charter Revision Commission calculates the cost of personnel management in the various city agencies at between \$2-million and \$3.5-million a year. The cost of operating a management service to strengthen the supervisory echelon could cost up to \$2-million, the commission says. Some of these costs could be recouped by trimming staffs of the Controller, the Director of Personnel and the Budget Bureau, but the net cost would still be substantial, it is asserted, at a time of municipal budgetary hardship.

Sept. 12, 1975

SUN N.Y.T.MES 8-17-75

Support for Portugal...

After long assuming that a Communist takeover was almost inevitable in Portugal, Secretary of State Kissinger has finally set United States policy—in its public expressions, at least—onto a more constructive tack. His Birmingham speech offered just the kind of psychological support that Portugal's embattled democratic forces have been needing as they press their resistance to Communist-backed Premier Gonçalves and the radical left-wing minorities of the Armed Forces Movement.

Much of the credit for this belated show of encouragement must go to the energetic United States Ambassador in Lisbon, Frank Carlucci, who made a flying trip to Washington last weekend for urgent consultations. Dispatched to Lisbon just seven months ago, Ambassador Carlucci from the start sent back reports and recommendations that shook up Washington's fatalistic, predetermined notions.

Last April's election, in which the non-Communist parties scored such a resounding triumph, added weight to his cautiously sanguine assessments; the past week or so of popular resistance to Communist authoritarianism confirmed that forces of democracy and moderation need not be written off in Portugal.

This resistance is all the more impressive for having so clearly lacked the same sort of tangible support from abroad that the Soviet Union is providing the local Communists—and which, in an earlier era, the Central Intelligence Agency might have been tempted to contribute through a variety of covert actions.

There is a world of difference between undercover manipulation of another country's political affairs and open expressions of sympathy from an allied government for the majority will against a ruthless minority's power play. The United States and the allies of Western Europe are now approaching a common position toward the Portuguese struggle; both are holding out the promise of economic aid and support—without which Portugal cannot begin to restore its threatened social fabric—once it is clear that the country's political development can proceed along democratic lines.

City's Crisis Finds Banks At Center of Controversy

July 29, 1975
By MICHAEL C. JENSEN N.Y.T.MES

New York City's major banks, and more urgently, note issues which have been deeply involved in the events leading up to the city's worsening financial crisis and in subsequent rescue attempts, today find themselves at the center of a controversy over both their activities and their motives.

The city's bankers, portrayed by Mayor Beame and angry labor leaders as the villains who guided the city down the primrose path of financial irresponsibility and then deserted it at a moment of crisis, defend their actions with claims of self-sacrifice.

Many disinterested observers take the middle ground, and see the role of the banks as a mixture of self-interest and concern for the survival of their host city.

There is little question that the banks have a great deal at stake. They rely on a healthy local economy for much of their profits. But additionally,

worth \$741-million are due to be redeemed by the city on Aug. 22. If the city defaults—fails to come up with the money—the banks will at least temporarily lose about \$180-million, their estimated holdings of the notes falling due.

The banks also hold hundreds of millions of dollars worth of additional city notes, in their own accounts and in the accounts of customers, that fall due between August and next April. The value of the notes was made all the more tenuous last week when Moody's Investors Service removed its favorable rating.

Because of the banks' large holdings of city securities, the following questions have been raised by critics of the banks' role:

Is the Municipal Assistance Corporation, formed last month

Continued on Page 18, Column 3

Seattle Mayor Fighting Demands of City Unions

Continued From Page 1, Col. 2

cial squeezes developing in many small and medium-sized cities across the nation.

They are cities—often with a legacy of liberal administrations that in the past encouraged the formation of public employee unions—that find themselves pinched by falling or static revenues, but continuing pressures from the unions for better wages and fringe benefits.

In the last decade, according to United States Department of Labor statistics, strikes by state and local employees have increased by more than 800 per cent—from 42 in 1965 to 382 in 1974. Many of these were in violation of state statutes that prohibit strikes by public employees.

Over the last decade, local and state government employment has been one of the fastest growing segments of the United States economy, increasing 58 per cent, to 12.2 million, from 7.7 million in 1965.

This work force now comprises one in seven of the nation's total number of job holders, and here, as in New York and elsewhere, they constitute a potent force that is increasingly employing its muscle in dealing with elected officials. Meanwhile, it is presenting these officials with new kinds of problems.

Political Motive Charged

Many leaders of the municipal employee unions here contend that Mr. Uhlman is using specious budget-cutting arguments to further his political ambition.

But Mr. Uhlman, who received the support of some of his fiercest Republican opponents in winning the recall election July 1, maintains that the confrontation represents an inescapable need, in a recession-pinched economy, to cut

he won with 63.2 per cent of the vote.

Mr. Uhlman is at odds again with the city electrical workers, who have been without a contract since March 31. The city wants, among other things, to end the practice that gives these workers a two-hour lunch period, including one hour to drive back and forth to headquarters at noon-time. The union is objecting, and is also seeking a 15 per cent pay increase.

"We've told our employees, we'll give them new pay increases, but for so many dollars we're going to insist on increased productivity," Mr. Uhlman said. "This is real showdown coming up, and I think we're going to have a strike."

For cities to survive today and avert the kind of situation facing New York, he said, they must demand more performance and efficiency from municipal workers. The cities, he said, need to reduce escalation of sometimes overly generous benefit packages passed by state legislatures that do not have the cities' problems of paying for them.

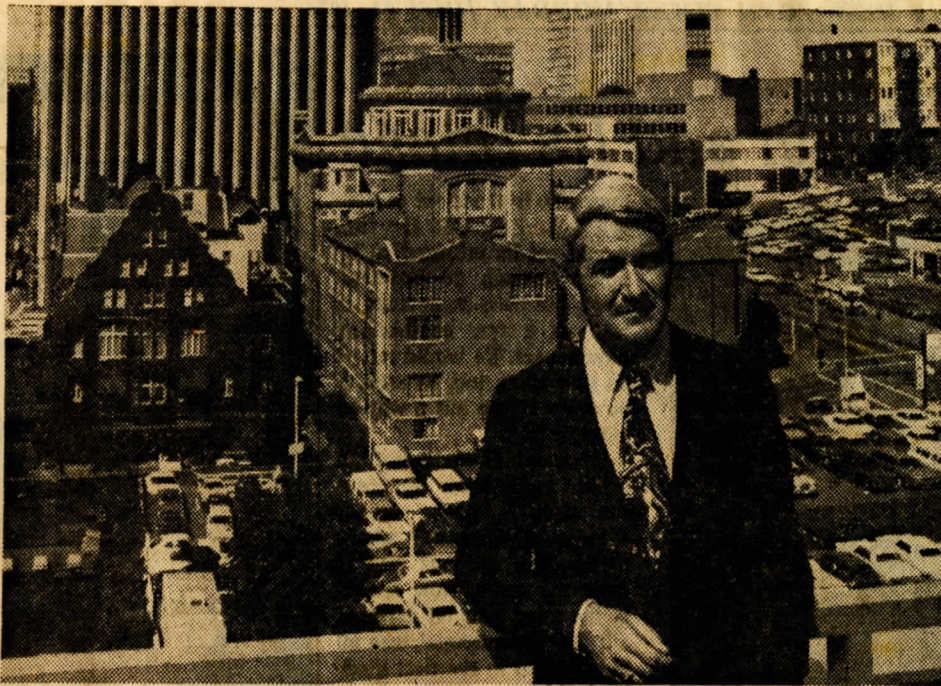
In one of Seattle's productivity improvement programs, Mr. Uhlman said, the city saved hundreds of thousands of dollars by switching certain desk jobs from policemen and firemen to civilian employees.

The average wages of police

and firemen, he said, are \$16,000 annually in base pay. With overtime and benefits, including a retirement plan that allows them to retire at 60 per cent of their pay after 20 years with all medical expenses taken care of, the cost of supporting each employee is almost \$25,000, he said.

For their part, many city employees contend that Mayor Uhlman has ruined morale by asserting, erroneously, that they are not carrying their load.

Mayor Wesley G. Uhlman of Seattle, who won a recall election July 1, outside his office



The New York Times

"Uhlman is running for President," a policeman in his mid-20's, who was patrolling downtown the other day, told a visitor. "He doesn't know what it takes to be mayor; he's a politician. We're the ones putting our lives on the line, and he's telling us we're doing a lousy job. It stinks."

Charles Silvernale, business manager for the union that represents City Light employees, said:

We're willing to be reasonable; we know there's an eco-

nomie problem. All of us know what's going on in the economy because we're suffering with it."

But he said that Mr. Uhlman was using the "productivity" issue to further his ambitions and "make political hay." At the current pace of negotiations, he said, a strike seems likely—but not for a while.

"We'll wait until next winter," he said. "We've learned a lesson. If we're going to strike, we'll do it when it hurts the city the most."

July 28, 1975

"The guts of this is jobs," he said. "Some people are going to lose their jobs, and that's what it's all about. And you're going to see the same thing happen all over the country."

Seattle, like many other cities, has had to deal in recent years with rising costs, a continuing demand for services from the public, and a declining population while suburban areas expanded. The population, estimated at 507,000 now, was 557,087 in 1960.

However, one factor makes Seattle distinctive; it ran into a recession before other cities. Between 1969 and 1972, Seattle's biggest employer, the Boeing Company, slashed its work force from about 103,000 to 37,000, plunging the city into a serious economic crisis.

Shortly after Mr. Uhlman, a lawyer who is 40 years old, became mayor in 1969, he established the city's first Office of Management and Budget. He staffed it with young, computer-oriented analysts who were charged, among other things, with improving the productivity of the city's 10,000-member work force.

Since then, nearly 500 jobs have been eliminated, but not without growing resistance. Last year, Mr. Uhlman appointed a retired fire chief, Gordon Vickery, to manage the city utility company, called City Light. And Mr. Vickery immediately cracked down on what he said were wasteful practices, such as long coffee breaks, **overly long lunches and unnecessary duplication of work.**

This prompted most of the City Light workers to go off the job. When their walkout ended, the workers tried to accumulate enough signatures to call a special election proposing that Mr. Uhlman be recalled. But they could not obtain the necessary 67,000 signatures.

Then, early this year, as the productivity-improvement program continued, the Mayor took on the city firemen, who, in a state noted for strong unionization, were especially well-organized, and who had a record of being highly influential in the state Legislature because of their effectiveness in campaigning for candidates.

Mr. Uhlman dismissed a popular fire chief, Jack Richards, for what he considered a lack of administrative skills and for opposing efforts to trim his department's budget.

Recall Election Is Forced

The firefighters began collecting signatures and managed to get enough to call a recall election.

There were racial overtones to the election. For one thing, the director of the budget office directing the productivity program, 46-year-old Walter Hundley, an ordained minister and former director of Seattle's successful Model Cities Program, is black. Black firefighters, many of whom had been hired under a minority-jobs program introduced by Mr. Uhlman, refused to campaign against him.

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Furthermore, if Mr. Uhlman had been defeated, he would have been replaced by a black man, Sam Smith, the City Council President, and there are indications that some white voters gave their support to Mr. Uhlman with this in mind.

Mr. Uhlman mounted a campaign to keep his job by focusing on a theme that elected officials—not public employees—should run the city. With strong support from local Republicans—who, ironically, appear to have given his potential candidacy for governor a lift—

Union-Ruled City *N.Y. Times*

The city is staggering out of its budget crunch with one thing clear: New York is working for its unionized civil service workers, not vice versa. The real power in the city is held by the municipal unions. Last week's illegal sanitation strike, a wretched charade in which every step was apparently orchestrated by the union leadership, with the Beame administration a benign co-conspirator, was the end product of three decades in which one New York mayor after another systematically fostered the growth of centralized union power. The rationale always was that strong, secure unions would bring cooperation for a more efficient civil service. Instead, it delivered into union hands ironclad control over every essential civic department, with a precipitous increase in personnel and payroll and a steady shrinkage in standards of performance.

* * *

The extent to which the dreary scenario of unlawful strike—as yet unpunished, although the penalties prescribed by statute allow no forgiveness—has once again forced a solution to the strikers' liking, may make it somewhat unrealistic to urge that Mayor Beame finally begin to act like a mayor in his approach to the power-giddy unions.

The Mayor has no option if the city is to survive. The increased taxes he is wringing out of the Legislature will, in turn, wring more of the lifeblood out of the city's overtaxed economy, driving more businesses out of the city, killing private jobs and further reducing the productive resources out of which the income to pay civil servants must come. Whatever balance is proclaimed for the new budget will be largely fictitious. Only a long period of monitorship by the state's new Municipal Assistance Corporation can squeeze the fakery out of the city's Ponzi-like bookkeeping practices and introduce some credibility into its accounts.

With all these pressures closing in, it is plain that the city cannot go into next year with another billion dollars or more added to its already gargantuan budget. The time to start preventing that is now.

* * *

The first essential is to eliminate the fat from the municipal bureaucracy by making increased productivity the paramount day-to-day responsibility of every commissioner, every division head, every supervisor. Thousands of employees can be dropped with no reduction in services to the public if everyone is required to do an honest day's work. The joint labor-management productivity committees must become something more than shields for sluggards. Attrition will take care of the shakeout of personnel without individual and community hardship of the kind made inescapable by the Mayor's calculated resort to the meat-ax in the recent sham battle over the budget.

The second test will be in the new wage agreement covering 60,000 teachers, currently in negotiation. The Mayor's failure to go to the mat with the uniformed forces on the 6 per cent pay increase that became effective last Tuesday contributed enormously to the pain of last week's assault on New Yorkers. It was hardly a surprise that yesterday the unions again refused even to consider a freeze—even though it would have saved several thousand jobs.

To negotiate an even larger increase, plus other benefits, for the United Federation of Teachers will simply launch the city on another stratospheric flight toward budget inflation. New York cannot withstand another capitulation to union muscle. The one it suffered last week was itself one too many.

July 8, 1975

Captive Politicians

N.Y. Times July 1975

"There's no question about it," the chairman of the Municipal Labor Committee told a Times reporter last month, "we have the ability, in a sense, to elect our own boss." Victor Gotbaum was talking about the Mayor of New York but the electoral power of the municipal unions extends to other city officials as well—in the Council, in the Board of Estimate and in the State Legislature.

The effect of this extraordinary union clout can be readily seen in the astonishing spectacle of captive politicians falling all over each other in Albany and City Hall to impose still higher taxes on the overtaxed citizens of New York City in order to preserve union jobs. Except for a few lonesome voices, the representatives of the people have miserably failed to demand equal sacrifice from the civil service unions to save both jobs and municipal solvency through a mandated pay freeze.

Union leaders argue that this would be asking too much of their members. They accuse advocates of a pay freeze of being inhumane and anti-labor. In fact it is the municipal union chieftains themselves who are anti-labor in the sense that it is the laboring men and women who work in but not for the city who will bear the brunt of the taxes required to sustain and sweeten what are already the most liberal municipal pay and fringe benefits in the nation. Even with more than \$660-millions in new taxes, thousands of the civil service unions' own members will be thrown out of work because of their leaders' adamant stand against any pay concessions at all.

It is still not too late for lawmakers in City Hall and Albany to demonstrate their independent concern for this wider constituency and to force the hand of a pusillanimous Mayor by enacting legislation that would empower the city to impose a pay freeze, as already proposed by a few Councilmen including Robert F. Wagner Jr., Edward L. Sadowsky and Henry J. Stern. If the City Council and the Legislature had the courage so to act, it is barely conceivable that the Mayor might be prompted to follow suit.

COPY TO DR. KING Dear Editor

Of Colleges and Their Need for Aid

To the Editor:

In "Private College Woes Increase" (news story June 11) Henry Paley, head of the New York Commission on Independent Colleges and Universities, dismisses too readily the differences between public and private institutions in his emotional appeal for more public subsidies of private colleges.

If the private institutions did indeed perform "the same public mission," it would not have been necessary to create the City University and State University systems so that children of lower- and middle-class families—who pay the greatest share of the tax bill—could have access to college.

It was the taxpayers of New York and not public college "imperialists" who established and support these great systems.

Nor are the low tuitions in public institutions "illusory bargains." The \$63 per capita that New York citizens spend on public higher education provides a quality education for thousands of New York students who become productive citizens and repay three times the amount of the tax cost of their education in tax payments because of increased earnings. New Yorkers and indeed all mankind have been repaid many times over for their in-

vestment in the public education of people like Jonas Salk, who discovered how to prevent polio.

Mr. Paley implies that if subsidies are not forthcoming, private institutions will close. The fact is that enrollments are not declining, and while some private colleges have closed or merged, more new private colleges have been established. In 1973-74 there was a national net increase of nine four-year private institutions. During the same period, only three public institutions were established.

Both public and private colleges face financial distress. The State University of New York has to cut \$25-million from its budget. The problem is not unique to the private sector. It therefore seems premature to rush into an aid program solely for private institutions unless adequate support is maintained for public institutions, which are responsible for 63 per cent of New York's students. The public institutions spend less to educate students than the private institutions. On a national average, private institutions spend \$3,200 per student, while the public spend \$2,300. In constant dollars, per student expenditures at private institutions have risen about 34 per cent since 1963 while per student expenditures in the public sector have remained unchanged. Both sectors need increased support to avoid shifting more of the cost of education to the students and their families through higher tuitions.

Cooperation between the public and private sectors is essential to convince the people who pay the bills that investment in higher education is worthy of their tax and gift dollars. The financial situation deserves factual and objective analysis. It is unfortunate that Mr. Paley has chosen to make his appeal for aid to the private sector by putting down public institutions.

ALLAN W. OSTAR
Executive Director
American Association
of State Colleges and Universities
Washington, June 17, 1975

6-25-75 NYT

University Colleges on Staten Island Offer Rival 4-Year Programs for Borough

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Manuela Fox, who lives in Manhattan, chose Richmond as a home school in the City University bachelor program in which she also took courses at Hunter and Brooklyn Colleges. Richmond, she said, is "small with a lot more personal contact, and the faculty seems to care more." Richard Brooks, professor of Romance languages, is thinking of the situation confronting the students—"a decision in April to be carried out in the fall is too fast." (The Board of Higher Education will probably take up the Kibbee plan at a March 22 meeting, but elements are likely to be delayed.)

Edward Kalca, assistant professor of economics, called Staten Island one of the city's

last hopes for the middle-class, with families wanting children to stay there for their education. It is the city's "only growing borough," Marshall Suther, professor of English, said—census data indicate the Island's population rose 27,200 from 1970 to the mid-1974 figure of 322,700.

Dr. Volpe, who is 53, taught English at City College from 1954 until becoming Richmond College president two years ago. He decried Dr. Kibbee's restructuring proposal as "a naked power play by the six larger senior colleges" and "academically regressive and elitist" at the expense of smaller colleges and City University social obligations to all groups.

He would like to keep an

upper-division college. For every upper-division student, Dr. Volpe said there are four students in earlier grades. Four-year colleges, he contended, are "discipline-oriented" and less flexible for transferees from the two-year community colleges.

Conceding change is likely in view of the university's fiscal crisis, Dr. Volpe proposed a new senior college for the equivalent of 6,500 full-time students. He favored his faculty of 140 (55 percent tenured) as a nucleus, coupled with Staten Island Community college's liberal-arts faculty and with special teachers for new business and nursing programs. He would also provide teacher education.

Dr. Birenbaum, 52, became the community college's president in 1968 after a roving career at the University of Chicago, Wayne State University, the New School for Social Research and Long Island University. At his inauguration, he contended that two-year community colleges were "no longer viable in the city."

Reached during a trip in San Francisco yesterday, Dr. Birenbaum said: "I do not think we should solve higher education problems by considering the rigidity of boroughs and traffic patterns. It is one city, one university."

He said that it was "archaic" to continue segregating liberal arts and technical-professional education, and that "this is

a tremendous opportunity for City University to create new delivery systems."

The "other proposal" — a gentle reference to Dr. Volpe's — "would maintain the status quo with the least possible disruption, which is totally unrealistic," Dr. Birenbaum contended.

Dr. Birenbaum, a native of Illinois who studied at Iowa State Teachers College, and holds a doctorate in law rather than philosophy, has been an American Jewish Congress education chairman. His plan has been discussed with his faculty, whose council and union have supported him.

"This whole situation at City University," Dr. Birenbaum said, "has been too much nego-

tiated on the basis of self-interest."

Dr. Volpe is the first educator of Italian extraction to head a City University college, and in Staten Island with its considerable population of Italian background this might be a consideration in the choice of a new institution's president.

He has sometimes had problems with his faculty, some members citing his proposal submitted to the Board of Higher Education as a surprise made without consulting them. An author, he is finishing on William Faulkner, the novelist.

Richmond College is currently operating on a budget Dr. Volpe said was \$9.1 million, after a cut from \$10.7 million since September.

Presidents of 2 City University Colleges on Staten Island Offer Rival 4-Year P

By PETER KIHSS

Rival plans for a four-year program of public higher education on Staten Island have been put forward by the presidents of the two City University units there, at least one of whom would presumably have to lose his post.

Franklin H. Williams, vice chairman of the Board of Higher Education, said yesterday that he believed a majority of the 10-member board agreed that there should be a four-year college in the borough, in contrast to Dr. Robert J. Kibbee's proposal to leave it with only its two-year community college.

Because of City University's fiscal problems, Dr. Kibbee, the university chancellor, proposes closing Richmond College on the ground of high costs per student and use of partially rented space.

He says it has a high proportion, 31.6 percent, of personnel cost for administration and support, and contends that its program is "not unique, being primarily in the basic arts and sciences, the fine arts and education." Thus, he says, students could be absorbed elsewhere.

The Birenbaum Plan

Dr. Edmond J. Volpe, the president of Richmond College, with 3,500 junior, senior and graduate students in St. George, conceives of a merger with Staten Island Community College to provide first and second-year courses on its Sunnyside campus and to keep upper-division programs in his St. George buildings. He estimates a single administration might save \$1 million a year.

Dr. William M. Birenbaum, whose community college has

12,000 students, including about 6,000 full-time, has submitted a proposal for a comprehensive four-year institution fitting into his campus.

His plan calls for one-year certificates for upgrading careers, a program under which Consolidated Edison and First National City Bank employees are now training; the current range of 19 two-year options; a three-year baccalaureate program for fast-moving students that might save 10 to 12 percent in costs; a range of four-year options and continued cooperative programs now linking his college with all 100 educational institutions in the borough.

"More Personal Contact"

In Richmond College, with a nine-story glass and black-metal main building overlooking the harbor and a four-story building next door rented last fall, nearly three-fourths of the students hold outside jobs. A third of them are 30 years of age or older, and another third over 25.

Sixty percent live on Staten Island, and 56 percent attended Staten Island Community College. Frank Loiacono, a 33-year-old Consolidated Edison employee, is studying engineering science.

"I live on Staten Island," he said. "It would be a very bad situation if I were forced to go somewhere else."

Gloria Craig, a bookkeeper, and Vivian Wilson, a telephone clerk, live in Brooklyn and started at New York City Community College there. They went to Richmond because of courses it offers—medical technology for the former and clinical chemistry for the latter.

Manuela Fox, who lives in Manhattan, chose Richmond as a home school in the City University bachelor program in which she also took courses at Hunter and Brooklyn Colleges. Richmond, she said, is "small with a lot more personal contact, and the faculty seems to care more."

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Testing Agency Questions Itself

By GENE I. MAEROFF

Officials of the Educational Testing Service, the nonprofit company that writes and scores the tests that have a great deal to do with who gets into the nation's law schools, graduate schools and most prestigious colleges, are doing some soul-searching about their responsibilities to the public.

The heart of the deliberations has to do with the extent to which this largest and most influential organization in its field should guard against the abuse and misuse of its tests by monitoring the schools and agencies that use them.

Last week, Dr. William W. Turnbull, the low-key president of the testing service invited about a dozen writers, editors, foundation executives and others to the company's Princeton, N.J., headquarters to solicit their ideas about the test maker's obligations to society.

At a time when testing is being criticized as a roadblock to equal opportunity, the testing service is acknowledging the critics' view that its role in the controversy may be more than a purely technical one.

"We would like to see the tests be as constructive socially and educationally as it's possible to make them," Dr. Turnbull stated at the one-day session.

6 Areas of Concern

Dr. Winton H. Manning, a vice president of Educational Testing Service, which last year grossed \$53.9-million through its testing and research business, listed the six areas of concern that he said had generated most of the allegations of unfairness against tests.

He said that the charges had to do with the validity of tests as predictors of what they purported to predict, the issue of whether built-in bias accounts for the lower scores of minority groups, the tendency to attribute to a test a higher degree of precision than is possible, unequal conditions under which tests are administered, overuse of tests, and the adequacy of a test score as a single determinant in decision-making.

The testing service has already given recognition to the imprecision of testing by rounding off scores on the highly competitive Scholastic Aptitude Test — widely known as the College Boards — to the closest "0."

In other words, a college can no longer regard a 589 as better than a 586 since

both scores are being reported as 590.

Educational Testing Service has also taken its most notable action against what it considers the misuse of testing, having announced that as of Sept. 1 it will no longer furnish scores on the National Teachers Examination to the education department of the State of South Carolina.

Objection by Company

The company objected to the state's refusal to end a practice whereby scores on the examination were used to set the pay category into which a teacher was slotted even after the teacher had been teaching many years.

"We don't consider any one score on the examination as passing or failing," said Dr. Manning. "It is properly used as a basis for assessing the preparation of a teacher at the time the person has completed training and is preparing to enter the field."

An effort by the testing service to step up the monitoring of its tests, however, could produce new headaches. The implication would be, after all, that Educational Testing Service considers itself more fit than others to judge what is proper.

"It is the problem of whether we should be appointing ourselves inspector general at a time when we're already being criticized for having too much influence on education," said Dr. Robert J. Solomon, executive vice president of the testing service.

Five of the country's 10 best-paid college faculties are units of the City University, according to the annual survey of the American Association of University Professors.

City College ranks first

A Bank Robber in Texas Waits Around for Police

SAN ANTONIO, Tex. (AP) — A man robbed a bank, and then waited for the police to arrive so he could surrender, the police said.

The 45-year-old suspect entered the bank, pulled a pistol and calmly robbed one of the tellers. Then he walked to the bank lobby area and asked bank officials to call the police for him.

When officers arrived, the man calmly surrendered, returning the bank's money. He was arrested and jailed on federal bank robbery charges.

in the United States with the salary and benefits of the average full-time faculty member totaling \$27,931. Other units of the university in the top 10 are Hunter (sixth), Queens (seventh), Richmond (ninth) and Brooklyn (tenth).

Units of the City University, including three community colleges—Staten Island, Kingsborough and New York City—account for eight of the 20 best-paid faculties in the United States.

In releasing the results of its survey, the professors' association said that the nation's average faculty compensation, including fringe benefits, rose 6.4 per cent last year, a period during which the average Consumer Price Index went up by 11.1 per cent.

The Professional Staff Congress, the faculty union at the 20-unit City University, has been negotiating a new contract with the Board of Higher Education to replace the pact that will expire Aug. 31. The union has asked for a salary increase of 18 per cent, but the board said it would defer salary talks until the union had made proposals for enlarging teacher workloads.

A new indication of the increased difficulty that black students are having in getting college scholarships comes from Andrew Jackson High School in southeastern Queens, which has an enrollment that is 95 per cent black.

Last year, the graduating class of the 3,200-student school got \$1-million in scholarship money, but this year the sum has dropped to \$500,000. Some people at the school think this is one more sign that higher education's commitment to boost black enrollments is waning.

As is the case at most of New York City's public high schools, the vast majority of the graduates will be going to the City University, which has accepted 351 of the 440 members of the class. Not surprisingly, the next largest group was accepted by the State University.

Among other institutions accepting Jackson seniors were Adelphi, nine; Howard and New York University, eight each; Syracuse, six; Hampton Institute and the University of Hartford, five each, and Williams, four.

There are also Jackson seniors headed toward Amherst, Brown, Oberlin, Mount Holyoke, Smith, Vassar, Wesleyan and Yale.

Harvard's 'Scholarly Model' Ending Its Career

No. 9. Time June 19, 1975

By ISRAEL SHENKER

Special to The New York Times

CAMBRIDGE, Mass. — Prof. Alexander Gerschenkron once warned his colleagues in an address before a Harvard faculty meeting that they were condemned to hear an "exotic interpretation of the Harvard accent."

It was a condemnation devoutly to be wished, and it is not likely to be repeated. At the end of this month, Professor Gerschenkron, Russian-born (1904) but almost universally learned, retires from his post as Walter S. Barker Professor of Economics.

Dean Henry Rosovsky, who will succeed to the chair, calls his predecessor "one of the last cultivated European intellectuals, a great scholarly model."

Prof. Paul A. Samuelson of the Massachusetts Institute of Technology calls Professor Gerschenkron "the dean of American economic historians," and plainly considers him also the dean of academic one-upmanship. Professor Samuelson recalls reading a book about Ludwig Wittgenstein and asking the two-fold dean if he had heard of two men mentioned in it.

Bühler and Gloeckel

"Of course," replied Professor Gerschenkron, "every educated person knows Bühler and Gloeckel."

Characteristically, in his principal work, "Economic Backwardness in Historical Perspective," Professor Gerschenkron devotes two chapters to Soviet novels.

Prof. Victor Erlich of Yale, who teaches Slavic literature, says that Professor Gerschenkron "knows more about Russian literature than many professors of Russian literature."

In "Ada," Vladimir Nabokov fleetingly introduces a fictional lexicographer named Dr. Gerschizhevsky — a portmanteau that owes its substance to Professor Gerschenkron and Dmitry Cizevsky (or Tschichevsky), formerly of Harvard. They had offended by writing reviews critical of Mr. Nabokov and



The New York Times/Israel Shenker

Prof. Alexander Gerschenkron in his office at Harvard. On the eve of his retirement, he assessed lectures: "They are Middle Ages, they are pre-Gutenberg."

cans. And the work doesn't follow you at night into your leisure and your dreams. Is scholarship pleasure or pain? If someone cuts off your leg you know it's pain, but with scholarship you never know."

After the war he was an economic specialist with the Federal Reserve Board, and then Harvard invited him there.

"You weigh the pros and cons," he said, "and then you make an 'Oh, hell' decision. Oh, hell, I'll do it. Oh, hell, I won't." After pondering for weeks he said, "Oh, hell, I'll go to Harvard."

He had become an expert on the Soviet economy, one of the

emigration theory in Rumanian history."

He and his wife, Erica, devoted a paper on "The Illogical Hamlet: A Note on Translatability," to a single quatrain from Hamlet's letter to Ophelia ("Doubt thou the stars are fire/Doubt that the sun doth move/Doubt truth to be a liar/But never doubt I love"). They concentrated on the third line, and limited themselves to 100 translations in only 16 of the languages they could handle, which included Catalan, Icelandic, Serbo-Croatian and Bulgarian.

Years of Unrest

Harvard's years of unrest

with entrancing figures: "continuity . . . thickly covered with the metaphysical paint of inevitability," "a train of thought without a logical derailment," "lovers and haters of revolutions who must find for themselves playgrounds and battlegrounds outside the area of serious scholarship."

"I have come to have increasing doubts about our education system, particularly about lectures," he said on the eve of retirement.

"Class discussions — very good. Office hours — very good. Lectures? They are Middle Ages, they are pre-Gutenberg.

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"A small man's revenge," said Professor Gerschenkron, who spent the first 16 years of his life picking up French and Slavic lexical expertise in Russia, then moved to Vienna for German.

"Both Russian and German high schools left me with a great deal of revulsion," he said in an interview at his office here. "They pump a lot of very dated knowledge into you. What they never tell you about knowledge is how to acquire it. A good American high school is head and shoulders above a European high school."

Shipyard Worker

He came to the United States in 1938 and began teaching economics at the University of California, Berkeley. During World War II he worked as a flanger in a California shipyard.

"I seriously considered staying in the shipyard," he said. "I liked the contact with the anonymous mass of Ameri-

cans. And the work doesn't follow you at night into your leisure and your dreams. Is scholarship pleasure or pain? If someone cuts off your leg you know it's pain, but with scholarship you never know."

After the war he was an economic specialist with the Federal Reserve Board, and then Harvard invited him there.

"You weigh the pros and cons," he said, "and then you make an 'Oh, hell' decision. Oh, hell, I'll do it. Oh, hell, I won't." After pondering for weeks he said, "Oh, hell, I'll go to Harvard."

He had become an expert on the Soviet economy, one of the new breed ingenious enough to penetrate the curtain of statistical discretion.

It was Professor Gerschenkron who developed the concept of the "great spurt" in European economic development, a distant kin of Walt W. Rostow's "take-off."

"Rostow deals generously with the whole world," he said. "I cannot deal with the whole world. I'm much more modest."

'Great Historian'

Professor Rostow calls him "one of the great historians of his generation." Simon S. Kuznets of Harvard, a Nobel Prize winner in economics, speaks of "tremendous insight," and Prof. Abram Bergson credits Professor Gerschenkron with a leading role in focusing economic history on economic growth.

But the spectrum is broader. In a random article typical of his erudition, Professor Gerschenkron discusses theories of Aristotle, Kant and Schopenhauer, the literature of Chekhov, German historiography, infinitely divisible time and "the

emigration theory in Rumanian history."

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Years of Unrest

Harvard's years of unrest left him disturbed by faculty members he termed "middle-aged popularity kids" and others, with college-age children, who "have lousy parent-child relationships and do not want to louse them up some more."

What bothered him was not student obscenities, for any Russian peasant was more excessively gifted, but what he considered inanities, cowardice and criminality. For two years he spent most nights in discussions with students, and then wrote in Daedalus of "young men and women who pretended to belong to the working class but never had the guts or the gumption to take a job in a factory or on a construction site and had to confine themselves to simulating holes in their pants . . ."

Like others who have been forced, time and again, to switch vernaculars, Professor Gerschenkron has developed an enchantment with linguistic artifice.

On paper he seeks the gloss of style, and his works gleam

with entrancing figures: "continuity . . . thickly covered with the metaphysical paint of inevitability," "a train of thought without a logical derailment," "lovers and haters of revolutions who must find for themselves playgrounds and battlegrounds outside the area of serious scholarship."

"I have come to have increasing doubts about our education system, particularly about lectures," he said on the eve of retirement.

"Class discussions — very good. Office hours — very good. Lectures? They are Middle Ages, they are pre-Gutenberg. It's not an adult way. The adult way is for students to sit down on the appropriate part of their anatomy and study. But lectures? They sit there dreaming and the lecturer has to go into histrionics to wake them up."

'Scars and Aches'

"If the years of the unrest, with the scars and aches they left had never happened, I might have been more sorry about the end of lectures and office hours. But now I don't feel that way. I think retirement is a joyous expectation. I always wanted to have a free year right here at Harvard, near the Widener Library."

Having written an article on the extent to which, in Russian literature, people look ahead, he plans a book generalizing the "time horizon" to all life.

"Whether I'll be able to swing that is an open question," he said.

With rooms overflowing with books, and a brandy at hand he is ready for a distant horizon.

Unions vs. New York

Union leaders purporting to represent the city's uniformed services have stooped to new lows of irresponsibility with their threat to dispatch off-duty police and firemen to warn tourists that they are entering "fear city" unless impossible union demands for full pay and payrolls are met.

Every New Yorker has reason to be concerned about the potential impact on public safety and other vital services of the wholesale layoffs envisioned in the "crisis" budget unveiled by Mayor Beame two weeks ago. But neither the layoffs nor the dire consequences predicted in the unions' "fear" campaign need occur, even under the severe spending restraints mandated by the state's new program to restore municipal solvency.

It is the union chiefs themselves who endanger the city's security and viability by their stubborn refusal to consider the alternatives to massive dismissals: a curb to the upward-spiraling wages and fringe benefits that have helped drive the city to the brink of bankruptcy, a reduced work week, or a combination of the two.

If union leaders were foolish enough to continue on their present destructive course, ignoring fiscal realities and the wider public interest, they could yet destroy this still vibrant city. A ghost town offers neither pay nor payrolls for anybody.

'Constructive Constraint'

After more than two decades of steady expansion, the nation's colleges and universities, which only recently had to turn students away for lack of space, find themselves seriously overextended. Entirely apart from the recession's severe impact, the campuses face a long period of lean years—predictable consequence of the declining birthrate which three years ago began to affect elementary school enrollment.

The prospect of shrinking enrollments, combined with the impact of inflation-cum-recession on academic budgets, calls for new skills so that numerical decline can be managed without sapping the campuses' intellectual strength and vitality. In response to just this problem of preventing less from becoming worse, Ernest L. Boyer, chancellor of the State University of New York, has proposed an unsparing reassessment of each of the system's 67 campuses to determine which programs and activities should be continued and strengthened and which "should be consolidated or phased out."

If American social institutions are to stay alive, Chancellor Boyer warns, they "now must learn to live constructively with constraint." The need he highlights for a careful husbanding of resources might well alert philanthropic foundations to the necessity for rethinking their grants to higher education. The old concept of seed money to encourage new programs whose cost would ultimately be borne by the colleges themselves was ideally suited to the era of unprecedented growth. Drastically changed prospects call for precisely the opposite—subsidies for creative consolidation and contraction.

Crucial to that process is the maintenance of a delicate

A Dissenting Opinion on Harvard Law

CAMBRIDGE, Mass.—Harvard Law School is the subject of countless myths, of which its students and alumni are beneficiaries. Most of us easily convince ourselves that we deserve the benefits.

Frequently, descriptions of the characteristics of a well-trained lawyer (especially descriptions by lawyers) evoke images of a superman. It is clear, however, that if well-trained lawyers have these characteristics, they did not gain many of them in law school.

Harvard Law School teaches analytic skills, usually successfully, with deliberate effort, especially in the first year. Although the brutal experiences depicted in the film "The Paper Chase" are exaggerated, students' assumptions and modes of thinking are attacked as part of this process.

Substantive law is taught more as a by-product of the analytic training than as an end in itself. Harvard tries not to teach very specific substantive law, lest memorization interfere with the process of learning to reason and analyze legal problems. The result may be a lawyer who is better able to deal with law that changes with the jurisdiction and the time.

A legal methods course occupies a minor place in the first year curriculum. It involves some writing and advocacy, and at least one library research exercise, but little explicit attention to drafting, interrogating, listening, or deciding what one needs to know. The teaching of these basic working skills of a lawyer is simply inadequate though the legal methods course has recently been slightly expanded in scope.

A good lawyer should have a fa-

By Michael Jozef Israels

miliarity with the institutional environment (negotiating, dealing with people, court procedures, etc.) and an awareness of the total nonlegal environment (economic, political, historical and psychological forces). Such matters are touched upon, at best, peripherally and in a few limited-enrollment elective courses. The clinical practice-oriented courses that are offered may be interesting and enjoyable, but are of limited value as preparation for the practical, substantive and ethical problems encountered in corporate law practice or in government—the most frequent destinations of Harvard graduates.

I am troubled that Harvard pays only minimal attention to ethics in training future lawyers. In the field of legal and personal ethics, we are left to our own instincts—in my own case, inadequately examined instincts. Yet we need no reminder that the legal profession is under attack not only for Watergate, but also for insufficient attention to the teaching and enforcement of ethical standards.

Recently, one of my professors offered the opinion that legal ethics are not taught at Harvard because most of the faculty believe the Code of Professional Responsibility—the official ethical standard for lawyers in almost every state—is in direct conflict with the way lawyers practice.

Essentially, he said, this conflict exists because lawyers advise clients in connection with decisions that affect their own compensation. If we accept this view (and it is by no means a radical one), the best way to expose the conflict and instigate changes, either in the ethical codes or in the conduct of lawyers (or both) would be

to submit them to the sharp analysis of the classroom.

For most of my three years, I have been exposed to a curriculum and a method of teaching that have not been changed or even seriously questioned at Harvard for 75 years. Not only were my first-year courses the same as those taken by my first-year professor, Abram Chayes, in 1946—they were the same ones offered when Professor Emeritus Austin Wakeman Scott was in law school in 1909.

And according to a recent study of law school curricula sponsored by the Council on Legal Education for Professional Responsibility, the legal educational practices developed at Harvard have spread to most other law schools, where they appear to have become equally entrenched.

Apart from the value of credentials and analytic training (most of which is complete by the end of a year or eighteen months) I wonder seriously if what I have gotten from Harvard Law School was worth \$8,000 and three years of my life. I have enjoyed it (which seems unusual), but that is not the issue.

Law schools are not the sole cause of the trouble the legal profession is having with regard to its ethics and its image, but that trouble ought to prompt more examination of what law schools might do differently.

Harvard has produced an Oliver Wendell Holmes, a Louis Brandeis, and a Felix Frankfurter. We ought to ask not only whether the same methods could produce one today, but also whether such a man is the most desirable graduate for the times ahead.

Michael Jozef Israels graduates Harvard Law School today.

N.Y. Times
June 17, 1975

136 on Panel Aghast or Tolerant on Word Usage

By ISRAEL SHENKER

In 1971, William and Mary Morris, editors of the Harper Dictionary of Contemporary Usage, began sending questionnaires on usage to those they describe as "distinguished literary figures, commentators and language experts."

Since, as the Morrises maintain, "the day when one person . . . could dictate the rights and wrongs of language are long past," they consulted 136 experts. All of them have been known to wag pen and tongue, and they handed down opinions with the aplomb of a Supreme Court Justice (one—William O. Douglas, is a Supreme Court Justice) or at least of an avenging angel.

The dictionary will not be out until October, but on the theory that the condition of English admits of no delay, majority and minority opinions are sampled below. Occasionally these unpaid verdicts seem to come not from what the Morrises describe as a cross-section, but from a cross section.

Noted Abe Burrows, who has spent a lifetime at the bedside of ailing lines: "Those wicked criminals who commit high crimes against grammar, i.e. saying 'between you and I' or 'He invited she and I to a party,' shall have an evil spell cast over 'they' for all their miserable lives."

"Homer distinguished between winged and unwinged words," insisted Erich Segal, the classicist and marathon runner. "So should we. Dammit."

Rex Stout, the mystery writer, fulminated that changes "imposed by ignorant clowns such as advertising copywriters and broadcasters are abominable and should be condemned by all lovers of language."

To wit:

Do panelists observe the distinction between "admittance to the theater" and "admission of guilt?"

Shana Alexander, columnist: "No, but I will from now on."

Edwin Newman, author of "Strictly Speaking": "No—but I should."

Vermont Royster, columnist: "No—and I know no one who does."

Red Smith, columnist: "Yes. Of course—unless we're talking Swahili."

Would you accept "I ain't the least bit interested?"

John Ciardi, poet: "'Ain't" is the right

and inevitable contraction the language demands and will have. No amount of schoolmarming will suppress it."

Dwight Macdonald, critic, voting no: "Alas, the 19th-century schoolmarms did their work too well."

Wright Morris, novelist: "'Ain't" is an ugly sound and we should preserve it as ugly."

May "alibi" be used for any kind of excuse?

Anthony Burgess, author: "'Alibi' means 'somewhere else' to me. It can't mean one thing in Latin and law and another thing in nonlegal English."

Justice Douglas: "'Yes' to the use of alibi in the extended sense, both in speech and writing."

May "author" be a verb?

Saul Bellow, author: "No, nor the word 'crafted.' Abominable!"

Herman Wouk: "No, no, no, no, no, no, no! NO!"

Do you accept "between you and I" in casual speech?

Berton Roueche, writer, voting no: "Why should error be approved?"

Geoffrey Hellman, author, voting yes: "Upper-class affectation. Maybe lower-class too, but I don't know the lower classes."

An editor visited a journalism school and "critiqued" the college paper. Would you approve this use of "critique" as a transitive verb?

Michael J. Arlen, writer: "It sounds stupid."

Mr. Burgess: "No, no. A critique is like what Kant wrote about pure reason."

Stanley Kunitz, poet: "Dreadful!"

Barbara Tuchman, historian: "If there is such a school, its license should be taken away."

Mr. Wouk: "Yecch!"

The suffix -ee is widely used, as in draftee and trainee. What about standee and escapee?

Isaac Asimov, the writer: "As a writee, why not?"

Mr. Burrows: "If a show of mine has 'standees' I enjoy the bad grammar."

May critics enthuse over a play?

Mr. Burrows: "The critics 'enthuse' so rarely that I should welcome the word. But I don't like it."

Charles Kuralt, of TV: "...but the audience 'apathied' over it? Lord, no. A terrible word."

Mr. Wouk: "This one is making it, I believe."

Would you approve "The committee met to finalize plans for the dinner?"

Walter Cronkite: "A valuable new form."

Mr. Kuralt: "It's a Washington word. The Washington example has very often served to bastardize (to use a non-Washington word) the language these last 20 years, with the connivance, alas, of reporters in Washington, who should know better."

Lionel Trilling, the critic: "In speech, yes—reluctantly—and I would be suspicious of people who used it."

Is there a distinction between flaunt and flout—used interchangeably by two court justices—worth preserving?

Mr. Arlen: "I should damn well hope so."

Ben Lucien Burman, novelist: "No wonder Roosevelt wanted to fire the Supreme Court!"

Mr. Kunitz: "I flout those who flaunt their ignorance."

May graffiti be used as singular, though the singular in Italian is graffito?

Joseph A. Brandt, former editor: "When not in Rome, do as the Americans do."

Robert Crichton, novelist: "I go on the assumption the Italians are wrong."

Peter S. Prescott, critic: "Spaghetti is usually thought of as an undifferentiated mass; not so graffiti, which are often strikingly individual."

May hopefully—which means "full of hope"—be used in "Hopefully, the war be ended?"

Miss Alexander: "Slack-jawed, common, sleazy."

Leo Rosten, author: "This is simply barbarism. What does 'hopefully' modify. Does a war 'hope'?"

Jean Stafford, author: "On my back door there is a sign with large lettering which reads THE WORD 'HOPEFULLY' MUST NOT BE MISUSED ON THESE PREMISES. VIOLATORS WILL BE HUMILIATED."

Has the moment come for "irregardless?"

Robert Cromie, TV journalist: "No. I am irrelentless in my opposition."

Alexander Kendrick, correspondent: "Indoubtedly, no."

Wright Morris, novelist: "I say no; my wife says yes."

Are media ever singular? Would you

accept "The White House requested the cooperation of all the medias?"

Elizabeth Janeway, writer: "Never Never Never Never! (Though I wouldn't be surprised at the White House.)"

Mr. Asimov: "Let's put out a few memorandas on the subject after collecting the necessary datas."

Mr. Cronkite: "Mr. Agnew probably would say: 'The media is all graffiti and they're all obscene'—but I wouldn't."

How about highway signs reading "Go Slow" [instead of "Slowly"]?

Leon Edel, biographer: "'Slowly' would distract the illiterate."

Leonard Sanders, critic: "Safety first; grammatical considerations second."

Would the panel accept "Perform-ancewise, the new man proved a failure?"

Mr. Cronkite: "A very valuable, meaningful mutation."

Mis Janeway: "No. Yet it has a kind of eerie fascination. I would like to know howwise he proved a success."

Walter Lord, author: "Usagewise, I abhor it."

Russell Lynes, author: "No wise!"

There was doubtful comfort in numbers—even when 136 experts joined to prepare for the worst. Eugene J. McCarthy, the former Senator who speaks with a loud voice quadrennially and in scholarly tones all the time, warned: "We must now look to new threats, although the Ford Administration uses metaphors from football and from the furniture business, such as 'the unvarnished facts' and 'Truth is the glue that holds the government together'."

Summing it up Miss Stafford predicted a fate worse than death for the American language. "The tough and dandy darling is going into paresis," she warned, adding: "Do count on me as a dedicated physician who will even pay house calls in the middle of the night."

"A society indifferent to right words is a society grown careless of its life-giving values," insisted Mr. Kunitz.

Professor Trilling remained in a class of his own. Said he: "I find righteous denunciations of the present state of the language no less dismaying than the present state of the language."

It's All In Your Mind

June 25, 1975 10 4 Times

By Henry M. Wriston

MARSTONS MILLS, Mass.—It might be supposed that at 85, going on 86 as we used to say, there would be few occasions for hilarity. Maybe so, but such occasions do arise. One of the most frequent occurs when I read the doleful descriptions of the status of retired people written by pundits who have not had the experience of retirement, but seem to me in urgent need of it.

Of course, if a man is brought into middle age amidst a drumfire of dire comments about what lies ahead, it is possible to build up an acute fear of retirement. If he is threatened with idleness and uselessness long enough and often enough he may be fool enough to believe it.

When the media are filled with lamentations that a college degree does not automatically assure one of a job, students are likely to become fearful of the future. I was fired from a full-time job when 15 years old. Far from home, amid strangers and with no money, I was naturally alarmed.

It proved to be an educational experience. I found that it was possible to get work if you desperately needed it and did not insist upon drawing specifications for a sinecure. I worked over 100 hours a week; I was exploited, but I ate and saved enough to get home.

Later, when I had finished college and graduate school, had some years of experience, was married and had a child to support, I was declared surplus. At that time I was a medievalist, and there was less than no demand for someone to teach youth about the Middle Ages. So I manufactured a job for which I had no training whatever. I got paid to write a book on how to raise money from the public. The volume was not high literature, but it put bread on the table and, many years later, to my appointment to a group of five to organize the National War Fund during the Second World War.

Writing that book was rewarding far beyond sustenance; it proved to me that I could do something without specific training. That is true of most

people who have not been so indoctrinated that they believe they must run in a groove—and stay in it until “guillotined” at retirement.

College should not be a training school but a place to learn how to learn. Then it is essential to practice the art of learning, in disparate fields if necessary. Technology, and scholarship for that matter, move so swiftly that old jobs become obsolete and new ones arise for which specific “preparation” is not available in middle life.

The narrowly trained individual is soon out of date—if not out of a job. Even the artisan who learn a trade—whom we should all respect more than most people do—finds in the course of his working years new methods, fresh materials, and dozens of other changes that require him to alter established habits and develop new skills.

Years ago, just for fun, I made a study of careers. To my astonishment I found most “successful” men changed their occupations in middle life. Read the biographies of senators. The move from pharmacist to political power in

the case of Hubert Humphrey is notable, but, in less dramatic ways, characteristic of many men. The alteration is frequently not only radical but accidental. One career is derailed and a new one is found. Retirement is just another change, which can, and should, be made not only with calmness but also with joy.

One available new career is as a volunteer. The United States has more voluntary organizations for more diverse purposes than any other country in the world. Congress does its best to kill them off by assigning their functions to some bureau or other which will do the work badly, expensively, and wastefully. I never worked for any organization, save one of the states, that was comfortable financially. Most of the voluntary organizations cry out loud for able heads and willing hands to give service full-time, part-time, any time.

If he has really lived, not just drudged, he can read. It is habit-forming to an extent alcohol and other drugs cannot match. No matter how cruelly idle the wise men who write

about retirement think you, there is a world of books always beckoning. Every good book leads to another.

When you weary of too much learning, take a pause for laughter. I tried it recently with Congressional Record. There you find cause for laughter, for weeping, for blighted hopes—and occasionally a ray of synthetic sunshine appears.

Retirement can be lonely, drab, frustrating, but so can a job. Many a life is all those things and retirement does not make much difference. There is just more time to feel sorry for oneself. But if every job you ever had brought rewards, retirement can bring fresh zest and joy to new activities.

God save us from those who study life with the rubbish heap as the point of departure. There is always a life not only in your work but outside it—often far outside. It is in the mind that great events occur. If you dull the mind the world will be drab. If your mind grows, as it should, retirement is exciting.

Henry M. Wriston is President Emeritus of Brown University.

Pact Gives U.S. Contracts to 13 Colleges Despite Lack of Approved Hiring Plans

The Department of Health, Education and Welfare and the Labor Department have negotiated a proposed agreement that would allow 13 colleges and universities with unapproved affirmative-action hiring plans to receive more than \$20-million in Federal contracts despite a rule requiring that such plans be approved before the contracts are awarded.

The 13 were among 32 colleges and universities that the department notified earlier this month were likely to lose \$65-million in Federal contracts because they might not be able to have approved hiring plans by a contract-awarding deadline of June 30.

Action or Explanation

Five of the 13 schools—American University, the State University of New York's Downstate Medical Center, the University of Southern California, Penn State and Purdue—received show-cause orders in the last two months indicating that their plans were unacceptable to H.E.W.

Three schools — George Washington University, New Mexico State University and the University of California at Davis—were to receive show-cause orders this month.

A show-cause order requires that a school either eliminate deficiencies in its plan or explain to the Health, Education and Welfare Department why it is unable to develop a hiring plan in compliance with Federal laws. If deficiencies remain

or the explanation is inadequate, the school loses its Federal contracts.

The remaining five schools—the University of Arkansas, the University of Illinois, Hahnemann Medical College in Philadelphia, Wake Forest and the University of Washington at St. Louis—do not have approved plans either.

Institutions receiving more than \$50,000 in Federal contracts have been required since 1968 to develop plans for hiring women and minority-group members as a condition for receiving Federal money. The H.E.W. department must review the plans whenever the contracts exceed \$1-million.

But a bureaucratic logjam arose at the beginning of this month, when the department was overwhelmed with last-minute requests by Federal contractors to approve a large number of universities for contracts. Officials reportedly said last week that the department could not review all the plans by the June 30 deadline.

No Time Later

Consequently, the department notified the schools that they must either agree to negotiate affirmative action plans with the agency or have their current plans reviewed. If, after a school's current plan is reviewed and rejected, the institution would not have time to correct deficiencies by the deadline and would probably lose its contracts, the officials said.

Under the new agreement proposed by the two departments, the 13 schools would be given more time to develop an acceptable hiring plan. If the schools signed the agreement, Federal and campus officials would meet to discuss a plan's deficiencies and campus officials would then have 30 days to revise the plan and have it approved.

The 30-day deadline could be extended if a school showed good reason for not having completed its revisions.

According to Government sources, several college presidents complained to H.E.W. Secretary Caspar Weinberger that the deadline was unreasonable. As a result, the two Departments worked out the compromise.

The director of the H.E.W. Office for Civil Rights, Peter E. Holmes, said yesterday that the reason for the new agreement was that time limits prevented the Government from providing adequate notice to the schools of deficiencies in their plans.

Several of the 32 other institutions, including Harvard, Yale and Princeton, were taken out of immediate jeopardy when the deadline for their contracts from the Federal Energy Research and Development Administration was changed to Sept. 30. One school, the University of Rochester, has had its plan approved.

FRESH AIR FUND—CHILDREN

High Court Backs Annexation by Southern City of a White Suburb

By WARREN WEAVER Jr.

Special to The New York Times

WASHINGTON, June 24—The Supreme Court ruled 5 to 3 today that Southern cities can alter their racial composition by annexing predominantly white suburbs as long as the move has some legitimate governmental motive and blacks enjoy a proportionate share of political power in the enlarged city.

Over sharp objections from the Court's liberal bloc, the majority said that the Voting Rights Act of 1965 does not flatly prohibit cities with past records of voting discrimination from increasing the white share of their population by adding territory with relatively low black population.

As long as the new city council reflects the size of the black community in the expanded city, the high court held, the fact that the annexation has reduced the relative political clout of that community is not important, unless it can be proved that the move was deliberately discriminatory.

Specifically involved is an attempt by Richmond, Va., to expand its boundaries. The attempt began in 1962 and seems certain to run for several years more because the Supreme Court's ruling today ordered further lower court study.

Blacks Seen Harmed

The minority opinion insisted that the annexation, which reduced the black population of Richmond from 52 to 42 per cent and its voting strength even further, was deliberately designed to dilute black in-

fluence and that the contrary ruling "seriously weakens" the protection of the Voting Rights Act.

Writing for the majority, Associate Justice Byron R. White emphasized that an annexation "taken for the purpose of discriminating against Negroes on account of their race" violates the Constitution and existing Federal law, but he could not find such discrimination in the record of the case (No. 74-201, Richmond v. United States).

As a result, the Justices sent the case back to Federal District Court to determine "whether there are now objectively verifiable, legitimate reasons for the annexation." The majority said there was doubt that the record was complete and up-to-date.

The annexation involved added 23 square miles of adjacent Chesterfield County to Richmond in 1969. The city population of 202,000 then was 52 per cent black; the new territory with 47,000 people was 3 per cent black.

The Supreme Court has dealt with annexation as a voting rights violation twice before, in cases arising in Canton, Miss., in 1971, and Petersburg, Va., in 1973. The annexation maneuver was prohibited in both instances.

Today's decision, some civil rights lawyers believe, will have the potential effect of encouraging annexation in other cities where the restoration of a white majority might be achieved under the guise of legitimate governmental consolidation.

The case on which the Supreme Court ruled today was

filed by the city in 1972 to win Federal District Court approval of the annexation after it had twice been refused by the Attorney General.

Under the Voting Rights Act, all such changes that threaten to dilute minority voting strength must be approved by the Attorney General or the district court before they can go into effect.

Dilution of Black Vote

Despite the substitution of a nine-ward city council plan for the former at-large system, the District Court found that the over-all effect of the annexation had been discriminatory, diluting the black vote in the city.

Justice White wrote: "a city having a ward system for the election of a nine-man council annexes a largely white area, the wards are fairly redrawn and, as a result, negroes have only two rather than the four seats they had before, these facts alone do not demonstrate that the annexation has the effect of denying or abridging the right to vote."

"To hold otherwise," the majority observed, "would be either to forbid all such annexations or to require, as the price for approval of the annexation, that the black community be assigned the same proportion of council seats as before, hence perhaps permanently overrepresenting them and underrepresenting other elements in the community."

In the dissent, Associate Justice William J. Brennan Jr. declared that the Richmond annexation had been "totally devoid of any concern for economic or administrative issues"

and "shaped solely by racial and political considerations."

Joining him were Associate Justices William O. Douglas and Thurgood Marshall. Associate Justice Lewis F. Powell Jr., a former Richmond resident, did not participate.

Noting that Richmond blacks, after annexation, had only 37 per cent of the voting-age population compared with 45 per cent before, Justice Brennan said he refused to agree that "such a significant dilution can be remedied simply by allocating to blacks a proportionate share of voting power within the post-annexation community."

Some Other Decisions

In another decision, the high court upheld the right of the Interstate Commerce Commission to authorize higher freight rates for railroad transportation of recyclable material and sustained the validity of the final environmental impact statement with which the agency supported its conclusion.

Dissenting in the case (No. 73-1966, Aberdeen & Rockfish Railroad v. S.C.R.A.P.), Justice Douglas endorsed the argument of the law students who brought the suit that higher transportation costs will "retard the use of recycled products and thereby contribute to further depletion of our natural resources."

In other decisions handed down today, the high court did the following:

¶ Ruled 5 to 4 that Federal District Court should have dismissed a constitutional challenge to the California obscenity law because the plaintiffs involved were already subject

to state criminal charges (No. 74-156, Hicks v. Miranda.)

Held 7 to 2 that Federal Aviation Administration reports on operation and maintenance performance of commercial airlines are not subject to public disclosure under the Freedom of Information Act (No. 74-11450, Federal Aviation Administration v. Robertson.).

¶ Remanded to Federal District Court a decision invalidating a Connecticut law requiring welfare mothers with illegitimate children to identify the putative father to officials. The high court held unanimously that the ruling should be re-examined in the light of a new state statute.

Moving to recess its 1974-75 term by early next week, the Supreme Court has about two dozen decisions yet to announce on cases among the 150 that the Justices have heard argued since last October.

Seattle Mayor Fighting Demands of City Unions

By ROBERT LINDSEY

Special to The New York Times

SEATTLE—Hundreds of municipal employees here are in a state of open revolt against the city administration. Seattle, to a large extent, has become a microcosm—and, to some observers, a preview—of a bitter new adversary relationship that is developing between public employees and elected officials in cities across the country.

The dispute here centers largely on efforts to increase the productivity of city workers—a confrontation Seattle's Democratic Mayor, Wesley G. Uhlman, asserts is essential if Seattle is to avert the kind of economic crisis now faced by New York City.

Early this month, in the sharpest manifestation of the

employee rebellion, Mr. Uhlman turned back an attempt by most of the city's firemen to recall him from office in a citywide election, the first election of its kind in the country.

Now, he and employees of the nation's largest municipal electric company are edging toward another showdown that, if Mr. Uhlman wins, will probably make him a strong contender next year for governor of Washington.

There are some parallels here to the fiscal problems gripping New York, but the size and complexity of New York make its problems all but unique. The situation here is more analogous to less-publicized finan-

Continued on Page 30, Column 1

Pollster Tells Mayors That Public Doesn't Trust Them

By JOHN KIFNER

Special to The New York Times

BOSTON, July 7—The big-city mayors meeting here feel themselves a hapless lot. The mayors, predominantly Democratic, say that the Republican Administration in Washington does not care about the cities, complain that their budgets are menaced by municipal unions, and at lunch today they were told by Lou Harris, the pollster, that the public does not trust them.

Indeed, their reputations have plummeted so low that the 14 per cent of the American people who expressed confidence in local government was only a single percentage point higher than for the Federal Government, Mr. Harris said. A decade ago confidence in local governments stood at 43 per cent.

Worse yet, his figures showed, the public institution enjoying the greatest confidence—at 51 per cent—was one that some mayors see as a major enemy—garbage collectors.

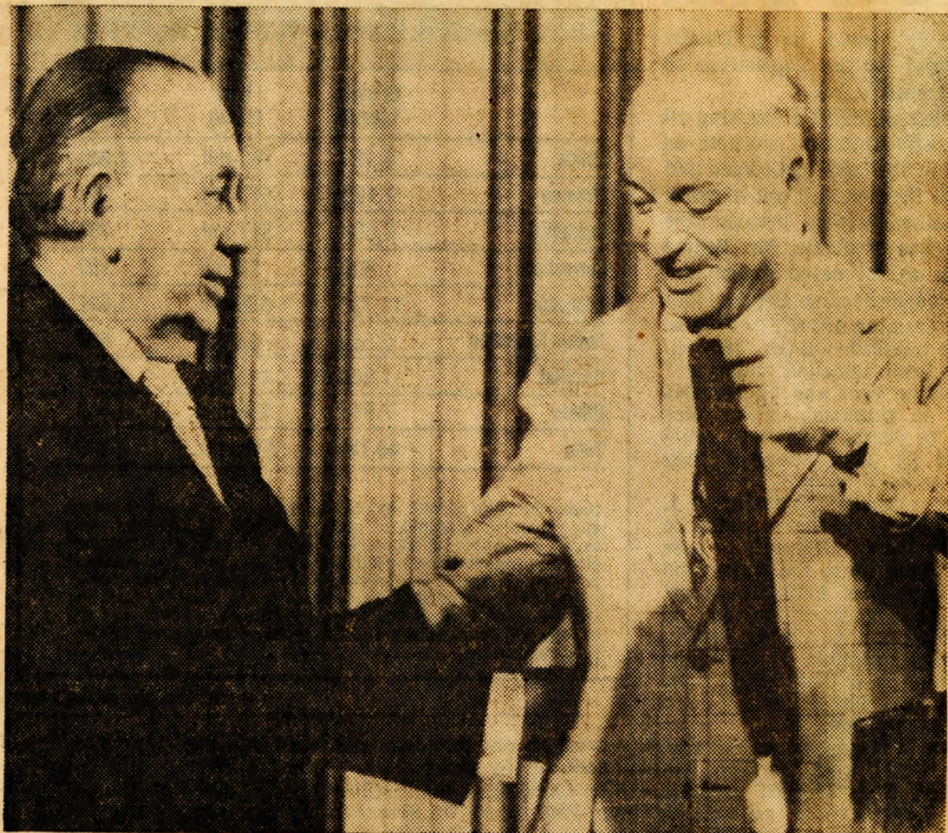
Mr. Harris gave his talk at the formal opening luncheon of the annual meeting of the United States Conference of Mayors.

Feel 'Forgotten'

"You are trying to arouse a nation by crying out that almost one-third of the country—and that's what you represent in the central cities collectively—is in deep trouble financially, no longer capable of delivering the critical and basic services which make up the basic task of local government," Mr. Harris said. "You obviously feel strongly—and with some justification—that the cities in the mid-1970's are the forgotten instruments of government."

In speeches, debates and private conversations, the participants in the conference of mayors of cities larger than 30,000 have complained that the Federal Government takes out more in taxes than it gives back in urban aid, that white flight and the move to the suburbs are eroding their tax base, and that the strike-backed demands of municipal unions are threatening their cities with bankruptcy. They have spoken of themselves almost as demographic orphans.

Mayor Kevin H. White of Boston was saying yesterday: "The real solution will only come when this country makes up its national mind what it wants to do about the cities, whether it wants to abandon them or whether it wants to tolerate them, which I think they do today, or they want to treat them as they are, real centers of our civilization."



Associated Press

Mayor Richard J. Daley of Chicago, left, receiving a public service medal from Mayor Joseph L. Alioto of San Francisco during mayors' conference yesterday in Boston.

Mr. Harris told the mayors that they were operating at a time when the country had reached "record peaks of demoralization," and the divisiveness of the war in Vietnam, the Watergate scandal and the troubled economy had visited "abuse and lack of confidence" on leaders at all levels of government.

Some Enthusiastic

"We live in strange times where the old political rules have been torn up," he said, telling the assembled politicians that the attributes of "intelligence, individual wit, cunning, or guile or luck or merit" by which they had won office "could well be the last time you might ever get elected that way."

Mr. Harris told the mayors that "the politics of easy promise that says in effect that it will bring all good things from government to all manner of men" and "the appeal to easy fear" were dead.

The reaction to Mr. Harris' speech was mixed. The handful of mayors of the biggest cities sat stony-faced on the dais through much of it.

"He's only a pollster," Mayor Richard J. Daley of Chicago said later with a shrug.

But among the luncheon

tables, many mayors of somewhat smaller cities were enthusiastic and came up to talk to Mr. Harris afterward or asked for transcripts. In some cases, it appeared that the import was in the eye of the beholder.

"By golly, that's right? Tell it like it is? That's how I got re-elected," exclaimed Mayor Alex P. Smekta of Rochester, Minn., punching several nearby shoulders for emphasis.

The differing reactions also emphasized an underlying split in the convention between the financially threatened biggest cities and the relatively well-off second-ranking and third-ranking cities.

The division was reflected yesterday when some Democratic mayors of smaller cities joined Republicans in unsuccessful opposition to a proposed resolution backed by Mr. Daley and other big-city mayors to make Federal revenue sharing proportional to need, rather than to population only.

The men emerging as heroes to the mayors gathered here also reflect the pressures they feel. One, clearly, is Mr. Daley, who was given an award today, and who operates a city where a strike by municipal employees, loyalists all, is virtu-

ally unthinkable and re-election seems as normal as the changing seasons. Another is Wesley Uhlman of Seattle, who beat back a recall petition supported by his city's firemen.

In his speech, Mr. Harris also criticized Mayor Beame of New York, saying he had "come up with an old script, combining a cliff-hanger scenario of laid-off cops and firemen and sanitation workers designed to produce a last-minute bail-out by the state and Federal Government," which he said left untouched "thousands of exempt political jobs" and provided costly wage and pension increases.

Calling the remarks "specious and characteristically unscientific," a spokesman for Mayor Beame issued a statement saying the pollster had "apparently based his own remarks on an old script himself and has dusted it off for the wrong occasion."

"His suggested bromides are difficult for New Yorkers or any other citizens of urban centers to swallow," the statement said. "There is just not enough money available to New York City to avoid layoffs in the thousands."

July 8
1975

REVENUE SHARING CALLED IN DOUBT

N.Y. TIMES 12/4/75

Mrs. Hills Warns City Aides That Congress May Not Extend Aid Program

By ERNEST HOLSENDOLPH

Special to The New York Times

MIAMI BEACH, Dec. 3—Carla A. Hills, Secretary of Housing and Urban Development, told a convention of city officials here today that there were no assurances that Congress will act to extend general revenue sharing next year. The officials say that a failure to do so would be catastrophic for some municipalities.

The remarks by Mrs. Hills before a meeting of the National League of Cities was the first acknowledgement by the Administration that legislation to extend revenue sharing beyond its expiration date of Dec. 31, 1976, is in serious trouble.

The \$30.2 billion program of direct Federal aid has become an anticipated source of revenue to nearly 39,000 states and localities, many of which are now in fiscal trouble.

Both the White House and many influential Congressional leaders have said they favor extending the three-year-old revenue sharing program, but city leaders fear that next year's electioneering and some provision of the new Budget and Impoundment Act could scuttle re-enactment.

While many city officials are concerned mostly about the delay in extending revenue sharing because it hampers their budget preparations, Mrs. Hills said, "Worse than the timing is the fact that at present you stand a 50 percent chance of losing these funds altogether."

'Most Valuable Program'

Mrs. Hills blamed "political gamesmanship" for the delay in re-enactment of revenue sharing, and she said the combination of politics and earnest opposition "is jeopardizing the most valuable domestic program we have."

Since the meeting began here Sunday, mayors and other city officials have been saying that prompt re-enactment of revenue sharing was their top priority. But Secretary Hills chided them for what she saw as ineffective lobbying. "I have been amazed at the lack of commotion from the cities," she said.

Mayor John H. Poelker of St. Louis who heads a task force in support of revenue sharing, said he disagreed with Mrs. Hills's charge that city officials have been remiss. "I feel that city and county officials have been very active in an organized way in helping us."

Whether or not it is attributable to ineffective lobbying, the lack of urgency in Congress on revenue sharing seemed to contradict expressions from some mayors here who said they agreed with Mayor Beame that New York's struggle had reawakened "a sense of urgency in dealing with city problems."

Attracting Suburbanites

Also today, Secretary Hills urged cities to work hard to increase the return of suburbanites to core cities, a movement she said was only a trickle, but a growing one.

To do this, she said, cities should begin to "leverage" their community development funds from the Government by investing them in services that would make cities attractive to middle class people.

This kind of investment, is important she said, because "middle-class people moving back into the city means everything to the city." The development of certain amenities and city assets, such as neighborhoods around parks, cultural landmarks, colleges and historic areas could well pay off in attracting middle class people whose taxes are needed by cities, she said.

Mrs. Hills, responding to reporters' questions later, said she did not think that such use of the funds might be against the intent of the 1974 Housing and Community Development Act.

A major section of that law established community development grants mainly to replace earlier programs, such as urban renewal, that were supposed to help the poor in the central cities.

"It is not an either/or situation," Mrs. Hills said. "I am merely suggesting that cities consider a blend of uses for community development money."

Urban Homesteading

After a brisk but limited beginning, the urban homesteading program is falling victim to the common American attitude of excessive expectations and instant cynicism. Actually less a program than an *ad hoc* effort to rehabilitate abandoned housing stock by selling buildings for token sums to those who will restore and live in them, this pioneering experiment is now undergoing all the pains common to bootstrap renewal.

The fact is that urban homesteading, a concept of good sense and humanity, still provides no free lunch. After that initial "dollar" purchase price, the work to be done is neither easy nor cheap. "Sweat equity" has to be matched by funds that are too frequently underestimated. The poor and the underprivileged need special help and guidance to do what the middle class has the training and resources to carry out. And a few restored houses do not turn a neighborhood, or a city, around.

But learning these obvious lessons is no license for declaring a good idea dead or inoperative, as the pessimists are now doing. It is just as obvious that many miles of downtown Brooklyn and extensive sections of the city of New Orleans, for example, have had a residential rebirth by an almost identical process, with the same pains and problems. The point is to make the process work for a broader social and economic range.

* * *

This makes particularly welcome the announcement by the Department of Housing and Urban Development that it is about to back urban homesteading in a five million dollar program in 10 communities. No one pretends that the present scope of the operation will make more than a dent on the disaster areas of older cities. But existing Federal policies have done much to encourage blight and disinvestment in these neighborhoods by subsidizing suburban sprawl and ghettoizing public housing. A change in those policies is essential if the vicious cycle of deterioration is to be reversed.

What HUD can do now is to provide the coordination and incentive for the necessary public commitment of services and assistance at the city level with private commitment from lending institutions. Success depends on long-term joint efforts. The one thing that is clear in these early stages is that the modest homesteader on his own has all the strikes against him. But well-managed group programs on a community scale, such as U-Hab by New York's Cathedral Church of St. John the Divine, are working. This kind of rehabilitation is not limited to middle-class neighborhood stabilization; it is a way for the less privileged to find homes in strengthened communities.

Urban homesteading is a long, slow, hard route to salvation, but its soundness is indisputable in terms of appalling abandonment figures and deteriorating urban environment. The preservation of existing houses and neighborhoods is the first line of defense in the cities' battles to survive.

JUN 9/75

Chicago Papers Roast New York Over Its Fiscal Problems

City Is Viewed as Profligate and 'Whining Mendicant'

By WILLIAM E. FARRELL

Special to The New York Times

CHICAGO, June 8—The unfolding New York City fiscal story has been receiving close and cutting attention from Chicago editorial writers and newspaper columnists whose responses in recent weeks generally have ranged from sententious to snarling.

Chicago, the nation's second largest city, has had a tradition of trying to "one-up" New York (something a local writer here, appropriating the phrase coined by A. J. Liebling for Chicago, once diagnosed as the "Second City Syndrome"), and the recent monetary travails of the nation's major urban center have prompted cartoons and commentary that often depict New York as a reeling profligate transformed by empty pockets into a whining mendicant.

In the last month, more than a dozen editorial and analytic articles on New York's red-ink problems have appeared in the three Chicago newspapers, eight of them in the Chicago Tribune.

These are in addition to "spot" news accounts of Mayor Beame's and Governor Carey's efforts to extricate the city from its fiscal morass.

Some of the editorials and columns have been sober analyses of New York's frayed ledgers; others have been gleefully vitriolic raspberries in which New York is treated as a once-great diva now hopelessly dowdy and lusterless, warbling with a tin cup on a street corner for dinner money.

ceeded the chutzpah of the Barbary Coast pirates, in Mr. Kilian's published opinion.

The Chicago critiques, with the exception of one by Mike Royko, a columnist for The Chicago Daily News, have not mentioned in their discussions of Chicago's solvency that, unlike Mr. Beame, Mayor Richard J. Daley does not have to ante up for the city's welfare budget which is taken care of by the state of Illinois and the Federal Government.

New York City revenues account for as high as 30 per cent of the city's huge welfare budget.

In a lead editorial discussing Mr. Beame's possibly having to reduce the number of New York municipal hospitals, now 19, The Tribune said: "A reduction in city public hospitals to 15 does not sound so bad when you consider that Chicago has only one."

"New Yorkers have been trained to think that they can have just about anything they want," the editorial said.

The Chicago Daily News, also in a lead editorial, said that the fact that New York's money problems have caught up with the city "should be a warning to big-city governments throughout the nation."

New York's "inevitable harsh budget trims will force lower expectations in a city that has proudly proclaimed itself as an unsurpassed provider of social services," The Daily News said.

"New York is proving the peril of living beyond one's means. In correcting and paying for past mistakes, political and social anguish in New York is inevitable," the editorial went on.

The Daily News concluded with: "The question for other American cities is: will they learn from New York's agony, rather than blindly repeat its mistakes."

But Visiting Writers Still Find a Lot to Praise Here

By JOHN CORRY

It is not quite a straw in the wind, but last month the managing editor of The Wichita Falls (Tex.) Times visited New York and said he liked it. He had visited New York before, and once he had been panhandled, and once his luggage had been stolen in Grand Central Terminal. This time, however, nothing happened, and when he got back to Wichita Falls he was moved to write about it.

"Well, the ozone level is still hard on your eyes," wrote the managing editor, Charles Worth Ward, "and things cost a lot, but it is still where the action is. . . . To not enjoy the jewels of the great city—is to be dead or dying."

In Wichita Falls last week, where he was reached by telephone, Mr. Ward said that several years ago he had also been in New York and that he had had his children with him. He said that they had all gone to see a Broadway show and that then they had walked uptown and finally crosstown to their hotel. He said that nothing had happened to them then, either.

"I think it was because I had the children," Mr. Ward said thoughtfully. He suggested that panhandlers, prostitutes and potential muggers seemed to respect the presence of children.

Insights in Print

This, perhaps, is an insight that only a non-New Yorker would have. Non-New Yorkers frequently have insights into New York, some of which find their way into print.

A column in the Fort Lauderdale (Fla.)

News, for example, described New York this way:

"A city that defies the imagination and boggles the mind.

"But a city that is, unmistakably, the capital of the world today.

"Neither Paris, nor London, nor Rome, nor Tokyo exude that combination of power, talent, riches and drama that makes New York the only possible capital of the 21st century."

The columnist said every place else was dull by comparison.

A reporter for The Times of London wrote this:

"I have dozens of reasons for liking New York, any one of which is good enough to take me back there. But let us remain in the gastronomic field and pay due tribute to the city's restaurants."

He said the food was good.

A reporter for The San Francisco Examiner and Chronicle wrote:

"Nothing had prepared me for the absolute tranquility of Sunday on the sidewalks of New York."

He said he was staggered by this.

A columnist whose articles appear in eight upstate weeklies wrote:

"In the crime-center cities, based on percentages per hundred thousand, New York City doesn't even make the first-50 list. It also fails to make the list of the first 25 cities in rape, burglary and theft. It's 18th (of the first 25) in assaults and 16th in number of murders."

He said you were safer on Broadway, say, than a lot of other places he could name.

In a travel article, The San Diego Union reported:

"New Yorkers have long been known

ans in print include. "Fiscal drunk" and "Fiscal basket case." Some of the less astingent but nonetheless critical editorials advise New Yorkers to stop subsidizing subway fares, to end free tuition at the City University, to cut back on welfare and, in general, to retrench on its spending for the poor.

Some of the articles imply that while New York has been in the vanguard of humanitarian concern for its less affluent citizens, it is now luxuriating in a liberalism is clearly can no longer afford.

Foray to Washington

Mayor Beame's unsuccessful foray to Washington to seek help at the Federal level was castigated by Jack Mabley, a columnist for The Chicago Tribune, who wrote: "In effect, the First City is asking us in Second City, and every other city, to bail them out."

"Nuts to them," Mr. Mabley wrote.

"Let them learn some discipline and live within their income," he went on. Alluding the New York's salary scales for municipal employees, to the city's system of municipal hospitals and to its network of free colleges, Mr. Mabley said: "These are nice luxuries, but should we in Chicago, and Des Moines and Carbondale pay their bills?"

Michael Kilian, the The Tribune, devoted a column, Swiftian in intent if not in execution, to urge that New York City be severed from the rest of the nation by moving "the national boundary up to the Yonkers city limits."

"The move would rid our soil of two institutions long opposed to the American Government," Mr. Kilian wrote, "the United Nations and [during Republican years] the New York Times."

"What possible attraction can New York have for us any more?" asked Mr. Kilian. "It's broken beyond repair. Its expressways are falling down and its streets are crumbling. Its sidewalks are covered with filth, litter, and, frequently, dead bodies. Anything that doesn't move faster than five miles an hour gets covered with graffiti. The telephone service is on a par with Ulan Bator's."

Mr. Beame's attempts to get Federal funds—"which is to say we Middle American taxpayers"—to bail the city out ex-



"They want to buy back Manhattan for \$24, eh? . . . I'll take it!"

A cartoon that ran recently in the Chicago Tribune

theaters and to the parks. . . . The energy crisis, one would think, is making romanticism out of New Yorkers previously considered crusty or at least too much in a hurry to enjoy some of the simpler pleasures of life . . .

The article said that New York was romantic.

A reporter in The Milwaukee Journal wrote:

"I have always found New York to be an exciting place to visit on very little money. I love to walk uptown on Fifth Avenue from Greenwich Village, watching the changes in buildings from two-story ones to skyscrapers."

She said that New York was a great place when you're broke.

Philadelphian Impressed

The Philadelphia Bulletin said:

"If you like the theater, you can go to an evening performance one day and a matinee the next and still have time to savor New York's excellent food and visit a museum or two."

Better here than Philadelphia, the reporter seemed to be saying.

Some of the least inhibited, and possibly most insightful, comments by non-New Yorkers, however, do not appear in the press. They appear in a register that tourists sign when they go to the New York Convention and Visitors Bureau on East 42d Street. The comments are unedited.

A tourist from Bethlehem, Pa., "O God!!!; from Madison, Wis., "OK"; from London, "Incredible"; from Manila, "Beautiful"; from Athens, "New York is my favorite city."

From Australia, "Wow"; from a sorehead from Minneapolis, "I was robbed"; from Sacramento, Calif., "The breakfasts are good"; from Hamburg, Germany, "Wonderbar"; from Sweden, "I love New York," and from Warsaw, "Bardzo ladne!" which is essentially untranslatable, but more or less means something nice.

There are, of course, critical comments in the visitors' register. There is one, "Dirty city," and it was written in bold letters and with a great show of passion. It was not written by a tourist, however, but by a woman who lives on East 217th Street. New Yorkers are like that.

May 22/75

Moment of Truth

Mayor Beame clearly will need the strong backing of the people of New York City if he is to overcome the refusal of the civil service unions to accept either a shorter work-week or a wage freeze, as the alternative to wholesale dismissal of municipal employees and devastating cuts in essential services.

The heads of city departments are giving the Mayor scant help in his proposal for trimming work schedules instead of throwing 38,000 city workers out of jobs. Far from using their ingenuity to heighten productivity and thus reduce the adverse effect on services of the proposed four-day or four-and-a-half-day timetable, the commissioners seem almost unanimous in throwing up their hands and predicting calamity. Yet the Mayor himself was warned that to lay off 10 per cent of the civil service would make the city virtually unlivable. Police street patrols would be reduced by one-quarter, garbage collections by a third and 66 fire companies eliminated, according to the Beame "horror list."

The unions, for their part, are busily engaged in depicting the banks and the financial community as chief villains in the budget squeeze that has brought the city to the brink of insolvency. Flaying Wall Street is an old union custom, and there can be no doubt—as we observed in these columns earlier this year—that the major lending institutions have often demanded unconscionably high interest rates as the price for underwriting New York City securities.

Yet the reckless expansion of the city's debt in recent years and the dizzying rapidity with which that debt is rolled over have caused such a precipitous collapse in the market for municipal bonds and notes that the banks plainly do not want them at any price. Indeed, they would suffer losses running into hundreds of millions of dollars if they were obliged to dispose at once of the New York City paper now unsold in their portfolios.

There is ample justification, however, for the Mayor to urge equality of sacrifice by all elements in restoring the city to fiscal integrity. That would apply to banks as well as unions.

A specific area for investor cooperation has been suggested by the City Club. It calls for a one-year moratorium on redemption of all city notes and bonds. (An estimated \$6 billion of these obligations come due in the next year, nearly ten times the amount of the potential budget gap.) Interest would continue to be paid, and the

moratorium would be voluntary so that no default would be involved.

Such a sacrifice by the financial community could be a reasonable counterpart to the needed sacrifice by the unions.

Influx of Population Down in Urban Areas

*In New Trend, Only 3 of 8 Biggest
Districts List Net Gain for '70 to '73*

By WILLIAM E. FARRELL

The nation's eight biggest metropolitan areas have experienced since 1970 a sharp decline in the rate at which people are moving into them, a key measure of growth. Several demographers say the decline is without precedent since the first census in 1790.

Three of the eight areas—San Francisco, Boston and Washington — have been able to maintain small net balances of in-migration over out-migration: More people moved in than left.

But the five others — New York, Los Angeles, Chicago, Philadelphia and Detroit—have gone to the minus side. All of these but Chicago had shown migration gains during the nineteen-sixties. The turnabout in Los Angeles was particularly dramatic.

Projections made from the new data, gathered by the Cen-

sus Bureau between 1970 and 1973, indicate that during the next 15 years there will be a pronounced shift of income away from the Northeast and North Central regions of the country to the Southern and Western regions. However, this study found, per capita incomes in the Northeast and North Central regions will continue to remain above the national average.

Costly Upkeep

The expected shift in income along with the slowing growth rate in older urban areas will make the costs of providing essential municipal services increasingly onerous for wage earners, according to some urbanologists. It will be, according to this view, a bit like one person having to keep up all the rooms of an aging man-

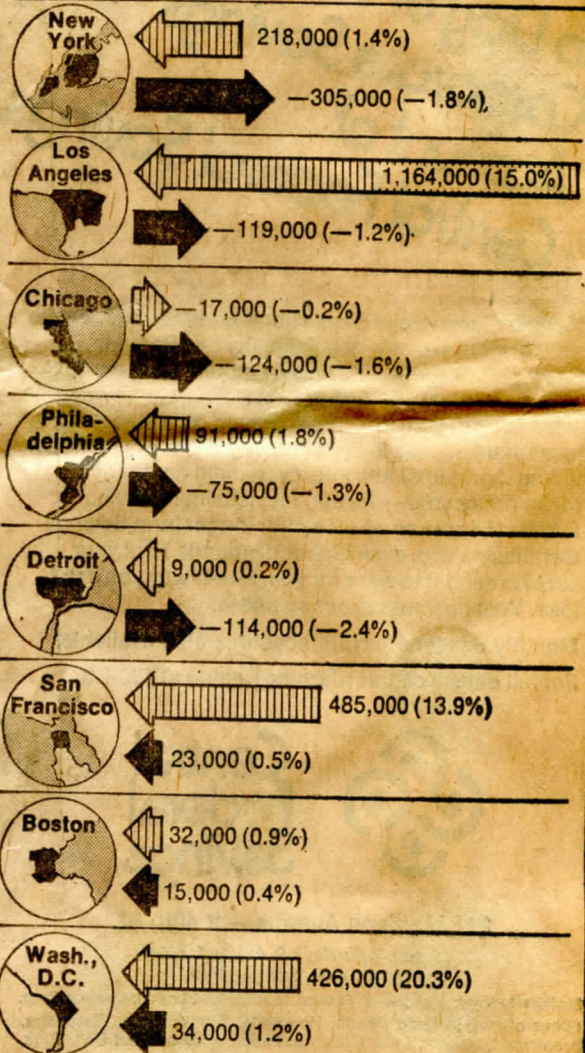
Continued on Page 17, Column 1

Recent Population Shifts in The Nation's Eight Major Metropolitan Areas

Total net in-migration for the eight metropolitan areas with populations of over 3-million

1960-70 2,408,000 (+5.0%)

1970-73 -664,000 (-1.2%)





MEMO TO: New Yorkers

SUBJECT: A Summing Up

A List of the Problems... and Some Solutions

Massive areas of waste, widespread inefficiency and bureaucratic bungling, incredible budget gimmickry and shortsightedness, labor contract ripoffs and pension giveaways—for the past two weeks, the top investigative reporters of The News have turned a searing spotlight on the fiscal ills of New York City, that have brought this city to the brink of bankruptcy.

The purpose of the "Save the City" series was not only to focus public attention on the causes of the city's predicament, but to provide those who would rescue the city—Gov. Carey, Mayor Beame and other public officials assigned to saving New York—with a blueprint for reform.

This is a summary of the findings.

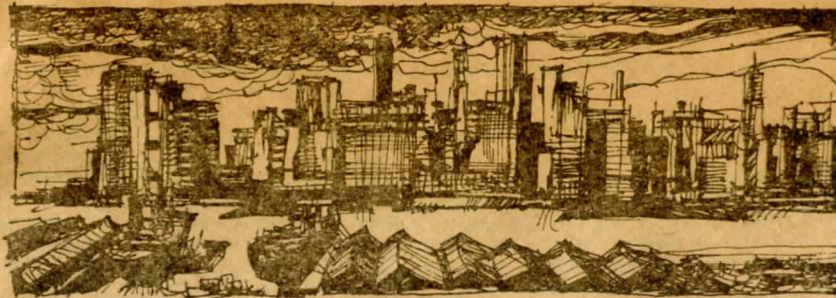
The Spoils System

What do Ruth Lerner, Saul Sharison, Murray Schwartz and Salvatore Greico have in common? They're among a long list of politicians who were thrown out of office but landed comfortably on the city payroll—often at much higher salaries. How about Kenneth Haber, Marcey Feigenbaum, Antonia Vega, Lillian Prado, Carol Molinaro, George McCracken, Alvin Mack and Helen Leonescu? You'll find them on the payrolls of the borough presidents with salaries ranging from 13 to 30 thou.

What they do for the taxpayers to earn their salaries is obscured by such titles as "beautification assistant." Who are these people? They're among the thousands of exempt and provisional persons whose main qualification is who—rather than what—they know. "We recommend a lot of nice guys," says Brooklyn Democratic boss Meade Esposito.

Solution

End the cronyism, crack down on the nepotism and knock off the multimillion-dollar habit of hiring outside consultants



ter yet, turn the whole kit-and-kaboodle over to the feds.

Solution

Scale down the benefits. Why should New York, on its financial knees and the fiscal death rattle getting louder every day, reign as the most liberal welfare jurisdiction in America? Other reforms: Cut hospital stays for medicaid patients, now running an average of 15 days here compared with a national average of 9 days, and save a whopping \$100 million right off the bat. Move toward a "check-list" system of distributing welfare checks through the banks instead of the mails, a method that virtually eliminates duplication and lost or stolen checks. Crack down on ineligible. Period.

the city; zilch by the employees themselves. This was accomplished in part through another gimmick dubbed I.T.H.P. (Increased Take-Home Pay), a union-created nugget that now costs the city well over \$100 million a year.

Solutions

Enforce the current "downhold" on benefits for new employees and keep pension provisions frozen. (The State Constitution forbids paring the retirement benefits of employees hired before July, 1973, when pension reform belatedly arrived.)

Ripoffs

The list of labor contract plums in

real estate tax money they have little or no chance of collecting.

Solution

Cut out the gimmicks—all the prestochango fiscal magic that throws the budget out of whack; tighten the penalties on tax delinquents who are currently powder-puffed on the wrists, and, obviously, make expenses meet actual income.

Budget Gimmicks II

Here's a doozy that makes the above prestidigitations appear almost reasonable: It's called *under-estimating your expenses*—and it's done across the board in city agencies. Take overtime, for example. In fiscal 1974 the Fire Department paid out a total of \$15.8 million for overtime to firemen, primarily the result of a contract giveaway.

Anyway, all things remaining the same, the city could have expected to spend a similar amount on firefighter overtime in fiscal '75. Right? But it didn't. It budgeted only \$10.6 million and it spent—you guessed it—another \$15.8 million. That left another instant deficit, in this case \$5.2 million. Moreover, the same kind of ledgerdom goes on in other departments, notably police, san-

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The Spoils System

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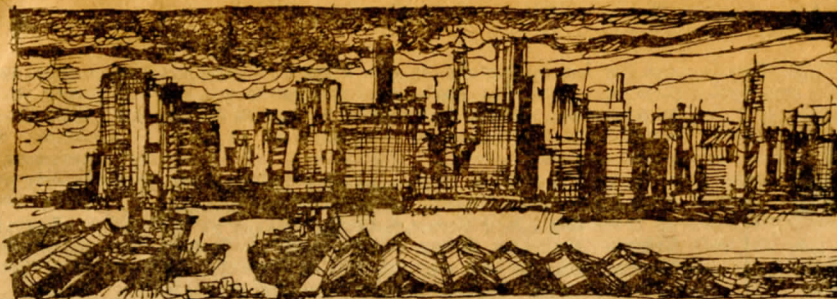
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Solution

End the cronyism, crack down on the nepotism and knock off the multimillion-dollar habit of hiring outside consultants to do what city employees ought to be doing.

Hospitals

The \$1.2 billion Health and Hospitals Corp may be a terminal case; it may not survive the long night of the fiscal crisis. Underutilization is its most basic problem. At any one time, only three out of four beds in the city's 18 municipal hospitals are filled. This costs



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Solution

Scale down the benefits. Why should New York, on its financial knees and the fiscal death rattle getting louder every day, reign as the most liberal welfare jurisdiction in America? Other reforms: Cut hospital stays for Medicaid patients, now running an average of 15 days here compared with a national average of 9 days, and save a whopping \$100 million right off the bat. Move toward a "check-list" system of distributing welfare checks through the banks instead of the mails, a method that virtually eliminates duplication and lost or stolen checks. Crack down on ineligibles. Period.

The Schools

The current teachers strike (see page 3 for the latest developments) really involves an effort by the Board of Education, a \$2.7 billion operation serving 1.1 million school kids, to free itself from a slew of contract provisions and bureaucratic aberrations that no large-scale business can live with.

the city; zilch by the employees themselves. This was accomplished in part through another gimmick dubbed I.T.H.P. (Increased Take-Home Pay), a union-created nugget that now costs the city well over \$100 million a year.

Solutions

Enforce the current "downhold" on benefits for new employees and keep pension provisions frozen. (The State Constitution forbids paring the retirement benefits of employees hired before July, 1973, when pension reform belatedly arrived.)

Ripoffs

The list of labor contract plums in the form of fringe benefits (Mayor Beame calls them "ripoffs") runs on as long as the city's accumulated deficit of \$3.3 billion that they helped create. These goodies have been peppered and salted into the city's contracts over the past decade as the municipal unions mushroomed in size and strength. Some are well known, some are not.

Here are a few: Four weeks vacation

real estate tax money they have little or no chance of collecting.

Solution

Cut out the gimmicks—all the prestochango fiscal magic that throws the budget out of whack; tighten the penalties on tax delinquents who are currently powder-puffed on the wrists, and, obviously, make expenses meet actual income.

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Solution

Once again, cut out the gimmickry, estimate expenses honestly and realistically and stick to them.

Budget Gimmicks III

Yet another budget device, one that helped send the city to the fiscal abyss

\$400,000 a day, or \$144 million a year. The problem is compounded by the fact that New York really has two hospital systems, the municipals and the voluntaries. The latter sector boasts a general care bed occupancy rate of more than 87%, compared with the municipals' anemic 74%. But the waste items also extend to such things as cheating by physicians who work under affiliation contracts; free meals for employees; an excess of practical nurses (despite a shortage of registered professional nurses); millions lost through thefts, pilferage and vandalism due to weak security; sloppy and ineffective collections from third-party payers like medicaid and Blue Cross who owe the system tens of millions; miscalculations in ordering linen and other supplies at a cost of \$7 million.

Solution

The jury is still out on this one, but serious thought is being given to the possibility of shutting down the system and relying entirely on the city's voluntary hospitals.

Welfare Mess

The budget biggie, the cost item that seems to defy fiscal reform and reason itself, is welfare. The dole rolls tripled between 1963 and 1968 and now public assistance costs nearly \$3 billion. Add to this another \$1.5 billion for medicaid, another welfare program that seems to encourage some physicians to trip over their Hippocratic Oath—all the way to the bank. City Hall's response to this odoriferous dung heap: Hold your nose and blame Washington and Albany. Bet-

Solution

Pare the prep period, or at least eliminate the extra preparation periods for teachers in poverty area schools. Extend the working day for teachers from 6 hours and 20 minutes by another half-hour, and eliminate the need to hire teachers at premium pay for after-school programs. Reduce payments for sabbatical leaves and cut them out entirely for school secretaries. Close unused classrooms to cut maintenance costs. Take back the three hours a week for 900 shop stewards to conduct union activities. End bus service for 195,000 pupils who live less than 1½ miles from their schools. (The above suggestions, which would save up to \$100 million a year, would have no—repeat no—adverse effect on the quality of education in the city's schools.)

Pensions

The pension "sweeteners" that have been larded into the city's already munificent retirement plans began to sour when the bills started pouring in. Now the city spends over \$1 billion a year to cover the cost of pensions.

Among the most notorious of the abuses is the plopping-on of overtime in the worker's final year to boost his benefits, a fiscal bombshell that exploded the pensions of subway motormen and bus drivers, among others, to more than their base salaries. Further, the city still continues to pour money (\$180 million a year) into Social Security for additional retirement benefits.

Another costly item that is becoming universal: 100% pension contribution by

for starting employees, five weeks for sanitation men, five weeks and two days for firemen, and—get this—45 vacation and "chart" days for cops, the equivalent of nine weeks. Work rules that force the city into unnecessary overtime. Unlimited sick leave for the three uniformed services. Fully paid health and hospital insurance. Extra retirement benefits like annuities, on top of the most liberal pensions anywhere.

Summer hours of 9-to-4 for workers without air conditioners, even for meter maids and others who work outdoors. Uniform allowances, even for those who aren't required to wear them.

Solution

Eliminate wasteful items in and out of contracts.

Budget Gimmicks I

On paper, the city's budget-makers haven't the foggiest notion of what's coming in from real estate taxes, the major source of revenue. Worse, it blindly overestimates income and the result is instant deficit. Why? To make it legal to spend more money. How? Three ways:

1. The city inflates its estimate of how much can be collected.
2. It goesos this figure by adding in totally uncollectable taxes on properties that are tax-abated or publicly owned.
3. The city puts the blinders on to defaulters, the real estate tax deadbeats. Still, the city fathers continue to spend

involves a nifty little combination of the above gimmicks—overestimating revenues, underestimating costs, and a lot of borrowing. For example, last year New York City was entitled to \$259 million in federal revenue sharing funds.

So, anticipating this amount, the city went out and borrowed on it, spending the entire amount but neglecting to note that the interest costs on the loan came to \$5.5 million. This, the net proceeds, totaled only \$253.5 million, and another five million bucks was added to the city's deficit.

Then, there's the "fudge," as the accountants call it. Sales taxes, though collected every day, are turned over to the city every three months. The city claims that it has earned revenues for, say, June, borrows on them with tax anticipation notes, creating interest costs for cash that won't become available until September. To make up for it, the city then has to dip into the next quarter's revenues. And so on.

Solution

Knock off the gimmickry and fudging, all of it, and follow established accounting and budgetary procedures.

This summary was extracted from the "Save the City" series, which was prepared by News reporters Robert Crane, Mark Lieberman, Steven Matthews, Michael Patterson, Thomas Poster, Sam Roberts and Hugh Wyatt.

aways—for the past two weeks, the top investigative reporters of The News have turned a searing spotlight on the fiscal ills of New York City, that have brought this

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PUBLIC JOB PLANS HELD OVERVALUED

5/28/75 NY Times

Study Finds They Do Little
to Create New Services

By ERNEST HOLSENDOLPH

Special to The New York Times

WASHINGTON, May 27 —

Public employment programs, which use Government funds to provide jobs, are overvalued in their ability to reduce unemployment and deliver more public services, according to a private study released here today.

The programs largely fail to produce new services, because local and state governments use the Federal money to replace their own expenditures for regular services.

The study was done under the auspices of the American Enterprise Institute for Public Policy Research by Alan Fechter, senior research economist for the urban institute.

Mr. Fechter said that the employment programs, including such a recent example as the Neighborhood Youth Corps, also do poorly in preparing jobless people for private jobs or as permanent employes for Government.

300,000 in rograms

The Labor Department said today that more than 300,000 people were now working in various public employment programs, including a long-term program to give training and on-the-job experience, as well as the newer emergency jobs program.

A principal part of Mr. Fechter's criticism of employment programs is his assertion that "in the long run, 60 to 90 percent of public employment program funds merely displace state and local funds."

He said that while the programs were somewhat successful as "cash-transfer" devices, or as support payments to the jobless, they failed to provide improvements that lasted beyond the period when individuals were enlisted in the program.

In his report, Mr. Fechter spoke approvingly of "countercyclical public employment programs," such as the recently enacted emergency jobs program, because there was a minimum of Federal displacement of local money.

He suggested, however, that expanded unemployment insurance coverage might effectively serve the same purpose. Currently, both expanded unemployment insurance and emergency jobs are being used to meet the problems caused by the recession.

Report Is Criticized

John Gunther, executive director of the United States Conference of Mayors, and other manpower specialists, including Sar A. Lsvitan, took issue with the American Enterprise report.

"It is my understanding, from the Labor Department's own reports, that employability of individuals has been increased measurably under public employment programs," Mr. Gunther said.

And Mr. Levitan said that unemployment among the employes of local and state governments was about 500,000 now, and that the use of Federal funds for local jobs might be a justifiable expenditure.

"The best way to solve unemployment is to create jobs, after all," he said.

And he added, "I doubt that Mr. Fechter psychoanalyzed the mayors to see if they had planned to spend at present levels if they had not received Federal job funds."

1977 Mayoral Issues

By Edward N. Costikyan

There are issues to be faced in New York City's 1977 mayoral election. It is not too early to spell out some of them.

First, New York City is an economic disaster area. The exodus of economic activity is torrential. For every business that has left, ten are contemplating early departures. This will not be stopped by chastising the evacuees or calling them nasty names. The exodus is as logical and inevitable as it was once logical and inevitable that businesses come here. For the city has not only multiplied the cost of doing business here, but also unfairly competes with private economic entities while failing to provide the private economy with what it needs to function.

The largest such item of costly, unfair competition consists of the city's pension programs. Any institution that offers its employees a retirement program that enables them to retire after 20 or 30 years with a pension equal to 125 percent, after taxes, or even 75 percent or 80 percent of what the employee earned when he was working, is insane!

In the private sector, even the most generous retirement programs contemplate retirement at between 45 percent and 55 percent of after-tax earned income, and most employees have little more to look forward to than their Social Security.

Private business cannot compete with the city for employees, given this kind of generosity to city employees. In addition, business is no longer willing to pay taxes to meet the city's \$1.2 billion annual pension cost, which rises every year.

All the pension-reform proposals that are currently on the table contemplate reform becoming effective at the earliest in 20 years. But that will be too late. Immediate reform can be accomplished either by state constitutional amendment or by recourse to the new Chapter IX of the Federal Bankruptcy Act. No candidate for mayor can duck this issue.

What is lacking is the political will to face it because of the supposed political power of the pensioners. But a candidate who is prepared to make this an issue will find overwhelming voter support. If there are 300,000 beneficiaries of the pension system living and voting in the city, there are over two million other voters who are not, and who must pay the tab to permit city employees to retire at 125 percent of their salaries but can look forward to retirement at 20 percent to 50 percent of their salaries, at best.

New York City is also becoming an economic wasteland because it no longer has a large reservoir of capable manpower able to supply the needs

of prospective employees. A major reason for this is our educational system, a money-eating, bureaucratic monster. Not only do graduates lack the capacity to add, subtract, read and write, one need only listen to the voices of many of the people of our city to know that a frightening portion of them cannot even speak an understandable form of English.

A major reason for this failure is the Board of Education, which should be abolished. One need only look at the dispute on the West Side between the central board and a local board to know what is wrong. The central board negotiated a contract with the teachers' union that called for a reduction of the teaching week by 90 minutes in order to save money. The local board was able to achieve the required savings without reducing the week by 90 minutes. But the central board insisted that the citywide reduction in teaching hours must be adhered to. Plain crazy!

There are dozens of other examples of sacred cows that no longer can be regarded as sacred and must be questioned. Candidates for mayor should face up to and deal with a number of questions.

Do we need a bilingual education system that attempts to teach Spanish-speaking children to speak, read and write Spanish instead of English, in an economy in which there is no overwhelming demand for Spanish-speaking employees? Do we need a higher-education system that produces among other things Ph.D.'s when there is a Ph.D. glut on the market?

Do we need a city hospital system when Federal programs to finance medical care continue to expand? Do we need a city sanitation service that costs three times as much as comparable private service (and then refuses to pick up the garbage because it wants to help building service employees get pay increases)? Do we need a city street repair service that costs twice as much as private service? Do we need a bureau of school construction when we lack the money to build schools?

Finally, can this city afford to provide city services for 7.5 million people with our diminished economic base, or shall we follow the example of other world cities, such as London and Stockholm, purposely reducing our population by moving people out of the central city to the suburbs?

The 1977 mayoral election will be a meaningless charade if it is fought on the old ground, on the old issues, and on the old assumptions. The people of this city are aware of the real issues and ready to face them. It is time for our leaders to catch up with the people and to start the dialogue on the real issues.

Edward N. Costikyan, former Manhattan Democratic leader, is an attorney.

July 26, 1976



R. O. Blechman

'The American People Are Disgusted'

By William L. Roper

CHINO, Calif.—One thing that has emerged clearly so far in the 1976 voting pattern is that millions of Americans are anti-Washington. Jimmy Carter's triumph over a field of Washington-based luminaries, and the strong support given Ronald Reagan in his challenge to an incumbent President point to this trend.

It was dramatically demonstrated in California's recent Republican senatorial primary when Dr. S. I. Hayakawa, a semanticist and political novice, soundly defeated three leading Republicans, among them Robert H. Finch, former lieutenant governor who had served as Secretary of Health, Education and Welfare under President Nixon. Congressman Alphonzo Bell, an eight-term veteran, and John L. Harmer, an ex-lieutenant governor, also fell. Yet Mr. Hayakawa spent only \$166,000 to Mr. Bell's \$800,000 and Mr. Finch's \$500,000. He credited his victory in part to his having no Washington connections.

By voting in large numbers for critics of big, centralized government, the voters are expressing disgust with all that Washington symbolizes, and it is far more than a lingering disillu-

cern of many voters. The growth of "block-watch" teams and vigilante groups throughout the country testifies to this concern.

This reflects the growing mistrust of government's ability to protect the citizen and his family from crime. There is an abundance of evidence, besides the anti-establishment vote, that the American people are disgusted with crime, inflation, unemployment, delinquency and the sex activities of Congressmen at the taxpayers' expense. They are showing their displeasure at the ballot box. Some, indeed, are looking for a messiah who can wave a magic wand and make these problems disappear.

But in the end the solution will depend upon the people themselves. As Thomas Jefferson said: "I know no safe depository of the ultimate powers of society but in the people themselves." Or as Lincoln put it: "With public sentiment, nothing can fail; without it nothing can succeed."

The key to success in politics this year lies in being an outsider—not one of the inner circle.

William L. Roper, who wrote (with Treasa Drury) "Consumer Power," was a public-relations director for several prominent California and Texas politicians.

sionment associated with Water-gate.

They are fed up with stupid Federal bureaucracy, congressional and Presidential failures to respond to the people's will, and with judicial rule

Environment Report Finds Quality Of Air and Water Are Improving

By GLADWIN HILL

Special to The New York Times

WASHINGTON, Sept. 30—The nation's air and water quality are steadily improving, and most of the country can look forward to clean air by the early 1980's, the Council on Environmental Quality reported today.

But New York City and Los Angeles were cited as special problem areas in air pollution, with New York having "one of the worst carbon monoxide problems in the United States" and Los Angeles having a plethora of oxidants, calling for "unique control programs."

New York City, it was stated, has not only been exceeding the Federal health limit on monoxide almost every day, but has also been exceeding it in a more severe degree than other cities.

In its seventh annual assessment of the ecological state of the Union, the council, which advises the President and Congress on environmental policy, found both "significant accomplishments" and new problems.

Areas of Progress Noted

Prominent among the accomplishments that were noted were progress in implementing the Clean Air Act of 1970 and the Water Pollution Control Act of 1972; rapidly developing land use management programs among the states, and "increased environmental awareness throughout the world."

Among the problems cited were control of toxic chemicals; reduction of water pollution from such nonspecific sources as urban runoff and agriculture, and energy resource development that would minimize adverse environmental effects.

The council reported that the nation was spending \$34.8 billion for pollution controls this year—about \$90 million a day. Half of this outlay is attributable to Federal requirements, the rest to state and local regulations and voluntary activities.

Seventy-eight percent of the total is going for abatement of air and water pollution, 15 percent to deal with solid waste, and 7 percent for such activities as administration and research.

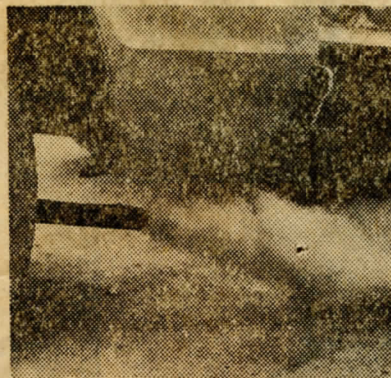
Expenditures by Industry

Nearly half the expenditures—47 percent—are by private industry, 34 percent by government, and 19 percent by consumers, chiefly for smog control devices on automobiles.

Countering the notion that these outlays are "nonproductive," the agency said the employment they generated could be calculated at anywhere from 400,000 jobs to two million jobs on the basis of the expenditures accounting for 2 percent of the gross national product, the country's annual output of goods and services.

The total of federally mandated pollution control expenditures for the decade from 1975 to 1984 was projected at \$258.8 billion. This compares with the council's 1975 projection of \$217.7 billion for the decade from 1974 to 1983. The two totals were described as "essentially the same" in that the higher figure resulted principally from adjustment for continuing inflation and movement of the time-span forward one year into a more costly period in the corrective program.

While many sections of the country have not yet met the Federal air quality standards that the 1970 law specified for mid-1975, the council said, the outlook was that most of the 247 Air Quality



The New York Times

The carbon monoxide problem is worse in New York than elsewhere.

Control Regions would be in conformance early in the next decade.

In analyses based on data from the Environmental Protection Agency and additional local records, the council depicted New York as having the worst carbon monoxide situation of eight selected big cities in terms of combined duration and intensity of public exposure.

This was attributed to the density of auto traffic in combination with the confining "canyon effect" of tall buildings and weather patterns.

For as many as 60 days in a 12-month period in 1974-75, the report said, eight-hour concentrations of carbon monoxide were approximately double the Federal statutory maximum of 10 milligrams per cubic meter. And for another 290 days the excesses ranged from somewhat less to much more, running as high as 30 milligrams.

No Specific Remedies Suggested

Carbon monoxide dulls the senses and slows down normal metabolism and in high concentrations is fatal.

No particular remedies were suggested. New York is one of a score of cities with aggravated air problems for which special transportation management plans have been prescribed by the Environmental Protection Agency.

The other cities in the carbon monoxide study were Chicago, Boston, Denver, Los Angeles, Minneapolis, Seattle and Pittsburgh.

Los Angeles's oxidant problem was attributed to the action of sunlight on hydrocarbons and nitric oxide emitted by cars and stationary sources, forming corrosive ozone. Los Angeles is also instituting various programs to try to hold down the total of car miles traveled.

Treatment and Observation

Progress in reducing water pollution, the council said, is reflected in the activation of billions of dollars worth of new treatment plants for municipal and industrial fluid waste, and in observations of some key waterways.

Of 12 major rivers examined over the last three to seven years, the agency said, five were showing improvement in the basic indicator of intestinal bacteria counts. They are the Willamette, the Colorado and the Red in the Far West and the Ohio and the Tennessee in mid-continent.

On the other rivers—the Rio Grande, the Mississippi, the Missouri, the Potomac, the Susquehanna, the Delaware and the Hudson—"trends are mixed or uncertain, although it is significant that none of these shows a definite worsening," the report said.

N.Y.T.

10/1

Graduate Enrollment at City University Off by 25%

Continued From Page A1

younger teachers who didn't have a master's degree."

He said that the university would soon undertake a major study of its graduate education program, which accounts for about three-fourths of the graduate enrollment. "We will give serious thought," he added, "to doing more specializing so that every campus does not offer programs in bilingual education, early childhood and so forth."

Other Reasons Offered

Additional factors in the enrollment decline cited by Dr. Brenner and other officials yesterday were the uncertainty that pervaded the university during the successive waves of budget cuts and faculty layoffs last year, and a "delayed" response to the decision in the summer of 1975 to increase the graduate tuition to \$75 a credit from \$45.

"It's not very easy to transfer graduate credits," said Mr. Knerr. "Students who were already enrolled last year are finishing up, and we're not getting as many new ones."

Other figures made available showed that undergraduate enrollment at the nine senior and nine community colleges dropped from 174,830 students last year to 145,019 this fall. This constitutes a decline of 29,830 students, or 17.1 percent.

The undergraduate enrollment decline, which breaks down as 21,831 in senior colleges and 7,999 in community colleges, is slightly more than the figure of 26,446 that had been projected. It was, however, in line with initial estimates published last month on the basis of preliminary registration figures.

Part-Time, Full-Time

Both the graduate and undergraduate figures are given in terms of "full-time equivalent students," which means the number of full-time programs of 15 credits a semester that students are pursuing. Under this method of accounting, used by most large academic institutions, three part-time students taking five hours apiece would be counted as one "full-time equivalent."

The actual number of full-time and part-time students at the City University is thus about 225,000.

One possibly significant trend in the figures released yesterday is that the number of full-time equivalents is not declining quite as fast as the number of students in general. This suggests that the students who remain are taking heavier loads or even shifting from part-time to full-time status.

Lester Brookner, vice president for planning and administration at Brooklyn College, said that this was true at his institution and made sense because "there is more financial aid available for full-time students."

Mr. Knerr emphasized that the figures released yesterday were based on figures collected at the end of formal registration and would change somewhat—presuma-

bly on the upward side—as more students complete late registration and those already registered added courses to their schedule.

Several factors are involved in the 17 percent enrollment decline among undergraduates: The factors include a new admissions policy designed to limit enrollment at senior colleges and shift some new students from senior to community colleges.

The effects of planned retrenchment, have been augmented by a decline in the number of students applying to the university. No more than 30,000 people applied for this year's freshman class, in contrast with 40,368 last year and 41,970 in 1974.

As for the effects of the charging of tuition fees for undergraduates, "it certainly doesn't look as if it made a major difference to us," said Jacqueline G. Wex-

ler, president of Hunter College. "The general perception," she said, seems to be that "tuition is something that can be coped with."

Robert F. Carroll Jr., a vice president of City College, said that enrollment projections there were "right on target" and that, in addition to graduate programs, the principal losses had been in the SEEK program, which subsidizes disadvantaged students.

On a related issue, Alan Mishne, director of financial aid for the City University, said that 114,304 City U. students had been declared eligible for a total of \$59.5 million in state tuition assistance.

He said that the \$40 million budgeted by the Legislature for City University students would probably be adequate because some of these students would not actually enroll and because others might subsequently be declared ineligible.

Graduate Students At City University Decrease by 25%

By EDWARD B. FISKE

The number of graduate students at the City University of New York has dropped by 25 percent this year—a figure more than nine times as much as officials had projected as part of the university's planned retrenchment.

Figures released yesterday by Anthony D. Knerr, vice chancellor for budget and planning, showed that graduate enrollment fell from 12,736 last fall to 9,519 this semester. Previous expectations were that the number of students would fall by less than 3 percent, to about 12,390.

Egon Brenner, acting vice chancellor for academic affairs, said a major factor in the sharp falloff was the decreasing demand for graduate education courses by New York City teachers. "The large number of layoffs in the city school system," he said, "has driven out those

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10/26/76

New York Times

Concept of a 'General Education' Is Revived on College Campuses

By EDWARD B. FISKE

The concept of "general education," which holds that a student should be exposed to courses in each of the major branches of knowledge is making a comeback on American college campuses.

Faculties that abandoned generalization requirements in the 1960's and early 1970's under pressure to give students greater freedom are returning to more structured curriculums. Others that relaxed, but did not eliminate, such requirements are tightening them.

At Middlebury College in Vermont, for example, students used to be required to take at least two terms each in the humanities, a social science and a natural science. This requirement was eliminated in 1970, but the principle has now been re-established by instituting required "foundations" courses in the same three areas. Similar steps are being taken at other institutions, ranging from Bowdoin College to New York University.

The trend reflects the new academic seriousness that has characterized students in the last few years. It also reflects dissatisfaction with the "narrowness" resulting from eased requirements and a renewed willingness of faculty

members to assert academic authority.

The return of general education requirements is the latest in a series of academic movements on American campuses to return to the practices followed before the 1960's. Others include increased attention to grades, growing enrollment in fields such as engineering that are seen as directly related to the job market and a loss of student interest in participating in the making of college policy.

In moving toward more structured curriculums, officials of leading liberal arts colleges argue that they are not simply rolling back the clock to earlier practices.

"We respect the need for freedom of choice on the part of students," said Olin Robison, the president of Middlebury College, which restored distribution requirements this fall after an absence of six years. "On the other hand, we are also saying that the institution possesses a degree of knowledge and expertise about the educational process that an 18-year-old should not be expected to have intuitively."

The concept of general education devel-

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Concept of 'General Education' Being Revived on College Campuses

Continued From Page 1

oped in the 1940's under the leadership of such figures as Robert Maynard Hutchins of the University of Chicago. It maintained that there was a certain "core" of knowledge that a student should master to become an educated person.

In the 1950's, largely in response to the growing complexity of knowledge, colleges amended this to say that an educated person should be exposed to a variety of academic disciplines, and required courses gave way to "distribution requirements." These typically provided that students, in addition to choosing a major, must also take a certain number of courses in the humanities, the social sciences and the natural sciences to graduate.

With the advent of the student revolution of the 1960's, however, many colleges found these requirements untenable. Students bridled at most expressions of authority, academic or otherwise, and, in the absence of any consensus at the time on the nature of a liberal arts education, distribution requirements seemed arbitrary.

Faculty members, many of whom were more interested in their own specialties anyway, lost the taste to stand up to students on such an issue.

Trend Has Been Reversed

The result was that many colleges abandoned generalization requirements entirely, while others softened their impact either by reducing the number of requirements or making them much easier to fulfill.

Now, however, the trend has clearly been reversed, especially at the prestigious liberal arts colleges that tend to be the pace-setters in establishing academic styles.

The faculty of Middlebury, which eliminated all distribution requirements in the spring of 1970, voted last May to return to the concept of general education. The new plan, which is being phased in this year and next, requires students by their sophomore year to take three one-term "foundation courses" designed to "offer introductions to major historical tradi-

tions, great ideas and great works, providing foundations for further learning."

Moreover, the coeducational institution in Vermont will require students to assemble, in addition to their major program, a "concentration" of four courses unified by some general principle such as "Asian studies" or "philosophy of science."

Dr. Robison said that the new requirements were not simply a case of "changing labels and going back to the old system." Rather, he said, they are the product of continued evolution.

"Abolishing the requirements six years ago was an act of honesty, because they no longer made sense," he said. "They were no longer based on a consensus about what comprised a liberal education. Having cleared the decks, we are now trying to go on and to rebuild something that will allow maximum freedom of choice for the student while at the same time preserve the intellectual integrity of the institution."

Other Colleges Follow Suit

Other colleges are moving in the same direction. The University of Pennsylvania, which never completely abandoned distribution requirements, moved last fall to tighten them through "cluster" requirements. Thomas Wood, chairman of the faculty committee that drafted the change, said that it had been made because "students were not using the courses in any systematic way to build up knowledge in any area."

In a convocation address this fall, Roger Howell Jr., the president of Bowdoin, which has had no generalization requirements since the 1960's, announced his intention to seek their reinstitution by February.

The faculty of Ohio University in Athens, Ohio, voted last spring to restore university-wide degree requirements, and the issue is now pending.

Boston University's College of Liberal Arts has been gradually tightening its distribution requirements for the last three years, and this fall it gave freshmen the option of a highly structured alternative program. More than half of the class chose it, and officials hope that this approach will become normal and

possibly spread to other faculties.

Still other institutions are actively considering the restoration of more stringent generalization requirements. John S. Morris, dean of the faculty and provost at Colgate University, has asked for a reassessment of the current curriculum because "the student has no notion of what he's doing."

New York University is now in the

midst of a major review of its approach to general education. Jay Oliva, vice president for academic planning and services, said that the re-examination could lead to a restoration of distribution requirements, which were abandoned in the 1960's, but might also result in a different approach to counseling.

"The main thing is to get our philosophic house in order," he said.

To Fight Inflation

By Laurence S. Seidman

PHILADELPHIA—It is time to consider a new instrument against inflation: tax incentives. After years of frustration with traditional policies, a growing number of economists are turning their attention to this new approach. Governments may not be far behind.

Many economists have long held that price stability and full employment can only be achieved simultaneously if proper monetary and fiscal policies are complemented by direct restraint of wages and salaries. There is substantial evidence that if the average growth rate of wages and salaries is kept close to the average growth rate of productivity in the economy—3 percent—(instead of greatly exceeding it, as it has in the past decade), then unit costs and prices will on average be reasonably stable.

Until recently, however, only two methods of achieving such restraint were seriously considered, or actually tried. The first is voluntary persuasion (the Kennedy Administration "guideposts"). The second is controls (the Nixon Administration "phases"). Even advocates usually concede that each has shortcomings as a permanent policy.

It has now begun to be recognized that there is a third way to seek wage and salary restraint. Although long overlooked, this new approach relies on the same force that drives business and labor to productive efficiency throughout our economy. The new method is simply to give each employer, and each group of employees, a financial incentive to restrain average wage and salary including executive compensation and all fringe benefits. increases. These incentives will help, not hurt, labor and business by making possible reasonable price stability and full employment from which both benefit.

The following two tax incentives, recently proposed by several distinguished economists, constitute a promising policy package:

1. A tax incentive for employers to resist excessive wage advances

A surcharge would be levied on the corporate income tax of each corporation in proportion to the excess of the average wage advance in that firm above a national guidepost—say, 3 percent. To prevent the average corporation from being penalized, the base corporate tax rate (now 48 percent) should be reduced across the board.

For example, suppose that if the surcharge were set at four times the wage excess, the average firm would reduce its wage increase from 8 percent to 5 percent. If the base corporate tax rate were lowered to 40 percent, then the average firm would retain a tax rate of 48 percent (base, 40 percent; surcharge, 8 percent), since its surcharge is four times the 2 percent (5 percent minus 3 percent) excess.

First, no new bureaucracy is required. Second, there would be no direct interference in wage or price setting. Third, there would be automatic flexibility. The firm with a labor shortage would still grant a larger wage increase in order to attract workers than the firm with a labor surplus. Market forces would continue to influence wages and prices, thereby guiding resources efficiently.

In contrast to voluntary persuasion, these tax incentives do not depend on the sacrifice of self-interest. Instead, they rely on economic self-interest to induce the desired social result.

Together with proper monetary and fiscal policy, these new tax incentives may at last be able to achieve both reasonable price stability and full employment—a result that will help labor, business and all who are hurt by inflation or unemployment.

Laurence S. Seidman is assistant professor of economics at the Wharton School of Finance at the University of Pennsylvania.

The firm that continued to grant 8 percent, however, would suffer a rise in its tax rate to 60 percent (base, 40 percent; surcharge, 20 percent). Small corporations, and the wage increase of very low-paid workers, should be exempt.

2. A tax incentive for employees to restrain wage demands

The employee payroll tax would be cut in each firm in proportion to the degree of wage restraint in that firm. Any firm with a wage increase less than the national threshold would enjoy a payroll tax cut for that year.

For example, if the national threshold were 8 percent, then employees in a firm with a 4 percent increase would enjoy a payroll tax cut twice as great as employees in a firm with a 6 percent increase.

In contrast to controls, these two tax incentives have several advantages.

The Visible Hand

By Anthony Lewis

CAMBRIDGE, Mass., Dec. 1—The Government does too much, and it does too little. It is loath to harm particular interests, and it ends up harming all. Its processes are hemmed in by rules to prevent abuse of power, and the result is to increase centralized decision-making.

Those paradoxes of American government are being explored in a remarkable series of lectures at Harvard this week and next. The lecturer is Charles L. Schultze, director of the Bureau of the Budget in the Johnson Administration, since then a cheerful analyst of social and political mysteries at the Brookings Institution.

Mr. Schultze grapples with what could be called the contemporary liberal dilemma: an awareness of acute social needs but a discouragement about government's ability to meet them. He suggests a new approach—new and old, really; liberal and conservative. Along the way he offers brilliant insights into some fundamental problems of advanced democratic societies.

Americans have lost faith in government: That is a truism certified in the rhetoric of the recent campaign. But polls show that the public still wants the Federal Government to act on health care, pollution and so on. Those are problems that grow with affluence and that require collective action. No individual can buy clean air.

A telling pollution example is given by Mr. Schultze. If American living standards improve from now on at only half the rate of the last century, then the gross national product will triple in less than 100 years. Even to maintain current environmental standards, it will be necessary to reduce the amount of pollution per unit of output by two-thirds.

"As you look down the road of growth and affluence," Mr. Schultze remarked in a conversation, "you just know you will have to have more social influence on choices."

The dilemma is that the way government usually attempts to influence society is so often ineffectual. That way is regulation: making rules and telling a sector of the economy to obey them. In the last 20 years the rules have multiplied. There are 77 regulatory bodies now, Mr. Schultze estimates, 50 of them created since 1960. And they deal with much more complicated problems.

The rules can be absurdly rigid and trivial. The Occupational Safety and Health Administration, cited by Mr. Schultze, has 21 pages of rules on ladders—including, "When ascending

or descending, the user should face the ladder."

The regulatory method may pose impossible burdens. The Environmental Protection Agency has issued 45,000 separate plant permits. It is forced, Mr. Schultze says, "to make thousands of decisions based on detailed considerations it cannot possibly know and, even less, keep up with overtime." And the decisions are subject to multiple legal challenges.

"As a society," Mr. Schultze concludes, "we are going about the job of intervention in a systematically bad way that will not be mended simply by electing and appointing more competent public officials. . . . Instead of restructuring incentives, so that public goals become private interests, we leave the private interests unchanged and command obedience to the public goals."

His answer is to rely more on giving the private sector incentives to act for social ends, and less on what he calls "the command-and-control tech-

ABROAD AT HOME

niques of government bureaucracy." He would apply to public matters what we seldom do now—the stated American belief in Adam Smith's invisible hand, the market.

We have resisted the market approach in government, Mr. Schultze suggests, because it seems so uncertain. We prefer "the spurious satisfaction of a nice secure-looking regulation. We discovered pollution, and it is understandable that we want to end it in five years. But that's rigid—it locks us into present technology. We need patience."

One market device proposed by Mr. Schultze is a stiff tax on each pound of polluting sulfur oxides put into the air. Instead of an endlessly-argued rule limiting emissions to an arbitrary figure, industries would have an incentive to cut pollution. Most important, he says, they would have an incentive to develop new antipollution technology.

He would use the market mechanism even in such areas as health and manpower-training. Rather than subsidize health centers, he says, government should give poor families a way to pay for medical care—and then let them choose.

A newspaper column can suggest in only a fragmentary way the rich themes of Mr. Schultze's lectures. His emphasis on the market and private choice sounds like conservatism—and is. But that great liberal thinker, Mr. Justice Brandeis, foresaw fifty years ago the danger of moving more and more decisions to Washington. Mr. Schultze speaks in the spirit of Brandeis.

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12/21/76

Wherein a Tax Cut Is Termed 'Obscene'

John Kenneth Galbraith

AMBRIDGE, Mass.—In the weeks following the election, quite a number of my economist friends of distinguished reputation expressed themselves promptly and decisively on behalf of a tax reduction to stimulate the economy. No partisanship was involved; the same action was also proposed and taken early in the Ford administration.

Jimmy Carter has now indicated reservations over this decision to which he seems unilaterally to have committed. The two key House committee chairmen, Representatives Henry S. Reuss of Banking and Currency and Al Ullman of Ways and Means, have also made clear their opposition. All who see even slightly below the surface of things will rejoice. Those who advocate a tax cut do so with a deeply conditioned disregard of its economic ineffectiveness, its demonstrated political disutility and its presently reactionary social effects. These are firm words. I do not hesitate to specify.

A cut in the Federal income tax is proposed as a quick way of stimulating the economy. The impression of sickness depends partly on vacuous economic jargon endlessly repeated, refreshed by thought, about the need to give the economy "a quick upward kick." And it depends even more on an unforgivable confusion between the time required to get Congressional action and the time required for the action to have effect.

The first can be fast; the second is monstrously very slow. That is because people become aware of their savings only gradually, and especially so in the better income brackets. Consequently, tax savings are spent slowly, and in the higher brackets they are not likely to be spent at all. The evidence on the point is overwhelming.

In 1975, following the tax cut and associated rebates earlier in the year, personal savings averaged 8¼ percent of disposable income [compared with 7 percent average from 1960 to 1969]. The savings rate rose sharply to 9.9 percent in the second quarter largely because of the tax rebates [and associated payments]. Many consumers apparently made their spending decisions on the basis of longer-run expected income . . . roughly 80 percent of the tax savings and rebates was expended during the quarter."

Had savings not increased during the year, consumer expenditure would have been higher by about \$32 billion. Most of this is from the last 1976 of the President's Council of Economic Advisers. And I need hardly say so squirreled away having no effect on the economy. The same policy in face of the past effect does nothing.

In 1975, there was

also talk of a "quick upward kick"—the clichés of economics are the great constants of our oral literature. The improvement in output and employment was both gradual and temporary and combined, of course, with continuing inflation. To all this Gerald Ford is the best possible witness, for had the effect of the last tax cut been at all as promised, he would have won the election. Had he forgone the tax cut and come instead to the aid of

industrial production; the public expenditures, such as those occasioned by the automobile, which result from increasing private consumption; and the demand for public services that goes step by step with higher private consumption all impose ever greater costs on the large cities. The revenue goes one place, the major costs another. In consequence, Federal tax cuts are urged while the cities are laying off desperately needed teachers, police-

full economic effect than remitting taxes. And, as we've seen, it is not inherently less prompt in effect. As once taxes are reduced, as all should now know, it will be flatly impossible to get them back up again. The last tax cut was billed fulsomely, even extravagantly, by its proponents—the same proponents as now—as temporary. Not one of these advocates would now come forward and say that should Mr. Carter's social program the control of inflation require it, could be rescinded. This one too, enacted, will quickly be engraved in stone.

It is also incredible that we should be cutting taxes and enlarging the deficit when other means for stimulating the economy are not being fully used. Interest rates by all past standards are still high; those industries most notably housing, that depend on borrowed funds are still on a fairly tight rein. To cut taxes and keep money tight makes no sense whatever.

Alfred Marshall, the great economist of the last generation, laid it down as a rule that economists should avoid all things fear applause. It is normal proof of error. The economists who urge tax reduction do win such applause. They are admirable exponents of Marshall's law.

John Kenneth Galbraith, a recognized president of the American Economic Association, is the author of

'Economic ineffectiveness . . . political disutility . . . reactionary social effects'

distressed people and cities, he would also have won. (A tax increase, which I urged as the inflation was passing its peak, would, in retrospect, have been a bit much.)

The last tax cut having failed to dismally of its purposes, one supposes that my economic colleagues yearn now for a second chance to prove their wisdom. This is asking a great deal. Mr. Ford, an exceptionally generous man, was willing to perish for established economic belief. One wonders if Mr. Carter will be so nice.

The socially reactionary character of a tax cut stems from the same sources as its ineffectiveness. It derives also from an appalling tendency to look at the fiscal system of the Federal Government in isolation from that of the cities and states. And this tendency is not in the slightest measure ameliorated by its being advanced by men who, once liberal, have, like so many before them, been made conservatives by retaining a fixed position in face of the ineluctable march of evidence and events.

Thus the tax cut, in the form now commonly proposed, neatly and thoughtfully removes from all benefits the 25 percent—35 million no less—of adult citizens who have the least income, the greatest need for help and who are the most likely of all to spend what they get. They are excluded, of course, because having no tax liability, they have no tax to be reduced. A policy that systematically selects the most needful for the least help—in fact nothing—is utterly callous if not mildly obscene.

Meanwhile to look at the Federal fiscal system in isolation is to ignore what Prof. Walter Heller (when not advocating tax reduction) has rightly cited as a major flaw in our fiscal system. That is the tendency, with increasing population, production and income, for the relatively expansive personal and corporate income taxes to bring a more than proportional increase in revenues to the Federal Government.

At the same time, the same increasing population; the increasing urbanization that goes with increasing

men and sanitation workers, and parks are being returned to jungle. And these cuts in local spending and the fear of more act also to offset and negate the stimulative effects of a Federal tax cut.

There is a yet more damaging effect from viewing the Federal system in isolation. Many state and local services simply cannot be cut, so sales and property taxes must be raised. The generally progressive Federal taxes go down, the sharply regressive property and sales taxes go up. Again this is not only cruel and reactionary but also a highly effective way of offsetting the stimulation from the Federal tax reduction.

A year ago, in the very same days that the Federal Government was extending the last tax decrease to expand the economy, the Commonwealth of Massachusetts was voting \$364 million in new sales, food and other regressive taxes to balance its budget. The Boston Globe rightly said that this combination of events made no sense. It was wiser in this regard than The New York Times, which despite the desperate financial needs of New York City and state, recently gave its support to a Federal tax cut.

Effective action to expand the economy, and simple decency thus unite in calling for support to the cities, maintenance and improvement of their services and avoidance of further regressive increases in sales and property taxes, and not further reduction in the Federal income tax. I do not believe that the economics professors who argue for a tax reduction are motivated by pecuniary self-interest. They are principled men and also good and kindly parents. But there is not the slightest doubt that if they were on furlough, or threatened with it as are many other excellent and needed teachers, they would take a more penetrating view of tax reduction.

Making or keeping the cities livable is only the clearest alternative to tax reduction. President-elect Carter and his party have also promised improved health care, steps toward federalization of welfare and greater attention to other humane needs. Spending for these will also be more efficient in its

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Califano Says Quotas Are Necessary To Reduce Bias in Jobs and Schools

By NANCY HICKS

Special to The New York Times

WASHINGTON, March 17—Employment quotas can and do work in reversing patterns of job discrimination, Joseph A. Califano Jr., Secretary of Health, Education and Welfare, said today.

In an interview with The New York Times, Mr. Califano said that, based on his experience in the practice of law and in recruiting policy makers for the department, it was possible and necessary to endorse preferential hiring for jobs and admissions policies in higher education.

"How am I, as Secretary of H.E.W., ever going to find first-class black doctors, first-class black lawyers, first-class black scientists, first-class women scientists, if these people don't have the chance to get into the best places [schools] in the country?" he asked.

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Mr. Califano's statement comes in the middle of a national debate that has placed minorities and women, seeking redress from past practices of bias, in direct confrontation with white males who believe that as a result they are the victims of reverse discrimination.

The Supreme Court has agreed to hear the case of an applicant to the medical school at the University of California at Davis who has charged that he was denied admission because of a special program to admit minority students who, he argues, were less qualified than he. The California Supreme Court has upheld his suit.

"I am not sure what the ultimate technical, legal resolution of the case will be," Mr. Califano said. "But it is important

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Califano Says Quotas Are Necessary To Reduce Bias in Jobs and Schools

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that we not lose the ability to have affirmative action programs which would give minorities and women the opportunity to get into the major graduate schools and universities in the country."

Asked if the department would enter the case on the side of the university, he said that he had not considered it before, but that he would consult Attorney General, Griffin B. Bell about it.

"For a long time, I didn't think quotas would work," Mr. Califano said, but his work with women at Newsweek Magazine and with employees of the El Paso Natural Gas Company, which he represented in private practice, changed his mind, he said, and the change was affirmed in his appointments at H.E.W.

"I noticed in recruiting that if you press people hard enough to cast the net wide enough for you find [(minority and female) people," he added. He has appointed three women, one black and one hispanic, as Assistant Secretaries in the department.

Ex-City Official May Get Job

Among the other points he made in the interview were the following:

¶Although he refused to confirm or deny it, he is known to be seriously considering appointing Robert A. Derzon, former Deputy Commissioner of Hospitals for New York City, to head the newly created Health Care Financing Administration, which will regulate health costs. Mr. Derzon is now administrator of the University of California's San Francisco medical school hospital.

¶He all but confirmed the appointment of Dr. Christopher C. Fordham 3d, dean of the University of North Carolina Medical School, to be the next Assistant Secretary for Health.

¶He has taken himself out of any discussion of the pending ban on saccharin because of possible conflict of interest. As a lawyer, he represented the Coca-

Cola Company, which produces diet soft drinks using large quantities of the artificial sweetener.

¶Although he does not believe it is possible to do, he would like to see a lifting of the Congressional ban on using Federal money for busing.

The appointment of Dr. Fordham would end a search that has included about 10 candidates for a job that once was prestigious yet controversial in the department.

But with the departmental reorganization, the creating of the health financing unit, which Mr. Derzon would head, and the responsibility for national health insurance planning going to another Assistant Secretary in the department, the power of the job has been greatly reduced.

Busing Across City Lines Backed

On the ending of school discrimination, which he has actively endorsed, Mr. Califano said that "busing is one of the tools that can and should be used in certain circumstances," but that appropriations riders by Congress limited its use by the department.

He said that he favored, and was privately encouraged by big city school superintendents in this, cross-jurisdictional busing to "crack the white noose around inner cities."

On the whole, however, Mr. Califano said he believed that "society places too much of the desegregation burden on local educational systems," and that he would like to see more emphasis put on fair housing and job training programs.

The Food and Drug Administration will be revised under its new director, Dr. Donald Kennedy, and Mr. Califano said that Dr. Kennedy would make most of the decisions on drug safety use. Dr. Kennedy will attract the new talent the agency needs, the Secretary said.

The lack of good staff has caused the F.D.A. to abdicate some of its regulatory responsibilities with "medical devices being the most glaring example," Mr. Califano said.

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