

THE CONGRESS

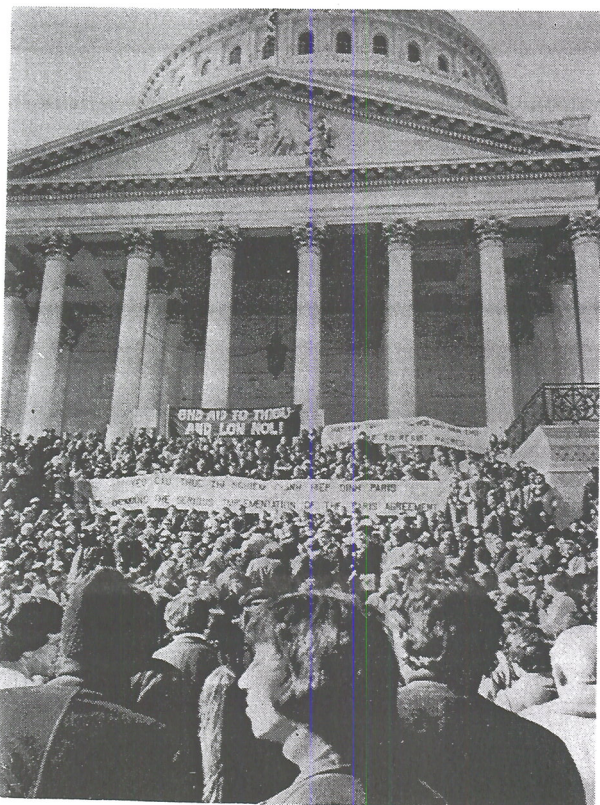
# Scenes from the Late '60s

A President pleading once again for more U.S. military aid to Southeast Asia. Antiwar underground radicals igniting a bomb at the State Department, hiding another in a federal building in Oakland. Peace marchers rallying in Washington, exhorted by Congresswoman Bella Abzug, Congressman-Priest Robert Drinan, Folk Singers Joan Baez and Pete Seeger. Demonstrators occupying the Minneapolis and Washington offices of Hubert Humphrey, temporarily seizing the South Vietnamese consulate in San Francisco. Senator Strom Thurmond bellowing through a bullhorn in support of the Saigon regime.

**More Money.** A nostalgic flashback to the nation's Viet Nam War agonies of the late '60s? Not at all. The familiar scenes were actually enacted last week, two years after the Paris peace agreement was supposed to have stopped the fighting in Viet Nam. This time the call for more military money to help anti-Communist forces in both Viet Nam and Cambodia came from President Gerald Ford. In a coordinated drive, Secretary of State Henry Kissinger, Vice President Nelson Rockefeller and Secretary of Defense James Schlesinger added their personal public appeals. Even Viet Nam's President Nguyen Van Thieu suddenly submitted to interviews with a dozen newsmen. The net impression was that the nation was once again caught up in a divisive war debate.

Conceivably that could yet become the case, especially if South Viet Nam's military forces were about to collapse

CAPITOL ANTIWAR RALLY LAST WEEK



and President Ford were to propose any kind of U.S. air or naval rescue effort. But at the moment the rhetoric, and even the tired bombing and sit-in tactics, were misleading. The U.S. public, worried about unemployment, recession, inflation and energy, clearly was in no mood for a renewed argument over Southeast Asia. A question among Washington politicians was why the Ford Administration, fighting on so many fronts, was risking a new confrontation over the lingering war.

Ford's explanation in a message to Congress was that the U.S., to protect its own "national security," should give South Viet Nam a supplemental appropriation of \$300 million and the anti-Communist government of Cambodia's Lon Nol \$222 million. Said Ford: "We cannot turn our backs on these embattled countries. U.S. unwillingness to provide adequate assistance to allies fighting for their lives would seriously affect our credibility throughout the world." All that was being sought for Saigon, Kissinger said, was for Congress to provide the funds that it had authorized for the current fiscal year but had failed to appropriate fully. (Actually, in its two-stage funding process, it is commonplace for Congress to authorize more money than it finally appropriates.)

**Whole World.** Speaking in his Saigon palace to TIME Correspondent Peter Range, Thieu put the issue more starkly. "Do the American people like the sacrifice of 50,000 American boys to be in vain? How can you imagine coming here just to run and abandon the men who continue your ideals?" If the U.S. abandons Viet Nam, as the French did in 1954, Thieu insisted apocalyptically, "all Viet Nam will be a Communist country. All Indochina. All Southeast Asia. The whole world."

That talk will not be persuasive in the U.S. Congress. Indeed, congressional leaders came away from a more reasoned presentation by Ford wholly unconvinced that more American money should be pumped into Southeast Asia. "We've sort of had it up to the neck," said Senator Humphrey. "There's a real feeling that there has to be a complete cutoff not too far down the line." Senator Robert Byrd said that he would vote for Ford's request only "if we could be assured by God himself on tablets of stone that \$300 million would be all and that it would save South Viet Nam for all time."

Briefing a group of Congressmen at the Pentagon, the usually dispassionate Schlesinger was startled by the vehemence of the opposition to the military-aid proposals. When the Secretary argued that the U.S. had an obligation to support Saigon, Rhode Island's freshman Democrat Edward Beard inter-



**DAMAGE AT STATE DEPARTMENT BUILDING**  
A tired and counterproductive tactic.

rupted, "Hey, a man named Richard Nixon made that commitment, not Ed Beard. I would never subsidize a bunch of crooks in Saigon."

Why, then, was the Administration waging such a seemingly hopeless fight? A few wary Democrats in Congress suspected that the military situation might be deteriorating rapidly in South Viet Nam, and that Ford was maneuvering to blame the Democrats if there are national recriminations over a Saigon collapse. But while the long-range prospects for the Saigon government's forces do not look good, the fall of Saigon would hardly become imminent solely because of the lack of another \$300 million.

**Into a Rathole.** In the two years since the "peace" settlement, some 130,000 Vietnamese have been killed by the continued fighting. Both sides have violated the treaty provisions—the Communists most glaringly in a military way, the Thieu government by resisting the prescribed procedures for a political accommodation. There is room for reasoned argument over whether continued U.S. military aid merely contributes to the carnage or is vital to the prospects of eventual peace and freedom in Southeast Asia. But there is little doubt about the practical political realities in the U.S. Georgia's Democratic Congressman John Flynt Jr. bluntly expressed the predominant congressional opinion when he declared: "We can't vote to pour more and more money into a rathole when people in this country are unemployed." That sentiment could change as the Ford Administration spreads new alarms about the Communist military buildup in Viet Nam. But, as with protest bombs and antiwar marches, scare tactics, even if the dangers are genuine, may prove all too familiar to be effective.



WARD—BLACK STAR

FEDERAL RESERVE CHAIRMAN BURNS AND HOUSE WAYS & MEANS CHAIRMAN ULLMAN

Says a key Administration energy adviser: "If Congress comes up with a serious alternative, there's a possibility that the next step of the tariff could be delayed. But we've heard about 100 different opinions on which way to go. And no one up there seems to be exerting leadership. Even if we wanted to talk, we don't know whom to negotiate with."

Toward the end of the week some of the urgency of the energy program seemed to diminish as Treasury Secretary William Simon testifying before a Senate subcommittee again emphasized his view that the buildup of petrodollars in the oil-producing nations was not going to be as massive as had been predict-

ed. Their foreign reserves, said Simon, might reach only \$200 billion to \$250 billion in 1980, rather than much higher figures that some had forecast. Reacting to higher prices, other countries were buying less oil from the oil states, which in turn were buying more goods and services than had been anticipated. Thus there was no foreseeable danger of world monetary collapse. "The international financial aspects of the oil situation are manageable," concluded Simon.

Democrats began to take a more relaxed view of the President's program. "Why adopt draconian measures?" said one Senate aide. "There's no magic in a 1 million-bbl.-per-day oil cutback that

would deflate the economy and shoot up unemployment. There has still been no coherent, clear explanation why we should put on this hair shirt." Said Democratic Whip Robert Byrd: "Let's take first things first—let's stop the recessionary slide, create jobs, cut taxes." Similar advice came from the citadel of conservative economic policy. Arthur Burns cautioned: "The President's program is so complicated that you could not in good conscience act quickly on it. I believe that full and extensive deliberation on energy policy is essential." Despite presidential pressures for haste, that kind of deliberation is just what Congress is likely to provide.

and development (\$1.1 billion to \$1.6 billion); community-development programs (\$3.3 billion to \$4.1 billion); and general revenue sharing. Ford wants the current \$6.2 billion program, due to expire next year, extended through 1982.

Congress could well ignore most of Ford's requests for cuts and go on a stimulative spending spree of its own, possibly raising the fiscal 1976 deficit to the stratospheric range of \$70 billion. But if it agrees to cuts at all, which it is likely to do, Congress will slash away at areas where Ford does not want major reductions, notably national defense. His proposed Defense Department budget is \$92.8 billion, up 9% from the current year and roughly equal to the entire federal budget just 15 years ago.

Actually, the Pentagon is asking for \$104.7 billion in "total obligational authority" so that it can sign contracts for weapons or research and development to be delivered in four or five years. The request for TOA is \$15.7 billion above this year's and is the largest ever, in peace or war.

Defense planners say that they need the money to keep pace with inflation, which has gutted military buying power, stalled delivery of new weapons, and squeezed budgets for personnel: under the Pentagon's swelling budget, 29,000 people will still be eliminated from the uniformed services, along with 10,000 ci-

vilians, in no way helping the dismal U.S. unemployment picture.

Whatever Congress does with Ford's budget, though, it is not likely to reduce substantially the exploding federal deficits for this year and next. Administration officials are using the looming deficits both as weapons against any congressionally mandated increase in Ford's \$16 billion tax cut, and as arguments against more federal spending.

Treasury Secretary William E. Simon, in appealing for a record increase to \$604 billion in the national debt ceiling, told the House Ways and Means Committee two weeks ago that he felt that the proposed deficits were "horrendous." He said that they could threaten private borrowing, drive up interest rates and stall recovery in housing and in the economy generally—unless Congress goes along with Ford's proposals to cut spending. This year, he warned, the Treasury will be invading capital markets for some \$70 billion, more money than was "raised by all borrowers, public and private, last year—or any other year in the past."

Others, though, do not share Simon's pessimistic view. Roy Ash, outgoing director of the Office of Management and Budget, sees the deficits as large but not excessive when measured against the downturn of the economy as a whole. The key to living with the deficits lies

with the Federal Reserve Board and its chairman, Arthur Burns, who offered encouragement last week. Testifying before Ways and Means, Burns told the Congressmen: "You can expect [from the Fed] an effort to expand at a moderate rate the supply of money and bank credit." But in doing so, Burns warned, the Federal Reserve has no intention of setting off a new round of inflation.

But that, in any case, may well be less of a threat than deepening recession. The budget was based on a number of candidly gloomy projections about the shape of the economy. The most startling among them is that the nation's unemployment rate, which stood at 7.1% in December, will rise enough in the coming months to average 8.1% for all of 1975; that would mean that nearly 7.5 million Americans will be looking for jobs this year. The budget also assumes that in 1976, when the President and his party will be deep into an election campaign, the average jobless rate will still be 7.9%.

Ford took the unusual step of appearing personally at a budget preview session with reporters over the weekend, thus becoming the first President since Harry Truman to do so. Ford quoted Truman as describing the \$70 billion budget for 1953, another poor year, as "the biggest headache I have ever had." The President added: "Harry, I hope you left some aspirin for me."