

Nixon Talk Called an 'Insult'

United Press International

George Meany, president of the AFL-CIO, said yesterday that President Nixon's advice to Americans to exercise economic restraint and increase savings was an insult.

In a statement responding to Mr. Nixon's Thursday night speech, Meany said:

"The President blamed everyone but himself for the economic mess he has created . . . When he took office the inflation rate was 4.3 per cent and 2.8 million Americans were unemployed. Today, inflation is 11.1 per cent and 4.8 million are jobless . . .

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

In other comment yesterday, Sen. Russell B. Long (D-Ala.) said the impeachment process has crippled Mr. Nixon's ability to deal with inflation.

Long, chairman of the Senate Finance Committee, said no program can work without the cooperation of labor, and Mr. Nixon's lines of communications to the AFL-CIO have been severed by the impeachment issue.

"At this point, the labor leadership is going all-out to impeach the President," Long said, "so, he is hardly on speaking terms with them."

In a television interview for Louisiana stations, Long added, "it would seem, therefore, that until this impeachment thing is behind us, President Nixon is not going to be able to do anything effectively to control the prices."

"He might try to get busi-

ness to cooperate with him," Long added. "But, if he doesn't have labor aboard it just is not going to work."

Until the impeachment process ends, Long added, "we can take some stop-gap measures."

Meanwhile, he suggested that labor limit its wage increase demands to the increases in productivity.

But in return, Long said, labor is going to insist that some action be taken on interest rates, about business profits, and about food prices.

"... They are not going to make it by themselves and they feel that up to now they haven't been treated fairly," Long said.

In what was billed as a major economic address Thursday night, Mr. Nixon suggested that the American people should be patient with the high inflation rate and buy less.

Defense Department officials admitted yesterday that they failed to make sure that mental health facilities caring for military dependents didn't mistreat their patients and offer questionable treatments.

But now improvements have been made, Vernon McKenzie, deputy assistant secretary of defense, told a Senate subcommittee that had uncovered physical abuse of patients and

over the reasonableness of the charges," said Allen. "It looks to me that CHAMPUS could have exercised better control over the taxpayers' money than giving blanket approval" to bills.

McKenzie admitted that CHAMPUS is "simply in a sense acting as a bill-paying service."

Col. Edward V. Allen, director of contract management for CHAMPUS, said it does little inspecting of facilities that it buys care from, but instead "to a great extent relies on state licensing and state control."

CHAMPUS did inspect the University Center at Ann Arbor, Mich., and found it to be a good facility. The next day a special committee appointed by the Michigan Department of Mental Health reported that the center should be closed for its questionable and punitive treatments and lack of educational opportunities.

CHAMPUS, the Defense Department officials said, didn't close the Green Valley School even after state authorities reported questionable treatment practices there. Instead, McKenzie said, CHAMPUS

of Hospitals in order for facilities to receive Pentagon money.

Neither the University Center nor Green Valley School could get that certification.

"The thing that bothers me most," said subcommittee counsel Howard Feldman, "is that you had in your files evidence and letters of complaint about Green Valley. Couldn't you have gone in and found squalid conditions and said 'we will not fund them'?"

McKenzie replied, "We would have been singling out Green Valley."

"If it would have saved one child from a mock burial, or from a bull-shocker or from some other bizarre treatment, wouldn't it have been worth it?" Feldman asked.

"The Defense Department has to take a broader view," McKenzie replied.

As one way to cut the cost of psychiatric services, which now run about \$100 million a year, CHAMPUS has, as of July 1 limited its benefits to 120 days of hospitalization and 40 outpatient psychiatrist visits.

McKenzie denied that the cuts were caused by the Sen-