

World News

House votes to revive supersonic transport

WASHINGTON AP—The battle over developing an American supersonic transport plane was revived Wednesday when the House executed an about-face and voted \$85 million to restart the project.

The Senate will take up the renewed fight next and Democratic Leader Mike Mansfield of Montana predicted the outcome there will be close.

With the leaders of both parties in the House behind them, backers of a drive to breathe new life into the 1,800-mile-an-hour passenger plane won an initial test by 201 to 195 and nailed down by 201 to 197 on a second vote. Eight weeks ago they lost 215 to 204.

Mansfield said the resurrection will meet "very extended debate" in the Senate, where the SST was killed two months ago 51 to 46.

"It might be nip and tuck" this time, Mansfield said.

In a statement, President Nixon congratulated the House "for having very wisely reversed their earlier position," and added:

"The Congress has today taken an important first step on behalf of thousands of workers across the country who have been engaged in the SST program—and whose vital skills and experience might otherwise be lost to the nation."

Nixon restated a pledge "that the SST will not be committed to production until all environmental concerns have been thoroughly satisfied."

The Boeing Company, which has laid off more than 5,000 workers since its contract to develop the aircraft was cancelled, said any attempt to reconstruct the program must be on the basis of an entirely new contract.

"This new contract must fully recognize the rights of the parties under the terminated contract and the large costs which will be incurred in re-establishing and carrying out the new program, the company said.

Speaker Carl Albert of Oklahoma told the House it would be foolish to kill the plane after spending \$1 billion on it.

House Republican leader Gerald Ford of Michigan said Congress "was acting in the dark" when it killed the SST eight weeks ago—and said the SST workers who have been laid off since then demanded that decision be reversed.

But Rep. Sidney Yates, D-Ill., the SST's leading House opponent, said "The American people do not want the SST."

The House vote turned an \$85.3-million contract

termination fund for the SST into that much money to revive development of two prototype planes.

Secretary of Transportation John Volpe expressed pleasure at the House action but said the question will not be decided until the Senate acts.

"Meanwhile, we will continue termination of the SST program pending final action by Congress on the supplemental appropriation bill," Volpe said.

In the Senate, the House vote was hailed by SST supporters who said the issue could reach the Senate floor again as early as next Wednesday.

Sen. William Proxmire, D-Wis., the leading SST opponent, said the House reversal "makes a travesty of the legislative process."

"There is no more reason now than there was in March to vote money for this white elephant," Proxmire said.

"The house vote today makes no sense whatsoever," he said.

Sen. Warren Magnuson, D-Wash., leading Senate backer of the project, had another view:

"This is an about face that two months ago no one expected," he said. "I believe it does reflect the second thoughts a lot of people here have felt since the project was killed."

Senate sources said the Senate Appropriations Committee probably would take up the bill next Monday.

"We've got the votes on the Appropriations Committee to vote it out," an SST backer said, and my guess is that it could reach the Senate floor as early as next Wednesday."

Proxmire said there have been no technological breakthroughs since the SST was scrapped to counter arguments it would have a severe and harmful effect on the environment.

Rep. Frank Bow, R-Ohio, argued the loss of an ultimate 25,000 SST jobs on top of the \$1 billion spent on the 10-year program would raise termination costs above the \$1.5 billion originally estimated for completion of the two SST prototypes.

At the same time, Bow estimated revival of the already cancelled program would add some \$130 million to \$150 million to the \$1.5 billion costs and would delay the original schedule for a March 1973 test flight by up to nine months.

Rep. Silvio Conte, R-Mass., said the House vote would open a Pandora's box for subsidy of other hard-pressed industries.

"Unless we resist this attempt to open the floodgates of government bailout," Conte said, "our private enterprise system will be swept away."

Monetary Crisis

Doubt sends gold prices up

LONDON AP—Widespread uncertainty over money values in Europe's currency crisis sent the price of free gold to an 18-month high in bullion markets Wednesday.

London dealers said demand for the metal was steady and persistent but far from panic level.

The price was marked up 50 cents an ounce Wednesday morning in London to woo sellers into the market to meet the growing demand. The maneuver apparently worked. The price backed off 25 cents at the afternoon fixing to \$40.45 an ounce.

The movement in bullion markets, however, was only indirectly connected to the monetary crisis caused by a massive influx of dollars, dealers explained. It reflected the uncertainty of traders on the future course of currency values. In times of uncertainty, gold represents a solid haven for money.

When speculators see better opportunities for profit in stocks, bonds or currency—like last week's gamble in West German marks—they sell their gold.

They are waiting now for some indication from the West German Central Bank of the level at which it intends to stabilize the mark against the dollar. The mark was set free to drift Sunday to find its true value in the open market. The Netherlands followed suit and Switzerland and Austria revalued their currencies upward.

Fluctuations in currency exchanges were relatively minor throughout the day with the mark hovering 2½ to 3 per cent above its pre-crisis value in relation to the dollar.

Speculators want a bigger profit than that and they were holding on tight to the marks they bought by the billion last week.

As dollar transactions declined in European markets, an Associated Press survey showed that many European money experts laid the blame for the monetary crisis squarely at the door of the United States, although West German policies also came in for some criticism.

They said Europe was having to pay the price of what they called the dollar sickness. They warned of worse to come unless Washington gets its balance of foreign payments out of the red.

Leo Levy, respected financial adviser of the Banque de Bruxelles, expressed the general feeling when he said: "The deep cause of what has happened is that for years the U.S. balance of payments has been in the red . . . The deplorable fact is that the Americans don't seem at all willing to admit they are the basis for the new monetary crisis."

The Belgian State Bank announced a move, however, that brought gold into the currency crisis. It said it had cashed in about \$80 million for gold from the dwindling U.S. stockpile at Ft. Knox. Internal conditions made it impossible to absorb more dollars, the Belgians said.

A concerted move of this kind by other European state banks could wipe out the American gold supply and undermine the world monetary system.

Officials of the West German Bundesbank—the Central Bank—were quick to say they had no intention of following the Belgian example. West Germany alone is believed to hold enough dollars to wipe out the entire Ft. Knox stockpile, which stood at the end of March at \$10.9 billion.

News Roundup

from AP reports

ANKARA, Turkey—A giant earthquake struck the opium-growing lake country around Burdur in southwest Turkey Wednesday, killing at least 58 persons and injuring hundreds. The governor of Burdur Province, Esref Ayhan, said 18 deaths had been confirmed in Burdur and 20 each in two nearby villages. The quake devastated Burdur, a town of 30,000 about 225 miles southwest of Ankara, and flattened several nearby villages. Ayhan said late Wednesday the death toll could rise as digging-out operations by troops and workmen progress.

WASHINGTON—The White House sought Wednesday to delay Senate action on a proposal to halve U.S. troop strength in Europe amid behind-the-scenes efforts to draft an acceptable alternative. Apparently taken by surprise when Democratic Leader Mike Mansfield of Montana offered the amendment on Tuesday, the White House passed the word to use whatever means were necessary to delay action. Both Mansfield and Sen. Charles Mathias Jr., R-Md., author of a pending alternative endorsing President Nixon's plans to maintain U.S. troop strength in Europe, said they were ready to vote at any time.

WASHINGTON—The House Ways and Means Committee completed its draft Wednesday of a massive welfare reform-Social Security bill embracing President Nixon's proposal for a federal floor of \$2,400 income for a family of four. The committee finished its basic decisions and plans to vote on the bill Monday. The committee said the measure would: Increase payments to the beneficiaries of Social Security, welfare and rework programs by almost \$6 billion in the first full year of operation; save money, because of federal takeovers, for nearly all states, based on their anticipated costs for 1973 and future years. The program would become fully effective in 1973.

WASHINGTON—A total U.S. political and economic boycott of South Africa to protest its apartheid policy was called for Wednesday by Leon Sullivan, first black director of General Motors Corp. Blacks in America and Africa agree, he told the House subcommittee on Africa, "That the only successful way in bringing about the downfall of the undemocratic regime of South Africa is to weaken its economic foundation." We . . . are willing to suffer by having the United States and other Western countries impose a complete and total economic embargo against South Africa," Sullivan said. "We know we can suffer no more than we are suffering now. As black Americans we support a total economic, political and social disassociation with South Africa."

LIMA, Peru—An earthquake struck Peru's isolated Sihuas Province last week, killing five persons and injuring 30, the national police force reported Wednesday.

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