

Poverty Chief Scored at House Hearing

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WASHINGTON, Feb. 27—A Congressional subcommittee today accused Howard J. Phillips, acting director of the Office of Economic Opportunity, of arrogance, subverting national policy, encouraging summer turmoil in the streets and using a "meat ax" on the program.

It was the first appearance of Mr. Phillips before Congress since he was appointed head to the post a month ago. He stood his ground, saying that the drive against poverty had been a failure and that the steps he was taking were designed to improve and strengthen the program, not dismantle it.

Mr. Phillips appeared before the Subcommittee on Equal Opportunity of the House Committee on Education and Labor.

The acting director said there had been "considerable confusion" about the agency in the last month and attributed it to a "failure of communications."

He said that most of the agency's Legal Services Programs would probably be granted 12-month extensions pending Congressional action on setting up a special corporation to take over legal representation of the poor. He said that he expected such a corporation bill to be introduced in the next two weeks.

Budget Bars Funds

For the most part, other programs, except for the Community Action Program, will also be continued 12 months. They are scheduled to be transferred to other departments of the Government, such as Health, Education, and Welfare; Housing and Urban Development; Agriculture, and Commerce.

Community Action Programs, which have boards of directors including local poor people and initiate new activities locally, will be turned over to cities and local supporting groups to fend for themselves, Mr. Phillips said.

He said these programs had been warned that "the day will

come" when they would have to be self-supporting.

"That day is here," he said.

He said that the Federal budget had contributed about one-third of the total funds to such Community Action Programs. In President Nixon's budget proposal for the fiscal year 1974, there is not money for continuing these programs, he said, adding that he was preparing for them to go out of business by June 30, when the fiscal year 1973 ends.

Enough money will be provided to carry them on six months more to complete an "orderly phase-out," he said.

Mr. Phillips asserted that as director he was charged with seeing that only proper programs were funded. "I don't fund grants that I don't believe should be funded," he remarked.

'A Great Disservice'

At the same time he criticized those who he said "made decisions" for the poor, rather allowing them to choose for themselves.

Representative Carl D. Perkins, Democrat of Kentucky, chairman of the Education and Labor Committee, who attended part of the four-hour hearing, said, "The forum for poor people is being destroyed." He

asserted that programs were being transferred to other departments that "are not going to do anything."

"I think you're rendering a great disservice to the poor of this nation," Mr. Perkins said.

Mr. Phillips replied that he thought American society had done "more than any society in the world" to eliminate poverty.

The subcommittee chairman, Representative Augustus F. Hawkins, Democrat of California, said that since President Nixon was first elected "5.5 million people have been added to the welfare rolls."

"I think it represents the success of some Legal Services lawyers, sir," Mr. Phillips replied.

"This is as arrogant an answer as I have ever heard given to the concrete problem of human suffering," Mr. Hawkins replied.

Mr. Phillips, after a short adjournment, said that he thought the increase in welfare signaled a failure of the poverty program. He also suggested

there might be a "conscious strategy to overload the welfare rolls."

Representative Frank Thompson Jr., Democrat of New Jersey, said that Congress had ordered the program to continue

and added, "You are subverting the national policy of the United States."

Mr. Thompson said he could find little wrong with the use of the Legal Services Program to set up voter registration projects. Mr. Phillips replied that the practice was illegal and suggested that Mr. Thompson read the law.

"I applaud those violations of the law," Mr. Thompson said.

"You accuse us of violating the law and you applaud violating the law," Mr. Phillips responded.

Representative John M. Ashbrook, Republican of Ohio, defended Mr. Phillips, saying he thought most Americans did not support the poverty program.