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A SOAK-THE-SICK SCHEME

ONE OF THE major health problems for which the nation has yet found no answer is the cost of catastrophic illness—the kind that can wipe out a man's savings and force him to mortgage his future as well.

The problem posed by catastrophic illness is simply the problem of paying for it, of meeting the mountainous bills for expensive medical services and facilities. The usual hospital insurance policy provides little more than a token contribution toward such bills, and new types of policies to cover catastrophic illness are still in the testing stage.

Even so, there is a way to reduce the cost of catastrophic illness and thus minimize the problem. Dr. O. Norris Smith of Greensboro, chairman of the insurance committee of the N. C. Medical Society, pointed it out in blunt language at the recent regional health conference in Raleigh.

Hospitals in North Carolina and elsewhere, said Dr. Smith, generally set per diem bed rates on the same basis as hotel room rates, i. e., at an amount insufficient to cover meals, room service, ordinary nursing care, linen and other simple necessities.

"In our state," he continued, "the average ward bed is priced at about $6.50, while it costs the hospital $9.70 per day to furnish those necessary and routine services. In order to make up this deficit of more than $3 per day, the hospital must make a profit on extra services, especially drugs, laboratory and X-ray charges, which cost the hospital $2.80 per bed per day, and for which the patient is charged $6.20.

"The majority of patients, whose lesser illnesses require few such extras, thus fail to pay their share of hospital overhead, while the seriously ill patient, already burdened with numerous X-ray and laboratory examinations and perhaps with the cost of special nursing care, is also charged 10 cents for an aspirin tablet, and $5 for a quarter's worth of penicillin."

Dr. Smith said hospital administrators generally favor this system because most of the patients prefer it, and added: "This principle of favoring the majority at the expense of the unfortunate few is precisely the opposite to the insurance principle, whereby the majority chip in to help the few suffering greater loss."

Undoubtedly there is room for some reduction of the high charges for extra services, to be compensated for by an increase in room rents. But we doubt that even Dr. Smith would follow his proposition to its logical conclusion. For example, what would the uptown radiologists of the medical profession say if hospitals were to cut their charges for X-rays from $10 to $2.50? We suspect there'd be quite a squawk, especially since many members of the profession, including Dr. Smith, would like to see the hospitals completely out of the business of practicing medicine.

In the final analysis, the ill person has more than his share of expenses anyway without having to pay part of the room rent of the patient who is not seriously ill. Hospital charges ought to be based, insofar as possible, on the cost of each service or facility used. And we believe that higher room rates would be accepted by the public if charges for extras were brought down accordingly.

CHANGE OF MIND

WE ARE HAPPY to see that Governor Scott has changed his mind, and withdrawn his allocation of $750,000 in highway funds to his home county of Alamance.

The Governor's statement accompanying the withdrawal does not reveal any realization on his part of the impropriety of the attempted grab of a huge hunk of road-building cash for his neighbors, without sanction of the Highway Commission or advice from its engineers.

Rather, he concludes that such an allocation "would create other inequities and therefore not be in the public interest." A more compelling reason for his change of mind was probably the widespread indignation of North Carolinians, and the injunction against the allocation which was to have been served tomorrow.

The Governor grossly violated the ethical standards of his office, if not the law too, when he originally made the allocation. He has retrieved some of his stature by changing his mind, and can go back to Haw River with a better conscience, if not on yet another brand new road.

PUTTING PRINCIPLE ABOVE PARTY

WITHIN the past few days, both Presidential candidates have shown a refreshing brand of independence by taking stands on controversial issues that may alienate large blocs of their respective party members.

Gov. Adlai Stevenson confronted with the necessity of sticking out his position on the tidelands oil dispute, stood firm on principle. He said he believed that the Federal Government should maintain title to the offshore oil reserves, that an equitable arrangement to divide the royalties with the states should be worked out, and that legislative action to accomplish both purposes should be undertaken by the next Congress.

Stevenson's position was a slap in the face to professional politicians of California, Texas, and Louisiana who have demanded that Congress restore the offshore preserves to the states. Whether the plain voters of those states, not all of whom are oil barons, will react unfavorably to Stevenson's statement remains to be seen.

General Eisenhower risked the loss of much Republican Party favor when, with characteristic firmness and integrity, he defended the decision to intervene in Korea. Eisenhower said there were bad U. S. blunders prior to June, 1950, blunders that encouraged Red aggression in Korea, but he backed up President Truman's decision to resist the aggression once it occurred.

Eisenhower's statement on Korea was a direct affront to many Republican politicians who have echoed Senator Robert Taft's cries that the Korean War is "Truman's war" and a "useless war". And by removing the Korean War from the area of irresponsible criticism and controversy, he has served this nation's fighting men well.

As the campaign warms up next week, both candidates may be tempted to yield here and there in order to satisfy clamorous minority sections of their parties. Let us hope that they display the same will power they have shown so far. If they do, the phony issues will be eliminated and the campaign will be fought over the real issues, of which there are more than enough.

DOUBLE BURIAL

LET'S TRY once more to get this Korean "police action" cleared up.

Legion Commander Donald R. Wilson, after reading the President's message to the Legion convention attacked Truman's labeling of the Korean War as a "police action" as "an un-American approach to the facts."

Here's how that term originated:

In June, 1950, on the Thursday following the weekend attack by the North Koreans, when neither General MacArthur's staff or the Pentagon believed a strong invading army was at hand, a reporter asked the President if it would be correct to call the goings-on in Korea a police action. Mr. Truman replied "Yes."

On that Thursday the term seemed appropriate. Since then it has been picked up and shouted from the housetops by Republican politicians.

It deserves to be buried, once and for all, alongside the phrase "Truman's War".

THE FTC REPORT ON OIL

THE long-secret Federal Trade Commission report on alleged oil cartels, finally released this week, contains no startling revelations. It is mainly a history, much of it told before, of the operations and co-operation of major international oil companies. Mention of Iran is conspicuous by its absence, perhaps for security reasons, or perhaps because of a desire to soft-pedal that extremely touchy situation.

The report makes serious charges against seven companies—Standard of New Jersey, Standard of California, Socony-Vacuum, Texas, Gulf, Anglo-Iranian and Royal Dutch Shell. They are charged with having conspired to fix prices, restrict competition, and control production. A grand jury will convene Sept. 23 to determine whether the companies have violated anti-trust laws. Meanwhile, four of them, with six of their subsidiaries, have been sued for the recovery of $67 million, which allegedly represents overcharges on oil bought for Marshall Plan countries.

It should be noted on behalf of the oil companies, that for years the State and Justice Departments have known much of their dealings, and that the State Department has encouraged them to work out arrangements which would insure a goodly supply of oil for this country. Many of the agreements which the report criticizes were made 10 or 20 years ago, and it is passing strange that they are just now being brought to the attention of the public.

But grave accusations have been made. There is, just for example, the charge of "phantom freight" rates, continuation of charges based on tanker haulage even after completion of pipelines which cut costs radically. And of particular interest to U. S. taxpayers, Marshall Plan oil shipped to Europe from the Middle East costs as much as oil shipped much farther distances because of the oil companies' basing point system, under which the cost of production at U. S. Gulf ports, plus certain freight and handling charges, became the delivered price to consumers anywhere.

The responsibility of the accusers (and they are bipartisan too) and the seriousness of the charges demands that the whole business be thoroughly aired.

French politics may puzzle and exasperate us, but a dispatch from Paris proves that in other ways the French are still the most logical people in the world. This month when hordes of foreign tourists descended upon their city, 1,537,000 Parisians simply left town for vacations of their own—in the country.—*Memphis Press-Scimitar.*

A wife is a woman who often sends her husband to an early grave with a series of little digs.—*Carlsbad (N. M.) Current-Argus.*

'Last One In Is A Fraidy Cat'

Can We Regain Control Of The Federal Budget?

By DR. EDWIN G. NOURSE
In Tax Review

IT is a truism today that the federal budget is today so vast and the issues involved in its multifarious items are so technical, that it is almost impossible for the most conscientious Congressman to feel that he has a soundly-based judgment when he casts his vote. This gives a wonderful opportunity for either the administrative agency or the pressure group to paralyze the hand of any Congressman or committee that tries to prune their appropriations.

This concept of the budget review function of Congress has resulted in coining the phrase "meat axe" approach to Congressional action when either house or their respective committees undertake to establish broad general ceilings or category limits on expenditures. In so doing, they leave it to the administrative officers to pass upon comparative claims and break down the total into its most necessary and effective utilization. This reference should not be so much disparaged by those who have claimed all along that they are the only experts qualified.

SPENDING CEILING NEEDED

To be sure, there are experts in the Senate or House who devote a great deal of attention to this branch of legislation and who can qualify themselves to wield "a scalpel," as Sen. Paul Douglas (D-Ill.) has described the item-by-item approach, instead of a "meat axe." All the enlightenment that such Congressmen can give their brethren as to rival needs and claims should be welcomed — but personally I believe that Congress must not shirk its responsibilities for setting aside absolute ceilings on the total size of the budget—and putting categorical limits on particular divisions of the budget, such as welfare programs, resource development, or military expenditure.

Nor do I think that it is beyond the range of Congressional competence, jointly with public opinion of the various members' constituencies, to arrive at sound judgment on these matters. In particular, I think it is possible by this means to ascertain what is the safe or endurable upper limit of taxation and to insist that expenditures be kept within this limit in years of high business activity, and with only that degree of military strain which it is now pretty clear we shall have to bear for the foreseeable future.

The recent economy move in Congress has been stigmatized as "election-inspired." I think this description is right. But I do not regard it as either unworthy or dangerous that politicians are at last finding economy in government a good campaign issue.

It is a matter of common knowledge that the Bureau of the Budget, with its more than 500 employees, has not reached either the quantity or quality of review which would produce technically competent appraisals of the almost innumerable items that go to make up a budget of $85 or even of $55 billion. If Congress set up a staff, even of equal size, to make an independent analysis, there is no reason to suppose that the judgments would be more competent, whereas the expense would be doubled.

Possibly a practicable solution will be found through a small body of the two houses which will keep as close touch with the process by which the budget estimates are "firmed up," as does the Executive Office of the President. This would be a time-consuming job for those Senators and Representatives who serve on the committee, but it is a function which cannot be delegated to a staff.

But as to the question "Can We Regain Control of the Budget?" —on this point I think the evidence is fairly clear that circumstances are developing in such a way that we can get a substantially better hold on the Federal budget — and more effective control in the next Congress.

The President's Economic Report in January expressed concern over a still-existing inflationary danger. It professed to have held military expenditures to the lowest limit of reasonable safety and to have deferred all postponable civilian projects.

The trend of public policy on "the Hill" did not follow this lead. The idea of a $4 billion tax increase from present high levels in the face of "tired-tax payer" protests — and in a campaign year — was summarily dismissed. On the other hand, the Joint Committee on the Economic Report of the President and other voices were raised in support of a return to pay-as-you-go policy. This was to be effected in part by a "stretch-out" of the military build-up, or postponement of its peak by a year or two.

One paragraph of the Joint Committee report is worth quoting:

"The preparedness program, though far short of what the Armed Forces desire, is, nevertheless, so expensive that it cannot be financed within the limits of the revenues estimated to be derived from present tax laws. Assuming these expenditures to be necessary a pay-as-you-go program would require an increase in taxes greater than that recommended by the President. There being no possibility that this Congress will increase taxes as requested, the pay-as-you-go, anti - inflationary program can be preserved only by a sufficient reduction of expenditures to eliminate the cash deficit. A reduction of approximately $10 billion would be necessary to accomplish this purpose."

'53 SPENDING REDUCED

Congress has been made aware of a widespread demand on the part of the people for budget reduction and no tax increases. As a result, at the end of the recent session, preliminary estimates show that spending authorizations for fiscal '53 were reduced from budget estimates by about $11 billion, of which $8.5 billion was in appropriations. This means, in terms of expenditures during this fiscal year, an unofficial estimate of possible savings of a little more than half of the $11 billion.

Congress appropriated $72.9 billion for fiscal 1953. Budget requests aggregated $81.4 billion. The reduction from estimates, $8.5 billion, would have been greater by almost $1.5 billion except for a sum put in for atomic energy funds on the final day of the session. The total of annual and permanent loan and contract authorizations for fiscal 1953 is about $2.2 billion, which, when added to $78.1 billion of annual and permanent appropriations within the budget, brings the grand total of spending authorizations to $80.3 billion or $11 billion less than the $91.3 billion of proposed authorizations in the January budget as augmented by supplemental items.

There is a turn to an effort, less costly both in dollars and in manpower, to keep ahead of any rival in the most advanced technology and its application to a very different kind of warfare.

It begins to look as though the country and the Congress have at last become aroused about the deficit issue so it seems likely that the statutory ceiling of $275 billion on the national debt will be breached. Given amid the difficult conditions of a campaign year, we have seen the President deflating the military's budget demands and the Congress further deflating the President's recommendations. With actual spending likely to be held materially below authorization, there would seem to be some prospect that, with a new Administration and further clarification of the offensive threat and of our defensive power, we might reach a balanced budget next year.

Whatever the final appropriation figures may be, it seems reasonable hope that 1952 will see the government component of our national economy brought much more closely into balance with the civilian component on the high plane of domestic productive capacity which we are seeing realized all around us. As I analyze the basic economics of our present situation, it should be entirely possible to get control of the Federal budget on a basis on which we could maintain deterrent military power against reasonably calculated risks, sustain the already high general standard of living and make reasonably steady progress. This progress in turn could be greatly accelerated whenever a truce between the free world and Soviet imperialism can be brought about.

Dixie-GOP Coalition

Lots Of Southern 'Republicans'

By CONGRESSIONAL QUARTERLY
WASHINGTON

"PARTY Unity" figures compiled by Congressional Quarterly place a big share of the responsibility for Democratic defeats in the 82nd Congress on a block of 35 Representatives from the South who, in party-line showdowns, voted with the Republicans more often than they did with their own party's majority.

During the two sessions, the Democrats were defeated on 59 of the 107 House votes where most Democrats lined up against most of the Republicans.

Numerically, the Democrats always were in the majority. But since their margin of control usually was only 50 votes, never was more than 36, the southern "defections" weighed heavily. On an otherwise perfect party-line division, a "switch" to the GOP of 16 Democrats' votes would reverse the outcome.

CQ said that the 107 "Party Unity" roll calls were defined by the manner in which the members voted. They were the votes on which most of the Democrats took stands on one side and most of the Republicans lined up on the other.

In addition to the 35 southern Democrats, one other majority member took stands with the Republicans more than half the time he was on the record — Rep. Harold A. Patten (D-Ariz.), who had a Party Unity percentage of 49.

One southern Democrat stood with most of the Republicans more than did the average Republican. Rep. W. M. (Don) Wheeler (D-Ga.) had a Democratic Party Unity percentage of 14. If listed as a Republican, his percentage would have been 86, compared with the House GOP average of 82 per cent.

Wheeler's percentage was compiled through 12 stands with most Democrats on the Party Unity votes and 74 stands against the majority of members of his party on such issues.

Four other Democrats had Party Unity percentages under 30. They were John Bell Williams (Miss.), 20; John S. Wood (Ga.), 22; J. Frank Wilson (Tex.), 24; and Ken Regan (Tex.), 28.

Eight GOP 'Bolters'

When the parties split, eight House Republicans took stands with most of the Democrats more often than with the majority of their own party.

"Low" among House Republicans was Rep. Jacob K. Javits (R-N.Y.), whose 15 per cent GOP Unity figure, if reversed to 85, would have topped the average Democrat's 78 per cent.

On the "high" side, two House Democrats and two Republicans had 100 per cent Party Unity for 1951 and 1952. They were Democrats John D. Dingell (Mich.) and Majority Leader John W. McCormack (Mass.); and Republicans Howard H. Buffett (Neb.) and Clare E. Hoffman (Mich.).

Fourteen other Democrats and eight other Republicans stood with the majority of their party 99 per cent of the time. But the averages of the sizeable block of southerners pulled the Democrats' House average down to 78 per cent in comparison with 82 for the House Republicans.

Party Unity figures for the Senate ran less to extremes, CQ said, but two Democrats and three Republicans were under 50 per cent — showing that they took stands with the majority of the opposition more often than with that of their own party.

Byrd And Morse

"Low" in the Senate was Harry Flood Byrd (D-Va.) with a 24 per cent Party Unity for 82nd Congress issues on which he took stands. Wayne Morse (R-Ore.) was next "low" in the Senate and "low" among Republicans, with 33 per cent. Others under 50 per cent were Sens. Herbert R. O'Conor (D-Md.), Charles W. Tobey (R-N.H.), and James H. Duff (R-Pa.). J. Allen Frear, Jr. (D-Del.) had a Party Unity percentage of 50.

There were no Senators with 100 per cent Party Unity for the full Congress, but six Democrats and one Republican topped 95. "High" for the Senate was Carl Hayden (D-Ariz.) with 98 per cent. "Top" among Republicans was Henry C. Dworshak (R-Idaho) with 95.

Senate Democrats reversed the trend in the House, and topped their Republican colleagues in average Party Unity. The Democrats scored 79.9 per cent, the Republicans 78.5.

Some southern Democrats in the House had "high" Party Unity percentages. CQ emphasized, Rep. Brent Spence (D-Ky.) was among those with 90 per cent for the entire Congress, and J. Percy Priest (D-Tenn.), House Democratic Whip, scored 97.

But among the 36 Democrats who were in the "under 50 per cent" group, 16 had percentages of less than 40. Five were under 30 per cent and one (Wheeler) under 20. The 36 and their percentages, by states:

	Rep. Per Cent		Rep. Per Cent
Patten (Ariz.)	49	Redden (N.C.)	43
Gathings (Ark.)	40	McMillan (S.C.)	45
Herlong (Fla.)	49	Murray (Tenn.)	45
Cox (Ga.)	48	Burleson (Tex.)	41
Davis (Ga.)	33	Fisher (Tex.)	36
Forester (Ga.)	48	Ikard (Tex.)	40
Wheeler (Ga.)	14	Lucas (Tex.)	35
Wood (Ga.)	22	Pickett (Tex.)	33
Passman (La.)	47	Poage (Tex.)	46
Abernethy (Miss.)	30	Regan (Tex.)	28
Colmer (Miss.)	40	Rogers (Tex.)	35
Rankin (Miss.)	36	Teague (Tex.)	44
Whitten (Miss.)	48	Wilson (Tex.)	24
Williams (Miss.)	20	Abbitt (Va.)	45
Winstead (Miss.)	36	Harrison (Va.)	36
Barden (N.C.)	38	Robeson (Va.)	47
Doughton (N.C.)	44	Smith (Va.)	44
W. W. Jones (N.C.)	41	Stanley (Va.)	34

Drew Pearson's Merry-Go-Round

CAA Sky-Riders Increase Air Safety

(While Drew Pearson is on a brief vacation, the Washington Merry-Go-Round is being written by several distinguished guest columnists, today's being Charles F. Horne, Civil Aeronautics Administrator, U. S. Department of Commerce.)

By CHARLES F. HORNE
WASHINGTON

ITS late on a dark and stormy night. The place, an airport at Paris, Rome, Cairo, or in the Far East. Passengers are watching the wind and rain beat against the windows of the airplane when they notice the stewardess unlock the door to the pilot's compartment and a man in a business suit enter. He sits on the "jump seat," and as the plane takes off, checks all phases of the flight to determine whether safety standards for operation and maintenance of U. S. flag carriers are being observed.

In aircraft plants throughout the United States, other CAA safety agents constantly inspect pieces of fabricated equipment to determine whether they meet the safety specifications set by the CAA.

A year ago artillery-shell fire struck the U. S. Embassy in Bangkok, Thailand, as insurgent naval officers revolted and attempted to establish a new government. In the hostilities which followed there were approximately 3,000 casualties and the U. S. Embassy was struck four times by artillery-shell fire and about 100 times by small-arms fire. All normal communications were cut off and the stand-by generator at the Embassy would not work. U. S. commercial aircraft were en route to Thailand, and there was no way either to warn them off or to notify the Department of State and military authorities in Washington.

The head of the CAA international region office in Bangkok made a dramatic night dash under fire through the front lines of the opposing forces to an aeronautical radio station which was situated within the Thai naval compound. Although stopped and forced to leave his vehicle, the CAA representative managed to talk his way into the radio station. There he warned off and diverted all U. S. commercial aircraft, and transmitted the first word of the uprising to reach the outside world.

Saving Lives

IT is rarely, of course, that CAA personnel have to operate under gunfire, but they do cope with an amazing variety of emergencies in order to make flying the routinely safe experience it is for the average American. In flight-testing the competency of applicants for airman certificates, CAA safety agents frequently must cut one of an airplane's two engines, to see whether the pilot reacts promptly and correctly. If he does, he gets the CAA certificate which is an assurance of safety to the public. If he doesn't the CAA agent has to move fast to save his neck.

Reports in our files show that in 23 test incidents, quick thinking by CAA safety agents saved almost half a million dollars worth of airplanes and the lives of 60 persons. A typical terse report is that on case 8-1200:

"Air transport rating applicant in DC-3. Making low approach with left engine out. Over airport at 900 feet, hood was removed and applicant started turn to left. Suddenly changed mind and rolled aircraft rapidly into a turn. Airplane spun to right. Co-ordinated efforts of company check pilot and agent stopped spin and recovered. Barograph in airplane showed recovery was 50 feet above level of airport."

A majority of the CAA "saves," however, are achieved by CAA ground personnel, who man the more than 70,000 mile network of federal airways. From their posts in communications stations, control towers and control centers, they have "talked down" hundreds of lost pilots. Although the highways of the sky are clearly marked by CAA radio beams, every now and then some pilot will become confused.

Then CAA communicators or controllers go to work as they did when a night-flying National Guard pilot contacted our Macon, Ga., radio during a thunderstorm and reported his position unknown. The communicator thought of the searchlight used to advertise a drive-in theatre. He asked the operator to leave the searchlight on. The pilot finally saw the beam, determined his position, and proceeded to a safe landing.

All branches of the military depend heavily on CAA services, particularly on its air navigation and traffic control facilities which, for the last four years, have been improved and operated under a "common system" concept. Thus, the Defense Department uses information obtained and correlated by CAA to identify friendly aircraft flying in our coastal and border defense zones, so that it can "scramble" interceptors against unidentified targets appearing on radar or reported by ground observers.

Cedar Rapids Emergency

ON the civil defense side, CAA has worked closely with state and local officials to plan for the effective use of smaller airplanes. How these can be marshalled in an emergency was demonstrated at Cedar Rapids, Iowa, where 309 private airplanes hauled 110,000 pounds of simulated supplies into the "stricken" city within two hours after a mock attack. While we all pray that this type of disaster will not occur, it is good to know that airplanes can and do perform such mercy missions when Midwestern rivers overflow, or when areas of the Northwest are isolated by a blizzard.

The airplane has an important humanitarian role to play in our world relations, too, and CAA is proud to have participated in one of its first such demonstrations. When locusts threatened the food supplies of Iran in 1951, CAA experts assisted the Department of State in rushing two four-engine planes, one loaded with small spray planes, the other with pilots and spray liquid, to the endangered area. They beat off the insect plague, and set a pattern which promises to help wipe out hunger, and thereby remove a major cause of wars.