



# The Phyllis Schlafly Report



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## What's Going On In Congress?

### Kennedy Health Plan

The best hospitals and the best doctors are not in Russia, England or any country which has socialized medicine. People who need difficult operations don't go to Europe or Asia; they come to the United States. Private U.S. hospitals and doctors have perfected most recent medical discoveries such as open heart surgery and kidney transplants. The United States has more doctors and hospitals per capita than any major Western country.

President Lyndon Johnson's Advisory Commission on Health Manpower stated that 98 percent of our population lives within 25 miles of a hospital, and only one percent has to travel more than 50 miles.

Nine out of ten Americans under age 65 have private health insurance. Everyone over 65 is covered by Medicare, and the indigent are covered by Medicaid. For the sake of the tiny fraction of our citizens not already covered by private health insurance, Senator Edward Kennedy and his Health Plan proponents want us to pay \$40 billion of additional taxes so the Washington politicians can control everyone's health care.

The Post Office is a good lesson in what happens when the Federal Government runs a business. Every year, postage costs go up and mail service goes down. Our recent experience with price control gave us another good lesson in Government mismanagement. It didn't stop inflation, but it did create shortages.

The United States has the best health care in the world, more nearly universally available, and the most reasonably priced. People in other countries who get so-called "free" medical care pay for it in other ways. The Swedish tax rate is nearly 50 per cent. In England, not one new hospital was built between 1949 when socialized medicine started there and 1965. The UN figures on the causes of death show that both Sweden and England rank poorly compared with the United States.

If you want to pay higher taxes for poorer medical care, and let some Washington bureaucrat select your doctor, inspect your medical and psychiatric records, and decide whether or not you can go to the hospital, then support the Kennedy Health Bill. If you don't want these things, be sure to tell your Congressman to vote NO.

### The PSRO Act

The secret activities of the "plumbers" in breaking into the office of Daniel Ellsberg's psychiatrist have been almost universally condemned. But if the "plum-

bers" had delayed their raid until 1974, it would have been legal under a new law which took effect January first.

Snoopers from the U.S. Department of Health, Education and Welfare are now allowed to probe physician's records of private patients under the law called "Professional Standards Review Organizations" -- or PSRO for short. Here are some of the consequences of this law:

Your medical records -- from general health history to psychiatric diagnosis -- may be examined by Government bureaucrats. The Government can decide -- against your wishes or the advice of your doctor -- whether you can be admitted to the hospital, and whether you must be dismissed from the hospital.

Your doctor may be fined \$5,000 for deviating from Federal procedures which describe exactly what may and may not be done about your health situation. You and your physician are part of a computerized file system which will establish certain "norms."

The idea of Federal bureaucrats in Washington setting "standards" for physicians about the care of their patients is not much different from bureaucrats setting "standards" for parents regarding care of their children. There is no evidence whatsoever that Washington paper-pushers are better able to handle patient care or child care than physicians or parents.

How could such legislation as this PSRO law be passed without most people ever hearing about it? PSRO was Section 249F of the 165-page Social Security Amendment passed in 1972. It was inserted by the Senate after the House had passed the bill, and then was passed by the House as part of the compromise bill without hearings, and without most members even knowing that PSRO existed. Those who did could hardly vote against Social Security when it came up for a final vote in an election year.

The effective date of the law was a year later, which explains why we are just finding out about it now. Yet, this section has been called "the most radical piece of health legislation in this country's history."

More than 40 bills have been submitted to Congress this year calling for repeal of PSRO; 18 state medical associations have formally urged repeal, and that many more will soon consider similar resolutions. Congress should repeal PSRO because it is just as wrong for Federal snoopers to pry into your medical and psychiatric records as it was for the "plumbers" to pry into Daniel

Ellsberg's. PSRO is a hazard to your health and to your privacy.

### Social Security

Social Security has been considered a sacred cow which no politician dares to criticize. Yet, there is one feature of the Social Security Law which is highly unjust to more than 2½ million citizens between the ages of 65 and 72.

A person over 65 who takes a job in order to stay above a poverty level, cannot work without being severely penalized. He must forfeit \$1 of Social Security for every \$2 over \$2,400 a year which he earns. If he earns enough to live reasonably well, then Social Security is cut out entirely.

But that is not all. Whereas the over-65 person ought to receive whole, untaxed dollars from Social Security, his earned dollars are subject to Federal, state and local taxes, plus Social Security taxes to finance the Social Security benefits which he is not receiving. A wealthy person over 65, on the other hand, may draw a large income from his investments and at the same time receive his full Social Security checks.

It is wrong to deprive the over-65 worker of his Social Security check. It has been earned by the worker and given to the Government in trust to be repaid at age 65.

Social Security beneficiaries are not objects of charity. They are not on welfare or wards of the Government. They are self-respecting Americans who have paid for the benefits they thought they would receive when they retired. They are entitled to receive their Social Security payments as a matter of right.

The Federal Government has had the use of all these Social Security payments for all the years the worker paid into the system. Had the worker been permitted to retain these deductions, he could have earned interest on them.

Our citizens were given the impression that Social Security was a form of forced saving operated on sound insurance principles. The money was put aside, where we supposed it was collecting interest, so we would get it back at age 65. It was no such thing, of course. It was and is a tax.

The greatest of all injustices to our senior citizens is Government-caused inflation, which has so badly reduced the value of their savings. Raising Social Security benefits is no answer at all for the 2½ million citizens over 65 whose Social Security benefits are deliberately reduced or cut out entirely because they have a job.

Congress should repeal the Social Security earnings limitation. It is time to stop penalizing our thrifty, hard-working senior citizens.

### The Federal Budget

Polls and commentators keep reminding us that Watergate has caused the American people to lose faith in their government leaders. But this dark cloud has one bright silver lining. The public's loss of faith in government officials has been accompanied by a loss of faith in the liberal dogma that government can solve all our problems by spending more money. This is one of the most promising developments to come out of Washington.

Starting with the Franklin Roosevelt Administration, the big government spenders have urged us to "soak the rich" with high taxes to finance all sorts of cradle-to-the-grave welfare and education projects. The key to politi-

cal power and popularity was Harry Hopkins' famous slogan, "Tax and tax, spend and spend, elect and elect." We were solemnly assured that Federal deficits were good because "we owe it to ourselves."

After 40 years of such nonsense, the American people are finally realizing that government money doesn't come out of somebody else's pocket -- it comes out of their own pockets. The working man and woman, the thrifty middle Americans, are hit the hardest by the twin blows of high taxes, and the sky-rocketing inflation caused by deficit spending.

The average American now spends two hours and 38 minutes out of each eight-hour working day to pay his Federal, state and local taxes.

The current budget presented by the Nixon Administration calls for \$304 billion in Federal spending, and a deficit of at least \$9 billion. Most experts believe the deficit will go much higher. This means that the Nixon Administration will have added more than \$120 billion to the national debt in five years in office.

The American Conservative Union recently compiled statements from 35 members of Congress calling for the reduction of the Federal budget. These statements show that the spendthrift policies of the Nixon Administration are badly alienating conservatives of both political parties. Barry Goldwater was quoted as saying: "I believe it is a political mistake with the greatest kind of overtones for the welfare of my country."

But it isn't only conservatives who are disenchanted by this galloping fiscal insolvency. Congressman Ed Young recently showed that 90 percent of the voters are demanding a halt to these costly Government runaway welfare programs. He sent his constituents a questionnaire asking: How much personal inconvenience are you willing to bear in order to balance the Federal budget? Only 10 percent said "none"; 76 percent said "some," if equally shared; and 14 percent even said "a great deal."

The politicians are way behind the public in facing the fiscal facts of life. The politicians who want to get elected this year should promise a spending cut rather than more handouts.

### Postcard Registration

Does the right to vote include the right *not* to vote and the right to have your vote counted honestly? It should. But, while there are numerous pressure groups lobbying fiercely to extend the right to vote to everyone, no matter how disinterested or illiterate, few people show any interest whatsoever in whether or not those votes are counted honestly.

The latest manifestation of this peculiar double standard is the Postcard Registration Bill. Despite the evidence that it would cause massive vote frauds, and that it would encourage a dramatic Federal invasion of the entire election process, the bill sailed through the Senate earlier this year by a 2-to-1 margin. On May 8, 1974, the House killed this bill by a vote of 204 to 197. This was a great victory over strenuous lobbying by the liberals.

The primary purpose of the bill was to create a new Federal bureau, with more Federal officials issuing more Federal regulations, and spending more of our tax dollars. It was to be called the National Voter Registration Administration and would have registered voters in all states through a system of postcards. The Agency was even to offer cash incentives to state and local election authorities to encourage their adoption of this Federal system.

One of the most dangerously defective provisions of the Postcard Registration Bill was the statement that

"possession of a registration notification form indicating that the individual is entitled to vote in an election shall be prima facie evidence that the individual is a qualified and registered elector entitled to vote in any such election, but presentation of the form shall not be required to cast his ballot." In other words, the same individual could vote once without a registration card by identifying himself on the poll sheets, and then vote a second time under another name by presenting the "registration notification form" issued to a name which is *not* on the poll sheets, because the law requires that this form be accepted as "prima facie evidence."

Anyone who understands the election process can quickly see that registration by postcard, which eliminates the requirement to appear in person, would result in monumental frauds. There would be no way to determine whether the person is eligible, or even alive. Senator Sam Ervin pinpointed this danger in his own colorful way when he said that, if the bill were passed in its present form, "there is going to be a general resurrection of the dead on every election day."

"Ghost voting," of course, is one of the principal types of vote frauds used by the big-city machines. For example, after the 1960 election, I was part of a team of election judges who witnessed the official recounting of the ballots in Chicago. This recount provided ample proof of widespread frauds, such as the Chicago precinct with only 22 residents which reported 79 ballots cast for John Kennedy and 3 for Richard Nixon.

The main cause of low voter turnouts is not the trouble it takes to register, but lack of interest in the outcome, which in turn may be caused by laziness or apathy, but which also may be caused by a genuine belief that the politicians *seeking* office are no better than the politicians *in* office. The cure for that is honest candidates, not more voters.

### Land Use Planning Act

The largest single investment the average individual makes in a lifetime is usually a home to live in. The right to buy, use, enjoy, sell, or leave this home to a spouse and children is sanctified by law and essential to what we call the American way of life. You select your residential property on the basis of family purse and lifestyle, and existing housing, business, school, and industrial patterns.

If you want to live near multiple housing, business or stores, you buy there. If you want to live in a rural or suburban community, you buy there. The value of your property is based significantly on local zoning laws, residential patterns, nearby schools, and neighbors.

Now comes a new Federal bill drafted by that breed of bureaucrats which assumes that Government can manage our lives and property better than individuals. Loudly proclaiming their "environmental concern," these bureaucrats have devised a package of horrors called the Land Use Planning Act.

This Act would require the states to adopt a "comprehensive land use planning process" which must include "a method of assuring that all state and local agency programs are consistent with the state comprehensive land use planning process." Under the extremely broad language of the bill, practically any land in the United States can be designated to be an "area of critical environmental concern."

Among other things, the bill would restrict the ways in which property owners can dispose of their own land, authorize state-ordered alternatives of land for which the owner would have to pay, and extend the powers of eminent domain over private property.

The Department of the Interior, through its state-level bureaucrats, would be able to tell citizens where

they can and cannot build their homes, what crops they can and cannot plant, what timber they can and cannot harvest, and where they can and cannot drill for oil or gas. The Federal land-use blueprint will dictate local community development.

The Land Use Act will not only affect almost every property owner in the country by placing severe restrictions on the uses of private land, but it will also have a serious effect on workers in the building trades, farmers, miners, oil industry workers, homebuilders and forest managers.

Of course, all this is going to cost lots of money. The Land Use Planning Act would appropriate \$100 million per year to the states for the innocent-sounding purpose of promoting environmental protection and land-use planning. It would establish rigid requirements that the states must meet in order to qualify for these funds, with the Interior Department empowered to write whatever regulations it feels necessary. This is, of course, the customary route of eventual Federal control.

The 5th Amendment to the U.S. Constitution states that no person shall "be deprived of life, liberty, or property, without due process of law." The Founding Fathers thus bracketed property rights in an indivisible phrase with life and liberty. This makes good sense when you think how much of your life's earnings go into the piece of residential property you call your home. It doesn't make sense to give the Federal Government control over how we use that property.

### Campaign Financing

Some months ago, Common Cause came out with a report on political campaigns which concluded that the two parties which compete in every Congressional election are not, contrary to what most people think, the Republican and the Democratic parties, but are the party of the incumbent and the party of the non-incumbent. The big majority of incumbents, regardless of political affiliation, tend to be reelected because of their built-in advantages of prestige, publicity, and post office privileges.

Now, Common Cause has lobbied a new bill through the U.S. Senate which will increase the advantages of incumbents over non-incumbents even more. Around Washington, the bill has been aptly labelled "The Incumbents" Reelection Act of 1974." However, since many incumbents are in public disfavor at the present time, and the general public would not take kindly to a scheme to subsidize their reelection, the bill had to be packaged under a different label.

It is called "campaign reform," and it is being presented by its proponents as the answer to Watergate. Their reasoning is deceptively simple. We are told: Watergate revealed abuses in campaign financing, therefore we must have campaign election reform, therefore taxpayer financing is the solution. In other words, since suspect campaign contributions were made even as high as to the recent Vice President, we should turn the whole of campaign financing over to the Government.

Everything is wrong with this plan. If our experience of the last several decades teaches us anything, it is that the more money which is put into the hands of Government, the more opportunity there is for more corruption by more people. The biggest corrupting influence is Big Government itself.

This public financing bill will force the individual taxpayer against his will, to bankroll the campaigns of candidates he does not like or agree with. At the same time, this new bill will prohibit the individual American from making a voluntary contribution to the candidates of his choice. This public financing bill will increase the

political power of certain private groups, such as Common Cause, the big foundations, and some big unions, which have the ability to make large non-cash campaign contributions.

It is devoutly to be hoped that the House of Representatives will reject this "phony" reform bill and save us from this latest attempt to load big new spending onto the American taxpayer.

### The Federal Reserve

Vice President Gerald Ford recently endorsed high interest rates at a bankers' meeting at White Sulphur Springs, Virginia. He said that the fight against inflation "requires a restrictive monetary policy that means, among other things, the discipline of high interest rates." The excuse given for this policy is that high interest rates will halt inflation by preventing easy credit. That's like saying that, if everybody goes hungry, food prices will fall.

If the Republicans lose heavily in the Congressional elections this November, as all the polls indicate, it will be less because of Watergate than because of what has happened to our buying power under the Nixon Administration, and the significant part played by the high interest rate policy. The prime interest rate, which is the rate banks charge to their best customers, is now at an all-time high of 11½ percent. Other borrowers pay even higher rates.

High interest rates increase the cost of everything we buy, including homes, food and automobiles. Chances are that, if you buy a home today, high interest rates will about double the cost of your house. Congress would not dare, in an election year, to impose a direct tax on food, clothing or shelter. But high interest rates impose a stiff tax on these necessities of life. A similar tight money policy in 1970 caused massive Republican losses in the election that year.

Our Founding Fathers gave us a Constitution with specific, enforceable and interlocking checks and balances on the powers of the President, the Congress and the courts. However, there is a fourth branch of government which has no checks and balances: the Federal Reserve System. Many people think it is the most powerful branch of all. It issues our paper money, and it controls interest rates by setting the discount rate, which is the interest rate charged to banks which borrow from the Federal Reserve. The discount rate is now 8 per cent, the highest in all our history.

The all-powerful Federal Reserve Board has never been audited and its deliberations are kept secret from the American people.

Now that Congress has broken precedent by subpoenaing confidential White House tapes in order to find out who made the Watergate decisions and why, Congress should take similar action to subpoena those who made the decision to force high interest rates, and ask why.

Was it to prevent a run on the dollar by foreign holders of American dollars who think it is more advantageous to hold marks, francs, pounds, or yen? Or was it to make tight money cause a recession so the Democrats will win in November, just as tight money brought about a Democratic victory in 1970?

The Gerald Ford thesis that high interest rates can halt inflation should be debated, and the timing of the tight money policy to coincide with Congressional elections should be examined. It is long past time for Congress to investigate the Federal Reserve System and its extremely high interest rate policies.

### House Internal Security Committee

The Patricia Hearst case proves that there are

subversive conspiracies which threaten our internal security and the lives of individual Americans. But where do we turn to find out something about her kidnapers, the Symbionese Liberation Army? Why, naturally, to the body of our Government which is the public's official source of information on subversion: the House Internal Security Committee.

For the last couple of years, we have been inundated with arguments that this Committee is no longer necessary because conspiracies are things of the past Cold War days. The Patricia Hearst case proves that ideologically-motivated plots did not disappear with the death of Stalin, but are conspiracies which exist in the United States quite apart from ordinary crimes caused by anger, greed, or lust.

When the Patricia Hearst case broke, the House Internal Security Committee was able to report immediately on the basis of investigations already completed. The prompt Committee report showed that the Symbionese Liberation Army includes combat personnel, skilled machinists, and persons with a sophisticated knowledge of language. Their operations show a high degree of premeditation and planning, ample financial resources, and a frightening cache of arms.

It seems to be "open season" for radicals to carry on their war against law enforcement, intelligence, and security agencies at every level of government.

At every level, local, state and federal, those charged with protecting our nation and its citizens from extremists are being harassed. The Subversive Activities Control Board is now extinct. The Pentagon and the New York Police Department have had to divest themselves of their files on the New Left. The attacks on the FBI and the CIA are on the increase.

The House Committee is one of the last effective Federal bodies left which keeps the public and law enforcement agencies around the country well informed on Communist and subversive activities.

The House Internal Security Committee, and its predecessor, the House Committee on Un-American Activities, have for 35 years been producing authoritative, accurate reports on Nazis, Fascists, Communists, Ku Klux Klanners, Castroites, and political kidnappings and espionage. It is responsible for exposing numerous subversive elements in our country, including Alger Hiss, several Soviet spy rings which operated inside the Federal Government, industrial espionage, and more recent revolutionary groups such as the Weathermen and the Black Panthers.

Proposals are now being made that the House Committee on Internal Security be abolished and its functions transferred to the House Judiciary Committee. This is a thinly-disguised ruse because, as Joseph Alsop recently stated, everyone in Congress knows that the Judiciary Committee has become "a kind of dumping ground for left-wing Democrats of the more far-out type."

The House Committee on Internal Security functions as the eyes and ears of Congress in security matters. For 35 years, this Committee and its predecessor have proved their value to American security. It deserves to be fully funded by the Congress and retained as an independent and permanent Committee.

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