

cient management have enabled Memorial to lower the administration's share of total costs from 14 to 10 percent in the past 7 years.

To deploy the latest weapons of technology against inflation, Memorial Hospital of Long Beach this year purchased a recently developed Control Data Corp. computer system with several firsts for American hospitals. With wages and salaries accounting for approximately 70 percent of hospital costs and increased demands for hospital services requiring more and more manpower, Memorial looks to the computer to free personnel from routine paperwork and to help meet the demands of a larger hospital without corresponding increases in the number of employees. Not only will the computer system help hold down costs, it also will be used to speed hospital admissions, reduce waiting time of patients for test results, provide substantial savings in time for physicians and aid in medical research.

In yet another frontal attack on costs, Memorial has been a pace setter in using larger nursing units with central nursing core stations. The hospital achieved a lump sum savings of \$160,000 on space and equipment in this manner and annual savings in clerical costs is running \$75,000 and in the time of nursing and other professional personnel, \$50,000. Memorial's nursing units of 100-plus beds off central nursing core stations is credited with assuring optimal care for patients and making better use of scarce registered nurses. In addition, it saves time for physicians visiting their patients in the hospital or checking with nurses.

Another savings of \$50,000 per year is being made as Memorial handles its own workmen's compensation insurance program on a self insurance basis.

Memorial, one of the innovators among American hospitals in utilizing life income and annuity programs so successfully employed by colleges over the years, has raised more than \$1.5 million in contributions since 1960 to pay for needed equipment and facilities. This reduces the necessity of raising patient charges to pay for these needs.

A 25-percent reduction in charges for advanced care patients was among the savings effected when Memorial last year built a special new unit to speed the recovery of those not acutely ill so that they can return to normal activities with a shorter period of hospitalization. The 86-bed unit also freed that many acute care beds in the main hospital. This was not false economy: even though the accommodations in the new unit are like those in a fine hotel—carpets, cultured marble sinks, bright decor, landscaped courtyard with heated walks, tiled private showers, lounge with color TV, in-room coffee—the hospital is able to change 25-percent less because the patients are encouraged to be self-sufficient which speeds their rehabilitation.

Shorter stays in the hospital both save money for patients and free beds for people who require acute care. The physicians on the Memorial Hospital medical staff have been concerned that patients who no longer need hospitalization

are discharged. And the committee of physicians that reviews bed utilization in the hospital has been effective in discouraging needless short-term stays for diagnostic purposes.

The costs of providing services at Memorial Hospital of Long Beach, as a direct result of such efforts and programs as I have described, run 15 to 20 percent lower than the norm for the Long Beach-Los Angeles metropolitan area. Much of these savings help the hospital buy the newest medical equipment and provide for new facilities to meet public demand. The savings also pay the costs of an extensive medical education program—more than \$600,000 per year.

The savings and contributions have gone into \$5 million worth of capital expenditures over the past 7 years. And just to provide for new and expanded services, not including pay raises, the hospital has had to increase its payroll by \$2.5 million and its supply orders by \$1 million since 1960.

During the same period, wages and salaries, particularly for nursing personnel, have increased drastically. The range for nurses 7 years ago was \$330 to \$390. Today it is \$570 to \$693.

Costs of supplies, equipment, and construction have also climbed and placed increasing pressure on hospitals.

Memorial and other hospitals are having to replace equipment which becomes obsolete before it has a chance to wear out. Memorial and other hospitals have to rebuild facilities to comply with safety standards and because they are old.

One of the greatest sources of pressure on hospital costs these days is the need to expand and meet increased public demand for hospitalization. It is not just normal population increases but also increased usage of hospitals by the public generally and sharply rising usage of hospitals by medicare and other Government aid recipients.

It is ironic that Memorial and other efficient and economic hospitals are hardest hit by the medicare formula which instead of fostering efficiency and economy tend to reward those facilities that operate less economically and have relatively higher costs. Medicare's reimbursement formula, providing what medicare considers the costs of hospitals plus 2 percent—often less than actual costs—does not provide for keeping up with technological advances, providing new and additional services as they are developed, replacing inadequate facilities or establishing new ones. As a result, if the formula is not revised to the realistic and accepted basis of paying billed charges, medicare threatens to contribute heavily to inflation in the costs of hospitalization and possibly to the deterioration of the quality of care given the public.

Another governmental contribution to rising costs at hospitals is the paperwork necessitated by medicare's complex and detailed rules. Memorial Hospital of Long Beach informs me that the average medicare bill takes 2½ times more work and time to process than that of the average insurance-covered patient and since medicare went into effect they have had to add five extra employees to the billing department alone.

Yet, despite these pressures, Memorial continues to do an excellent job of holding the line against inflation.

I credit the board of directors for sound policy decisions leading to lowered costs. The business and medical leaders who serve on this board have given ample testimony through their actions to the progress that can only be made under local control.

I credit the physicians of the Long Beach community who have given the hospital's cost savings efforts their support and cooperation and who have done so much to make Memorial one of the finest community medical centers in the country.

I credit the forward-looking and able management of the hospital for the implementation of programs to keep costs down while improving quality of care.

I credit the employees of Memorial Hospital who have been on the firing line in helping bring these goals to fruition.

And I hold the efforts of these men and women up as a model of the best being accomplished by our hospitals and as a prototype of what we should look for in the hospitals of today and tomorrow.

I think that Mr. Harry C. Hachmeister, the chairman of the board of directors of Memorial Hospital of Long Beach, spoke for all hospitals when he recently said:

The chief responsibility of this hospital's board of directors is to assure the best quality of hospital care to the citizens of the area and to keep fully abreast of developments in medical science while conserving every possible penny.

ABM file
COMPELLING ARGUMENTS FOR
THE ABM

(Mr. HOSMER (at the request of Mr. Gross) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOSMER, Mr. Speaker, with precise and powerful logic the American Security Council's Washington Report for August 21 raises new and restates familiar arguments in favor of deploying a U.S. antiballistic missile defense. The report, written by the highly respected strategy analyst, Dr. James D. Atkinson, follows:

COUNTER-DETERRENCE AND THE ABM

(By Dr. James D. Atkinson)

That trenchant observer of the American scene, Will Rogers, once observed that in the field of disarmament Americans had a tendency to scrap battleships while their opponents tore up blueprints. Something of this American tendency of an almost extremist goodwill is in evidence today with reference to the question of anti-ballistic missile defense. We talk and talk in the hope that we can persuade the Soviet Union to dismantle its present anti-ballistic missile system and to refrain from going ahead with further missile defenses. The Soviets stall in the negotiations while continuing to build and deploy their ABMs.

SOVIET CAPABILITIES AND INTENTIONS

The recent study prepared by a special subcommittee of the National Security Committee of the American Security Council entitled *The Changing Strategic Military Balance: U.S.A. vs. U.S.S.R.* has stated that "the preponderance of evidence points to the conclusion that the Soviet Union is succeeding in its massive drive toward strategic military

superiority . . . (and that) the year 1967 falls in a crossover period with the U.S.S.R. estimates ranging between 16,000 and 37,000 (deliverable) megatons, to equal or exceed the U.S. estimated range of between 8,000 and 29,000 (deliverable) megatons." This study, with its graphic documentation of the Soviet thrust for military-technological superiority, has received, and continues to receive, widespread attention from leading editors and authorities in both the daily and the periodical press. The New York Times, for example, in a front page story on July 12, 1967, stated that ". . . the Defense Department did not directly contradict the study's findings, but argued that deliverable megatonnage was not an accurate indicator of 'true military capability.'"

It has been argued in some quarters in the West, however, that Soviet capabilities as illustrated by the Soviet deployment of an ABM system need not be a cause for alarm since Soviet intentions are peaceful and the Cold War is, in fact, over.

But are the Soviet leaders mellowing? Unfortunately, the most recent evidence would appear to indicate that storm flags are flying in the Kremlin. Some storm signals are:

(1) The official pronouncement of the Communist Party of the Soviet Union issued June 25, 1967, in a summary of 50 years of Bolshevism. It stated that, "The domination of imperialism on the world scene has ended" because of the growth of Soviet military power. The statement also singled out the United States as the "main enemy" of the national liberation warfare movement and charged the state of Israel with aggression.

(2) Appointing (for the first time since Beria's execution in 1953) the Soviet secret police chief a member of the ruling Politburo. This is Yuri Andropov, whose promotion was announced June 22, 1967. Since the KGB (the Soviet secret police) have vast responsibilities for waging unconventional warfare around the world, it would appear that giving Andropov such power indicates stepped-up Cold War operations.

(3) Writing in the official Soviet Armed Forces newspaper, Red Star, on June 3, 1967, Bulgarian Minister of Defense, General of the Army Dobri Dzhurov said: "The Soviet Union has always been and will continue to be the main political and material base of the world revolutionary process." The general also went on to say that "The Soviet Union constitutes the main support of fighting Vietnam."

(4) Soviet escalation of the Vietnam war is another example of the Soviet's true intentions. Soviet shipping going into North Vietnamese ports has shown a marked increase this year over 1966. As of June 1967 the rate was eighteen per month with an additional 2 to 5 Soviet satellite ships per month. Indicative of this escalation is the Moscow Radio broadcast of July 28 which stated that Soviet ships "leave Odessa practically every day with cargoes for Vietnam."

(5) The recent hard-line in the Soviet press which continually attacks Israel, "Zionism," and the United States. In reporting this trend from Moscow, the Washington Post of August 8, 1967 stated that the press campaign was one which "to some senior diplomats here recall the worst days of the Cold War."

These indicators of increasingly "stormy cold war weather" indicate that Soviet strategists understand quite well that revolutionary agitation and propaganda, "peace marchers" in London and New York, guerrillas in Africa and Latin America are techniques of conflict on a par with guided missiles and nuclear submarines. But does it follow that these same Soviet strategists are unaware of the possibilities for nuclear blackmail of the West in the event that they attain strategic military-technological superiority? Indeed, one may well ask whether the present U.S. limitation on air strikes against military targets in North Viet Nam result from the steady

accretion of Soviet military-technological power?

CHINESE COMMUNIST NUCLEAR WEAPONS DEVELOPMENT

Even if it were possible to disregard the evidence of the Soviet deployment of an ABM system or systems and the counter-deterrence which this poses to the announced U.S. policy of deterrence, it would be still more difficult to close our minds to the ominous developments in China.

The Chinese Communists exploded their first H-bomb on June 17, 1967. It was apparently a sophisticated implosion type in the two-to-seven megaton range. The complicated electronic triggering and measuring devices that would appear to have been required, in this and other nuclear tests, would be of great assistance to the Chinese in this and other nuclear tests, would be of great assistance to the Chinese in building an intercontinental missile. Since the Chinese progress in nuclear weapons development has been faster and more effective than had been anticipated by Western sources, it may be that they will also develop a nuclear ICBM delivery capability sooner than the mid-1970's, which is the time phase previously estimated by Western sources. Moreover, the Chinese now possess the design capability for a multi-megaton thermonuclear weapon which can be delivered by aircraft.

The possibilities of the Chinese Communists exercising nuclear blackmail against Southeast Asian countries, Japan, or, indeed, against the United States are underscored in a report released August 3, 1967, by the Joint Congressional Committee on Atomic Energy. The Committee said: "We believe that the Chinese will continue to place a high priority on thermonuclear weapons development. With continued testing we believe they will be able to develop a thermonuclear warhead in the ICBM weight class with a yield in the megaton range by about 1970. We believe that the Chinese can have an ICBM system ready for deployment in the early 1970's. On the basis of our present knowledge, we believe that the Chinese probably will achieve an operational ICBM capability before 1972. Conceivably, it could be ready as early as 1970-1971."

The Joint Committee then went on to sound a warning about the direct threat to U.S. national security posed by Chinese Communist nuclear weapons developments by pointing out that "Most significant for the United States is the fact that a low order of magnitude attack could possibly be launched by the Chinese Communists against the United States by the early 1970's. At present we do not have an effective antiballistic-missile system which could repel such a suicidal (for the Chinese) but nevertheless possible strike."

THE STABILIZING VALUE OF A U.S. ABM SYSTEM

In the final analysis, the value of a system of deterrence is that which the enemy believes about it. If the Soviets believe that the U.S. deterrent offensive force can be neutralized by their ABM systems to a point at which the Soviet war-making capability will sustain only an acceptable level of damage (and, of course, their acceptable level may be much higher than ours), then they have achieved a counter-deterrence posture which may lead them to risk—at a given crisis in international relations—a nuclear war.

Equally, if at some future point the Chinese Communists should believe (in the absence of a U.S. ABM system) that there is somewhat more of a "suicidal" element for the United States than for them in a nuclear war, they might, in a given confrontation, launch a surprise nuclear attack on America.

The evidence of the post-World War II period suggests that it has been the stabilizing factor of U.S. military-technological power which has prevented a general war.

Today, under the impact of both the Soviet and Chinese Communist military-technological thrust, that stability appears to be threatened. Would the production and deployment of a U.S. ABM system—perhaps even on a crash basis as a clear demonstration of credibility—have a definite stabilizing value on world politics? That it might well do so is indicated by the thoughtful and carefully measured words of the Senate Appropriations Committee. In reporting on the Defense Department Appropriation Bill for fiscal 1968 (August 4, 1967), the Committee said: "It is the view of the Committee that the deployment of the NIKE-X antiballistic missile system should be initiated immediately, and the Committee urges the executive branch of the Government to take action accordingly."

DEVELOPING THE C. & O. CANAL

(Mr. MATHIAS of Maryland (at the request of Mr. Gross) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATHIAS of Maryland. Mr. Speaker, an increasing number of families and individuals are discovering the attractions of the Chesapeake and Ohio Canal. This historic waterway, which stretches along the Potomac from Georgetown to Cumberland, 185 miles upstream, is not in entirely good repair, but still offers unlimited opportunities for hikers, bikers, riders, fishermen and campers. A trip along the C. & O. Canal is a journey through some of the most striking scenery in the East, and through a very vital segment of American history.

One of the latest discoverers of the canal is Mr. David Bird, who recently cycled the entire length of the canal from Cumberland to Washington. Mr. Bird summarized his trip, and the many and varied features of the canal, in an interesting article in the travel section of the New York Times on August 27.

The current pleasures of canal exploration, as outlined by Mr. Bird, can only hint to us the joys which will be available when the canal has been fully developed and extensively restored. A relatively small investment, as recommended in my bill (H.R. 7201), could make the canal not only a tremendous recreational asset in its own right, but also the backbone of future development and conservation of the Potomac River. Restoration of the Paw Paw Tunnel has shown us what can be done, and I deeply regret that the Interior Department has let another summer slip away without making a more extensive commitment to canal development.

I include in the RECORD, for the information of my colleagues, Mr. Bird's article, and two discussions of the canal's potential, an editorial from the Hagerstown Morning Herald of July 8, and an article by Mr. Nelson I. Willingham, Jr., from the Howard County Times of August 4.

The material referred to follows:

[From the New York Times, Aug. 27, 1967]

RETRACING THE TOWPATH ALONG THE OLD
C. & O.

(By David Bird)

CUMBERLAND, Md.—"It starts down there someplace," the railroad crossing guard said