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White House re: From the Office of the White House Press Secretary

Mike Mansfield 1903-2001

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Office of the White House Press Secretary

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THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

As the Congress reconvenes for the closing months of the
1973 legislative season, it returns to a critical challenge.

Our country faces many pressing problems which must be
solved with dispatch.

Americans want and deserve decisive action to fight
rising prices. And they want every possible step taken now --
not a year from now or in the next session of the Congress.

Americans want and deserve decisive action this year to
ensure that we will have enough heat for our homes, enough
power for our factories, and enough fuel for our transportation.

They want and deserve decisive action this year to combat
crime and drug abuse. The national rate of serious crime is
now heading down for the first time in 17 years, and they want
that downward spiral to continue.

There is also an immediate need to improve the quality of
our schools, reform Federal programs for our cities and towns,
provide better job training, revamp our housing programs,
institute lasting reforms in campaign practices, and strengthen
our position in world markets.

Of transcending importance is America's continuing com­
mmitment to building a lasting structure of world peace. Our
people are now at peace for the first time in more than a
decade, and they expect their leaders to do all that is nec­
essary to maintain the peace, including those actions which
preserve the Nation's strong defense posture.

At the same time, it is apparent as the fall legislative
season begins that many Members of the Congress wish to play
a larger role in governing the Nation. They want to increase
the respect and authority which the American people feel for
that great institution.

Personally, I welcome a Congressional renaissance.
Although I believe in a strong Presidency -- and I will con­
tinue to oppose all efforts to strip the Presidency of the
powers it must have to be effective -- I also believe in a
strong Congress.

In campaigning for the Presidency in 1968, I called for
"national leadership that recognizes the need in this country
for a balance of power. We must maintain," I said, "a balance
of power between the legislative and the judicial and the
executive branches of Government."

I still believe in that division of responsibility. There
can be no monopoly of wisdom on either end of Pennsylvania
Avenue -- and there should be no monopoly of power.

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The challenge is thus clear. The problems of the Nation are pressing, and our elected leaders must rise to the occasion. These next four months will be a time of great testing. If the Congress is to play its proper role in guiding the affairs of the Nation, now is the time for it to take swift and decisive action.

In sending this message to the Congress today, I want to refocus attention on more than 50 legislative measures which I proposed earlier this year. These proposals, along with my regular authorization requests, are now of the highest priority if we are to meet our responsibilities.

Frankly, the action taken by the Congress on my proposals so far this year has been far less than I had expected. Commendable progress has been made on some fronts, and I have signed into law several bills which were the result of constructive compromise between the Congress and the Administration. Among them have been a new approach to farm legislation, a Federal highway bill which will also spur the development of mass transit systems, an increase in social security benefits, airport development legislation, amendments to the Rural Electrification Act, the Economic Development Administration and the Law Enforcement Assistance Administration authorizations, an Older Americans bill, an emergency farm loan bill, a national cemeteries bill and a medical care bill for veterans.

Yet the work that lies ahead in the final quarter of the year is far heavier and even more critical than that which has been accomplished so far. Nearly all of the significant proposals that I have submitted to the Congress still await final action. In addition, with more than two months of the new fiscal year already behind us, the Congress has passed only three of thirteen regular appropriations bills, all of which ideally should have been passed before the fiscal year began. I regret that it has also been necessary for me to veto six bills this year. Four of those vetoes have been sustained, and the final disposition on two of them has not yet been determined. I am hopeful that in some of these areas where I have exercised the veto, such as minimum wage legislation, the Congress will pass new legislation this fall which will meet my objections. The Congressional agenda for the next four months is thus long and urgent.

I realize that it will not be possible for the Congress to act this year on all of the legislation which I have submitted. But some of these measures respond directly to the most immediate problems before the country. I will give special attention to them in this message, just as I trust the Congress to give special attention to them before the last gavel falls later this year.

In the spirit of responsible cooperation which must prevail between the Executive and the Congress if we are to make genuine progress this fall, I am fully prepared to work closely with Members of the Congress in hammering out modifications to these bills. Already this year I have met more often with the bipartisan leaders of the Congress than in any other year of my Presidency, and I hope to meet even more frequently with Members of the Congress during the coming weeks. In addition, Cabinet members and all other appropriate members of the Administration will be fully accessible and available. There are, of course, certain principles of vital national concern which cannot be compromised -- the need for budgetary discipline, for a strong national security posture, and for the preservation of the requisite powers of the executive branch. But within these limits I stand ready to find workable compromises wherever possible on solutions to our national problems.
The overriding question, however, is not the degree of compromise which is reached between the executive branch and the Congress, nor is it a matter of who receives the credit. The most important question concerns the results we achieve for the American people. We must work hard and we must work constructively over the next four months to meet the country's pressing needs. It is on that basis that we shall be judged.

**THE FIRST GOAL: A BALANCED BUDGET**

No issue is of greater concern to the American public than rising consumer prices. The battle against inflation must be our first priority for the remainder of this year.

The executive branch is already actively engaged in this fight:

-- We have imposed a strong, new set of economic controls which should help to bring a reduction in the rate of inflation by the end of this year.

-- We have taken a series of measures to expand food supplies, so that production will keep up with growing demands. The farm bill passed by the Congress and signed into law last month will make a significant contribution to this effort.

-- Thirdly, the Federal Reserve System has been working to maintain reasonable controls on the flow of money within the economy, which is essential to reducing inflation.

We are moving in the right direction, but we must recognize that we can reach our goal only if we also apply the single most important weapon in our arsenal: control of the Federal budget. Every dollar we cut from the Federal deficit is another blow against higher prices. And nothing we could do at this time would be more effective in beating inflation than to wipe out the deficit altogether and to balance the Federal budget.

Eight months ago I submitted to the Congress a new budget calling for Federal outlays of $268.7 billion during fiscal year 1974. Since that time, the Congress has undertaken a serious and commendable effort to establish its own mechanism for controlling overall expenditure levels. If that effort succeeds, the Congress will have a much more reliable tool for holding spending to acceptable totals.

At the same time, the Administration has been working to increase the efficiency and thus cut the cost of the Government. We now expect to end the current fiscal year with no increase of civilian employees over last year's level and with 50,000 fewer employees than in 1972, despite the fact that the workload has increased. I have also acted to delay a pay increase for all Federal employees for a period of 60 days in order to hold the spending line. Clearly, the men and women in the Federal Government are doing their fair share in the inflation fight.

Yet the battle for essential budgetary discipline is still far from won. Although we are only two months into the new fiscal year, the Congress has already enacted programs which would exceed my total budget by some $2 billion and it is considering additional legislation which, if passed, would add another $4 billion of spending in excess of my budgetary requests. In addition, the Congress has failed to enact specific program reductions I have recommended which amount to nearly $1-1/2 billion. Thus, if the Congress continues to follow its present course, the American taxpayers will soon receive a bill for more than $7 billion in increased spending.

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These increases, if allowed to stand, would drive this year’s budget over the $275 billion mark. That figure would represent a 12 percent increase over last year’s budget level. A continuation of that trend would increase the annual budget burden to some one-half trillion dollars by 1980. Clearly we need to draw the line against this tendency. And the time to draw the line is 1973, when excessive spending packs an inflationary wallop that is particularly dangerous.

The Congress has indicated a strong desire not only to control the total level of governmental outlays but also to determine which programs should be curtailed to achieve those levels. I call upon the Congress to act while there is still time, while vital spending bills are still before it, and while it can still go back and reconsider actions taken earlier this year. A great deal of the recent budget busting has been done not through the conventional appropriations process, but through "backdoor" funding and mandatory spending programs approved by legislative committees -- two approaches which need to be carefully reviewed. I am fully prepared to work closely with the Congress in determining the best ways to control expenditures and in discussing the particular programs that should be cut back.

In our joint efforts, however, I continue to be adamantly opposed to attempts at balancing the overall budget by slashing the defense budget. We are already at the razor's edge in defense spending. In constant dollars, our defense spending in this fiscal year will be $10 billion less than was spent in 1954, before the Vietnam war began. Our defense forces are at the lowest level since the days just before the Korean war, and a smaller part of our gross national product is being spent on defense than in any year since 1950. Further cuts would be dangerously irresponsible and I will veto any bill that includes cuts which would imperil our national security.

Some people have become so accustomed to Federal deficits that they think a balanced budget is impossible. But balancing the Federal budget is no pipedream; it is a realistic goal. The figures for fiscal year 1973 show that we held spending more than $3 billion below our target figure -- and that the budget was actually in surplus during the last three months of the fiscal year.

This record was achieved in part because of the cooperation of the Congress in certain areas, and I am grateful for that cooperation. In other areas, however, Congressional spending was excessive and I found it necessary to veto certain measures and reserve certain funds. I would have preferred not to have exercised those powers, but the public interest demanded that I take such actions. Should those actions prove necessary again in the months ahead, I will not hesitate to take them.

STRENGTHENING THE ECONOMY

The fight against inflation must move ahead on many fronts. Even as we strive to hold the line on Federal spending, we must also take a number of additional actions to strengthen the economy and curb rising prices.

Trade Reform Act

One of the most important of all the bills now before the Congress is my proposed Trade Reform Act of 1973. It is important that final action on this measure be taken in the next four months.
This legislation represents the most significant reform of our approach to world trade in more than a decade. But it builds on a strong tradition, steadily maintained since the days of Franklin Roosevelt, of giving the executive branch the authority it needs to represent the Nation effectively in trade negotiations with other countries.

The weeks and months ahead are a particularly important time in international economic history. This month sees the formal opening of a new and highly important round of trade negotiations in Tokyo and the annual meeting of the International Monetary Fund and World Bank in Nairobi. The Nairobi meeting is highly important to international monetary reform negotiations. Decisions which grow out of both of these meetings will shape the world's economy for many years to come. The United States can be a much more effective participant in such discussions if the Congress provides the tools contained in my proposed trade reform legislation.

The United States continues to seek a more open trading world. We believe that artificial barriers against trade among nations are often barriers against prosperity within nations. But while the trading system should be more open, it should also be more fair. The trading game must be made equitable for all countries — giving our workers, farmers and businessmen the opportunity to sell to other countries goods which they produce most competitively and, as consumers, to buy goods which their counterparts in other countries produce most competitively. In bargaining for a more open and more equitable trading system, our negotiators must be equipped with authorities comparable to those of their counterparts from other nations.

My trade reform legislation would provide a number of such authorities and thus would strengthen our bargaining position. I emphasize again that the Congress should set up whatever mechanism it deems best for closer consultation and cooperation with the executive branch to ensure that its views are properly represented as trade negotiations go forward.

At the same time, I have also requested actions to ensure that the benefits of expanding international trade are fairly distributed among our own people and that no segment of our economy is asked to bear an unfair burden. My proposals would give us greater flexibility in providing appropriate relief from imports which cause severe domestic problems and would also liberalize our programs of adjustment assistance and other forms of compensation to help workers who are displaced because of rising imports. They would also equip us to deal more adequately with the unfair trading practices of other countries, and through expanded trade, to "sop up" some of the excess dollar credits now held abroad which can play havoc with domestic markets.

Other authorities contained in the bill would give us greater flexibility to use trade policy in fighting inflation, correcting our balance of payments, expanding our exports, and advancing our foreign policy goals. One provision of this bill, authorizing the President to extend Most Favored Nation treatment to those countries which lack that status, would be particularly helpful in carrying out our foreign policy and I continue to give it my strong support.

Altogether, the proposed Trade Reform Act of 1973 represents a critical building block as we seek to construct a durable structure of peace in the world and a vibrant and stable economy at home. In the difficult negotiations which lie ahead, this legislation would enable us to assure more jobs for American workers, better markets for American producers, wider opportunities for American investors and lower prices for American consumers.
Export Administration Act

The Export Administration Act amendment which my Administration proposed on June 13th is another weapon which could be helpful in the fight against rising prices. One of the most important causes of the recent inflationary surge has been the extraordinary boom abroad and the additional demand which it has generated for our products. On the whole, this boom should be seen as a healthy, long-range development for our economy as well as for other countries. But as I said last June, when we have pressing shortages in this country and when we must choose between meeting needs abroad or at home, then "we must put the American consumer first."

This is why I have asked for new and more flexible authority to establish certain controls on food and other exports when and where they are needed. I continue, however, to oppose permanent controls because they can upset and discourage our entire pattern of healthy trade relationships and thus complicate the fight against inflation. Our limited controls on soybeans were changed last Friday to permit full exports on new contracts. This action was taken because we are convinced that stocks and new crop supplies are more than adequate to meet our own needs.

Nevertheless, I still seek the authority I requested last June to be sure we will be able to respond rapidly, if necessary, to new circumstances. I also emphasize that new controls will be imposed only if they are absolutely needed.

Tax Reform

This Administration continues its strong opposition to a tax increase. We want to fight inflation and balance the budget by placing restraints on spending and not by adding to our current tax burdens.

At the same time, I remain vitally interested in finding ways to make our present tax structure fairer and simpler. Tax reform has been under consideration for some time and there is a continuing need for revising and simplifying the tax laws. My Administration has made some specific suggestions to that end and has indicated a willingness to work with the tax writing committees of the Congress in a general review of the Internal Revenue Code. This important task should be undertaken now rather than during an election year when political pressures invariably make such reform more difficult.

I would call special attention to one tax reform measure extensively discussed during the 1972 campaign and now pending before the Congress. That is my recommendation for providing property tax relief for older Americans. Retired people with low incomes bear a crushing and unfair property tax burden in many States. Even though their incomes decline with retirement, the property tax in many cases goes on rising. As a result, the home which should be a symbol of financial independence for older people often becomes another cause of financial strain. I again urge prompt action on the Administration's proposal to provide a special tax credit to help older people with lower incomes pay their property taxes. Simple justice demands it.

Stockpile Disposal Act

Another important action which the Congress can take in the battle against rising prices is to provide the necessary authority for selling part of our national strategic stockpile -- materials which are no longer needed for national security. I requested such authority last April with regard
to $4 billion worth of goods in our stockpile. Such sales, by allowing us to increase supplies in the marketplace of major commodities, could help provide important relief for hard-pressed American consumers. Further, this bill could help to maintain and provide employment for workers whose jobs are dependent upon the availability of basic commodities such as aluminum, zinc and copper, all of which are in short supply.

Our country's strategic stockpile still reflects the economic and military realities of the 1950's -- in fact, 95 percent of the current stockpile was acquired before 1959. In the 1970's, however, our military requirements have changed -- and so has our economic capacity to meet them. My proposed new guidelines for the stockpile would carefully protect our national security in the light of these changing realities, while substantially enhancing our economic health.

I regret that this legislation has not moved forward more rapidly during the past few months. In the name of national efficiency, thrift, and price stability, I call again for its prompt and favorable consideration.

Other Economic Legislation

As I indicated in my message to Congress on August 3, I will shortly be submitting my legislation on the restructuring of financial institutions. This is a complex matter which requires thorough but prompt study by the Congress.

I call, too, for speedy enactment of legislation which has now emerged from conference which would establish the Council on International Economic Policy on a permanent basis.

MEETING THE ENERGY CHALLENGE

I have previously stated, and wish to restate in the most emphatic terms, that the gap between America's projected short-term energy needs and our available domestic energy supplies is widening at a rate which demands our immediate attention.

I am taking all appropriate measures within my authority to deal with this problem, seeking to increase our supplies and moderate our demands. Looking to the future, I have announced plans for a large scale increase in our research and development effort, and I have asked my top energy advisor, Governor John Love, to meet with State officials to seek temporary modifications of air quality standards. Such modifications would help to minimize fuel shortages this winter. In addition, I have soon be meeting with members of the Atomic Energy Commission to determine whether we can bring nuclear power plants on line more quickly. But the energy problem requires more than Presidential action; it also requires action by the Congress.

It is absolutely essential that the Congress not wait for the stimulation of energy shortage to provide the legislation necessary to meet our needs. Already we have seen some regional inconveniences this summer with respect to gasoline and this winter we may experience a similar problem with regard to heating fuels.

Over the long term, the prospects for adequate energy for the United States are excellent. We have the resources and the technology to meet our growing needs. But to meet those long-term needs and to avoid severe problems over the short term, we must launch a concentrated effort which mobilizes the Government, American industry and the American people.

I have recently called for passage of seven major energy bills now before the Congress. Not all of those can be acted upon with equal speed, but four of these bills are of the more
highest urgency and must be acted upon before the end of this year. These four would provide for the construction of the Alaskan pipeline, construction of deepwater ports, deregulation of natural gas and establishment of new standards for surface mining. All four of these bills are addressed to both our short-term and long-term needs.

Alaskan Pipeline

Our first legislative goal -- and one that should be achieved this month -- is the enactment of an Alaskan pipeline bill. Construction of the pipeline would provide us with up to 2 million barrels of oil per day over which we would have full control and would simultaneously reduce by more than $3 billion per year our need for oil imports. I have proposed legislation to avoid any further delay in the construction of the Alaskan pipeline and I am gratified that both Houses of the Congress have already passed variations of this proposal. I urge the earliest possible attention to these bills by the House-Senate Conference Committee, so that pipeline construction can begin.

Deepwater Ports

Until domestic resources are in full production and technological progress has reached a point where sufficient energy sources are within reach, we will have to rely upon imports of foreign oil. At the present time, however, continental port facilities are inadequate to handle our import requirements.

Because of our limited port capacity, the super-tankers presently used for petroleum transport cannot be off-loaded anywhere on our Atlantic coast. I have therefore proposed measures to authorize the construction and operation of deepwater port facilities in a manner consistent with our environmental priorities and consonant with the rights and responsibilities of the States involved.

We must not delay this important legislation. To do so would further delay the economical import of petroleum and would mean increased costs to the American consumer, unnecessary threats to our coastal environment, and further loss of revenues to Canadian and Caribbean ports which are already capable of off-loading large super-tankers.

Natural Gas

For several years Federal regulation of natural gas has helped to keep the price of that product artificially low. Large industrial consumers have welcomed this system of regulations -- it has helped them to hold their fuel costs down, and since natural gas is the cleanest of our fossil fuels, it has also enabled them to meet environmental standards at an artificially low cost. This system of regulation, however, has also had the unfortunate result of discouraging producers from expanding supplies. As a result of high consumption by industrial uses coupled with the reluctance of producers to explore and develop new sources of natural gas, we now face a natural gas shortage.

I have therefore proposed that we begin a gradual move to free market prices for natural gas by allowing the price of new supplies of domestic natural gas to be determined by the competitive forces of the marketplace. This action should provide a secure source of natural gas at a price significantly lower than alternative sources. While there may be an increase in the price of natural gas over the short term that increase should be modest.
Surface Mining

Our most abundant domestic source of energy is coal. We must learn to use more of it, and we must learn to do so in a manner which does not damage the land we inhabit or the air we breathe.

Surface mining is both the most economical and the most environmentally destructive method of extracting coal. The damage caused by surface mining, however, can be repaired and the land restored. I believe it is the responsibility of the mining industry to undertake such restorative action and I believe it must be required of them.

I have proposed legislation to establish reclamation standards which would regulate all surface and underground mining in this country. These standards would be enforced by the States. I call again for enactment of this proposal, for it would enable us to increase the supply of a highly economic fuel while avoiding the severe environmental penalties which we have often paid in the past.

Reorganization of Federal Energy Effort

The four energy bills discussed above can and should be passed by the Congress this year. There are three additional measures proposed by the Administration whose early passage is important but not so critical that they require action this year. I would hope that these measures would be near the top of the legislative agenda in the future.

One of these bills provides for reorganization of the Federal energy effort. While energy is one of our Nation's most pressing problems, and while the preservation and effective use of our natural resources is an imperative policy goal, it is presently impossible to administer these related objectives in a coordinated way. Our ability to manage our resources and provide for our needs should not be held hostage to old forms and institutions.

I have noted repeatedly the need for thorough reorganization of the executive branch of the Federal Government. I believe the need for reorganization is especially acute in the natural resource area. I have urged and I urge again the creation of a Department of Energy and Natural Resources to permit us to deal with these questions in a more comprehensive and more effective manner.

I also again ask the Congress to create a new, independent Energy Research and Development Administration so that we can make the very best use of our research and development funds in the future. Our research and development effort could produce the most helpful solutions to the energy problem. For that reason, I recently announced plans to initiate a $10 billion Federal effort in this field over the next five years. No legislative action is needed by the Congress this year to provide funding, but it will be necessary for the Congress to approve such funding in the years ahead.

Since regulation of atomic energy resources can be better and more fairly performed if it is disengaged from
the question of their development and promotion, I have also included in this reorganization package a separate and independent Nuclear Energy Commission to perform these vital duties.

Siting of Power Plants

One of the major energy questions we face in 1973 is whether we can provide sufficient electric power to light our cities, cool and heat our homes, and power our industries in the decades ahead. One of the solutions to that problem lies in the increased use of nuclear energy. It is estimated that by the year 2000 nuclear power can provide nearly half of this country's electrical production.

We now have adequate safeguards to ensure that nuclear power plants are safe and environmentally acceptable, but the way in which we apply those safeguards sometimes causes unreasonable delays in construction. Similarly, protracted delays have been encountered in the siting of our plants that are powered by fossil fuels, which still must provide the majority of our electric generation capacity over the next three decades. Accordingly, I have proposed legislation which would streamline the process for determining the sites of power plants and transmission lines while continuing to provide full protection for public health and for the environment. This legislation has been under study for two years, and I am anxious to get it out of committees and onto the statute books.

Santa Barbara Energy Reserve

It is important to the necessary expansion of our domestic energy resources that we make more effective use of the vast oil and gas reserves along our Outer Continental Shelf. That is why I have ordered the Department of the Interior to triple the leasing schedule in this area and have directed the Council on Environmental Quality to study the feasibility of extending Outer Continental Shelf leasing to the waters off our Atlantic Coast and the Gulf of Alaska. I am equally determined, however, that our efforts to expand energy production should not run rough-shod over our valid concern to protect and enhance the natural environment.

I have therefore proposed in the past, and have resubmitted to the Congress this year, legislation to cancel oil leases in the Santa Barbara Channel and to create in that area a National Energy Reserve. Under this legislation, oil from Naval Petroleum Reserve No. 1 in California would be substituted for the oil off Santa Barbara and part of the proceeds from that production would be used to meet the expenses of exploring other potentially vast oil and gas reserves in Naval Petroleum Reserve No. 4 in Alaska. I believe that this legislation would permit us to maintain momentum in exploration and development while at the same time removing the threat of oil spills as a result of the unique geological formations off the Southern California coast.

In view of the present scarcity of fuels, it is important that we act now to draw upon the oil available in the Naval Petroleum Reserve No. 1 (Elk Hills). During the next several days, at my direction, representatives of the Administration will seek the necessary consultations with members of the Congress in order to increase production of oil from Elk Hills. This increased production should help to meet the fuel needs of the West Coast this winter.
In my message to the Congress on February 15th of this year, I was able to report that our Nation had moved away from an era of environmental neglect into a new era of restoration and renewal. The 92nd Congress helped in this process by enacting a number of important measures in 1971 and 1972.

Unfortunately, that Congress failed to act upon nineteen of my environmental proposals, and the Administration therefore resubmitted them last winter to the new Congress. While most of these measures still await action, I continue to hope that the Congress will turn its attention to them.

Some say we have been the victim of our own success -- that we have passed important legislation in the environmental area and that many are now tempted to rest on these laurels. But such lasitude would be dangerous. There are many areas of environmental concern still to be addressed. Three particularly important matters are national land use policy, the regulation of toxic substances, and the assurance of safe drinking water.

**National Land Use Policy Act**

The management of our lands is an emerging need of the highest priority. I firmly believe that land use policy is, and must remain, a basic responsibility of State and local governments and that the Federal Government should not usurp their functions. Nevertheless, the Federal Government should exercise leadership concerning the land use decisionmaking process, since our land is part of our national heritage and since decisions about land use often have regional and national consequences. The proposals I have made are designed to strike a careful balance between the setting of general standards at the Federal level and specific enforcement at the State and local level.

We first transmitted the proposed National Land Use Policy Act to the Congress in 1971, but there has been no law enacted since then. I am pleased, however, that the Senate has passed legislation incorporating many of the policies I have proposed. This legislation properly delineates the respective roles of the Federal, State and local governments in land use regulation. The Senate bill is deficient, however, in that it imposes an excessive financial burden on the Federal Government. I am hopeful that a responsible compromise can be worked out in the weeks ahead.

**Toxic Substances**

Because the great quantities of new chemicals now being used by industry pose undefined hazards to human life and the environment, I also asked the Congress again last February for legislation that would set standards for determining whether such chemicals are hazardous.

Such legislation has now passed both Houses of the Congress and is in conference committee. Although the Congressional version differs somewhat from the proposals the Administration has submitted, this new legislation would take the essential step of providing the Environmental Protection Agency with significant new authorities in this area. I am confident that a reasonable solution will be ironed out in conference, and I urge the Congress to move forward as rapidly as possible.
Safe Drinking Water Act

Finally, we must take new steps to protect the purity of our drinking water. The Federal Government's role in this process, however, should not be that of direct regulation but rather that of stimulating State and local authorities to ensure that national standards are met. I have asked that the primary monitoring and enforcement responsibilities for such standards be left with the States and localities.

This legislation has passed the Senate and awaits action in the House. While I urge prompt approval of this important new authority for the Environmental Protection Agency, I caution the Congress not to impinge on State and local powers and not to shift the responsibility for financing this program to the Federal Government and away from the users, where it belongs.

HUMAN RESOURCE NEEDS

It is an old adage that people are our most precious resource, but our legislative progress so far this year scarcely reflects that belief. Only a handful of bills has been passed in this important field. There are many other human resource measures proposed by the Administration and now pending before the Congress which deserve prompt consideration.

Education

As the Congress resumes its work for the fall legislative session, some 50 million young Americans are returning to elementary and secondary school classrooms all across the country. There they will pursue the education which is so important in broadening their horizons for the future and keeping our country progressive and free. Making sure that real educational excellence is available to all of those children must rank high on any list of human resource priorities for our Nation.

Constructive cooperation between the Administration and the Congress has already produced notable gains on this front over the past several years. The dismantling of dual school systems in the South is now virtually complete and the task of remedying school discrimination elsewhere in the country is proceeding harmoniously with forced busing being kept to a minimum. The National Institute of Education, which was created at my request by the Congress in 1972, is becoming the center for educational reform and innovation we hoped it could be. Total Federal outlays for education will reach $13.8 billion under my 1974 budget proposals -- an increase of $4.8 billion over the 1969 level.

Of crucial importance now, however, is whether those funds are being channeled in such a way as to purchase maximum educational benefit for the students they are intended to help. The experience of nearly a decade since the Federal Government shouldered a major school aid role under the Elementary and Secondary Education Act of 1965 indicates that these funds are not being used as effectively and equitably as they should be. Elementary and secondary education grant programs have proved so rigid, narrow, fragmented and encumbered with red tape that reform, consolidation, greater equity and simplification are now essential.

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It was to meet this need that I first asked the Congress early in 1971 to shift most Federal education programs from a categorical grant basis to a special revenue sharing approach. The need is still unmet as another school year starts. The best remedy is contained in the principles of the education legislation which the Administration proposed in 1971 and again in March of this year. The principles are more important than the question of how the bill is titled or who gets the credit.

I realize that the Better Schools Act has encountered difficulties in the Congress. I believe, however, that an acceptable proposal can be developed, and I am ready to work closely with the Congress to see that this goal is accomplished.

It will take political courage for the House and Senate to reject proposals which would perpetuate the more than 30 categorical grant programs perennially popular with legislators. But these programs are so tangled that we must move toward streamlining them and toward transferring key decision-making power out of the Washington bureaucracy back to the State and local levels where it can be exercised more intelligently. But if the Congress will keep its attention focused on the question of what best serves our school children, I believe it will recognize the need for prompt action.

Another area of renewed interest this fall is busing. My position is well known. I am opposed to compulsory busing for the purpose of achieving racial balance in our schools. I continue to believe in the neighborhood school -- in the right of children to attend schools near their homes with friends who live near them. I continue to believe that busing is an unsatisfactory remedy for the inequities and inequalities of educational opportunity that exist in our country, tragic as these discrepancies are. We have been working to end those discrepancies, and we will continue to do so. But we should also place effective and reasonable curbs on busing in a way which would aid rather than challenge the courts. Last year I proposed legislation designed to achieve this goal. I will continue to work with the Congress in an effort to enact legislation which will end involuntary busing for purposes of racial balance and concentrate our effort on true opportunity in education.

Welfare Reform

Another critical need in the human resource area is to overhaul our welfare system. Earlier this year I directed that vigorous steps be taken to strengthen the management of the welfare program through administrative measures and legislative proposals. I have further directed that the study of legislative proposals include a review not only of the basic welfare program but also its relationship to other programs designed to assist low-income families, such as food stamps, public housing and Medicaid. That study is now going forward, and I will be reviewing its results in the weeks ahead.

Manpower Training and Related Legislation

A second basic concern of public policy in the area of human resources involves the effort to guarantee to all our people the opportunity and satisfaction of working at a good job for a good wage. The Administration and the Congress have worked together effectively to foster the economic expansion which has now brought our total employment to record levels and has raised real wages significantly. In addition, we have taken important steps to improve the quality of the work environment. These steps have included passage of the landmark Occupational Safety and Health Act of 1970 and a major overhaul of the unemployment insurance system.
But much remains to be done, especially for those workers on the fringes of the labor force whose low skills or other disadvantages leave them "on the outside looking in." Massive Federal aid in the manpower training field, as in education, dates from the 1960's -- and here, too, it has become clear from the perspective of the 1970's that reform must be the order of the day. A special revenue sharing approach permitting States and communities to tailor their own programs to local needs will get better results for the dollar than those achieved by inflexible categorical grant programs designed in Washington.

In the face of Congressional rejection of my proposals in this area in 1971 and 1972, I directed the Secretary of Labor last January to implement administratively the principles of manpower revenue sharing, in so far as possible under existing law. That effort is now going forward, but I am certainly prepared to work with the Congress to achieve this same goal through legislation.

Working men and women will also be looking to the Congress this fall for action on three other bills which the Administration is requesting in their interest:

-- The Job Security Assistance Act, which would establish minimum benefit levels for State unemployment compensation programs and extend coverage to farm workers;

-- The Vocational Rehabilitation Act amendments, which would extend and improve job training programs for the handicapped, taking the place of an earlier measure whose severe overspending provisions and program distortions necessitated my veto in March; and

-- A constructive measure that would raise the minimum wage in light of the cost of living increases since the last such adjustment in 1968. Such legislation is essential to replace an earlier minimum wage bill which I felt compelled to veto last week because it would have hurt low-income workers and would have added to inflationary pressures in the economy.

Pension Reform

For most Americans, there are now two principal ways of providing for retirement. The first is the social security system, which is the largest system of its kind in the world and one of the most effective. The second is the system of private pension plans. Those plans now cover some 30 million workers and pay benefits to another 6 million retired persons.

As private pension plans have developed, certain flaws have also become apparent. The Federal Government should now act to help correct them. I first asked the Congress to enact pension reform legislation in 1971 and, after 16 months of additional study and hearings, I submitted two new bills to the Congress in the spring of this year.

One of these bills, the Retirement Benefits Tax Act, would give each worker greater rights in his pension plan and require that more money be put into it so that he will be more fully protected if he leaves his job before retirement. Unlike some of the alternative bills, it would also maintain strong encouragement for other employers to set up pension plans -- an important provision since about half of the total private labor force is not covered at the present time.

The second bill, the Employee Benefits Protection Act, would establish tighter fiduciary standards for the administration of the more than $160 billion now invested in private pension plans.
pension and welfare funds. The unscrupulous activity which has sometimes characterized the administration of these funds in the past convinces me that the Federal Government should play a watchdog role.

I am aware that several other pension proposals have support on Capitol Hill. A reasonable compromise seems in order, and my Administration is anxious to work with the Congress to achieve agreement in the months ahead.

Health Legislation

In the field of health care and medical protection, the Administration remains committed to a broad national health strategy which will eliminate financial barriers to needed medical help for every American family and will open to all our people the promise of longer, fuller lives with increasing freedom from disease. We have nearly doubled Federal outlays for health since I took office, and we have been mobilizing to conquer cancer and to fight other particularly cruel enemies such as heart disease, and drug abuse.

My number one priority in this field over the long term remains the building of a balanced health insurance partnership in which the public and private sectors join to bring the costs of quality care within every family's reach. However, the present crowded calendars of key Congressional committees make it seem more likely to me that the real push for this reform must come in 1974. We will move forward this fall with the work needed for the introduction of legislation at an early date.

An attainable goal for these final months of 1973 is passage of the Administration's proposed Health Maintenance Organization Assistance Act, which would provide Federal money to demonstrate the promising innovation of group medical centers where quality care can be maximized and costs minimized. The Senate has passed a bill to further the HMO concept. That bill, however, calls for a full-scale development effort rather than a limited demonstration program. A national development effort would require funding levels far beyond what is needed or what we can afford. The House is presently developing a bill which would be a fiscally responsible demonstration effort. If such a bill is passed by the full Congress, I will support it.

Legal Services Corporation

The Administration will also work closely with the Congress in the weeks ahead to obtain final passage of our bill to establish a Legal Services Corporation which would provide the poor with quality legal representation, would be free from political pressures, and would include safeguards to ensure its operation in a responsible manner. Legal Services legislation has passed the House. Nothing should now stand in the way of prompt Senate action.

Indian Legislation

The steadfast policy of this Administration is to advance the opportunities of American Indians for self-determination without bringing an end to the special Federal relationship with recognized Indian tribes. To that end, there are now six major pieces of legislation pending in the Congress which I proposed as long ago as July of 1970. This legislation would help to foster greater self-determination for the Indians,
to expand their business opportunities, and to provide better protection of their natural resources. Many Indian leaders have indicated strong support for this legislation, and I would hope that the Congress will now act on it with the speed that it so clearly deserves.

Pensions for Veterans

This Administration strongly believes that the Nation owes a special debt to its veterans, and we have tried to fulfill that obligation by supporting a number of improvements in veterans legislation. During the past four years, for instance, I have twice signed bills increasing the educational benefits for veterans and, during the current year, I have signed into law bills covering health care and cemetery benefits. All of those bills were the product of close cooperation between the Congress and the Administration.

The Congress is currently considering new pension legislation for veterans. With certain modifications, this bill would be a good first step toward the full reform which I believe to be necessary and which should be considered during the early days of the next session of the Congress.

Consumer Affairs

Early in 1971, after the Congress had failed to act on my proposal to create an Office of Consumer Affairs, I established such an office by Executive order. The office is now a part of the Department of Health, Education, and Welfare. In addition to playing an important role in forming Administration policy on consumer affairs and helping to educate the public on better ways to make consumer choices, the office seeks to represent consumer interests in testimony before the Congress and acts as a general ombudsman for the individual consumer.

I am convinced that we can do a good job for the consumer without excessive Federal intervention which could destroy the freedom of the American marketplace. However, I believe that more should be done in this field. To that end, I outlined this spring appropriate legislative specifications for establishing a separate Consumer Protection Agency and I am prepared to work further with the Congress on this issue.

Volunteerism

More than two years ago, in order to advance our tradition of voluntary action, I created a new Federal agency called ACTION. That agency is now responsible for directing federally funded domestic volunteer programs as well as the Peace Corps. ACTION has now proved to be an effective way of encouraging greater voluntary action here and abroad, and I am now anxious to place it on a more permanent footing. Accordingly, I ask that the Congress act this fall to provide legislative authority for this agency. Appropriate language for this legislation was agreed to prior to the August recess by a bipartisan group of sponsors in the House and Senate and by the Administration. I hope that this legislation will soon be sent to me for signature.

BUILDING BETTER COMMUNITIES

As we look back over the past decade, we can take pride in the fact that we have substantially slowed the processes of social upheaval in our cities. Yet by any yardstick, there is more...
a great deal of work ahead if we are to make life in our communities as healthy and enriching as it should be.

It would be reassuring to believe that the expensive Federal Government programs of the past have made great inroads on our urban problems, but that is clearly not the case. Many of the programs designed for this purpose, such as urban renewal and the Model Cities experiment, have not done the job that was expected of them and often have had a counterproductive impact. Consequently, I have recommended they be scrapped. We have learned from experience that we cannot cure our social ills simply by throwing money at them or dictating prescriptions from Washington.

What we are seeking now is a set of new approaches and a set of new programs: we are seeking change that works. My Administration has proposed a series of initiatives which would guide us along a more productive path. I have been keenly disappointed that some Members of the Congress seem so interested in continuing programs that are proven failures that we are unable to gain a full hearing for new approaches that clearly deserve a chance.

So far, the only significant legislative breakthrough this year has been the enactment of a modified highway bill, permitting some of the money in the Highway Trust Fund to be used for vitally needed mass transit systems. This is a concept which I vigorously advocated and I signed it into law with a strong sense of pride and hope. Other Administration initiatives, however, still languish on Capitol Hill. To break the present stalemate, I am prepared to accept something less than the full legislative measures I have proposed. I would hope that in the same spirit some Members of the Congress would drop their insistence upon continuing the programs which have produced such limited social returns.

The Better Communities Act

The Better Communities Act is the centerpiece of the legislative package which my Administration has sent to the Congress this year in the community development field. Embodied in this bill is a fundamentally different approach to the problems of community life. If it were passed, the Federal Government would continue to funnel money into our communities, but essential decisions on how that money was to be spent would no longer be made in Washington but at the local level. Five categorical grant programs and two loan programs which have proven to be inflexible and fragmented would be replaced and local governments would no longer be hamstrung by Washington's red tape.

I am aware that action on this bill has been delayed partly because some Members of the Congress wish to consider the Administration's housing proposals simultaneously. As I indicated in March, I ordered an intensive six-month study of Government housing policies to be conducted before I submitted such proposals. That study has just been completed and I plan to submit shortly a new set of housing policy recommendations to the Congress. When those recommendations arrive, I am hopeful that the Congress will move swiftly on both the Better Communities Act and the housing requests. Final action in 1973 may be an unrealistic goal, but I would certainly hope that we might have new laws on the books by early spring in 1974.

Finally, it is important that the Congress pass the simple one-year extension of the FHA mortgage insurance programs which will expire October 1. Last week the House of Representatives took constructive action by refusing to act on an extension bill which contained several undesirable "Christmas tree" amendments. The Congress should now act swiftly and responsibly in order to prevent a repeat of the month-long gap in FHA insurance activity which occurred early this summer.
Railroads

There can be no doubt that the plight of the rail lines in the 17 States of the Northeast and Midwest presents an immediate and far-reaching transportation problem. Six major railroad lines in this area are now bankrupt and shutdowns are threatened. The danger extends across the country because railroads in other parts of the Nation still use the bankrupt lines. A failure of any significant part of our Nation's railroad system would impair our ability to move freight efficiently and cheaply to all parts of our Nation.

The solution proposed by the Administration would provide for the restructuring of the railroad system so that new, privately-owned and economically viable rail systems could be developed from those now in bankruptcy. The Federal Government would provide some $125 million over an 18-month period to assist in this process. While we are always open to suggestions for improvement in our proposal, I feel that some of the alternatives which have been aired in the Congress -- especially those which would merely postpone action or would saddle the Federal Government with a heavy financial burden, or could lead to quasi-nationalization -- are beyond the pale of acceptability. Present bankruptcy proceedings and the possibility of liquidation make it imperative that the Congress act promptly to meet the emerging crisis.

I will soon submit to the Congress my Transportation Improvement Act of 1973. This legislation is designed to address some of the outmoded and excessively restrictive regulatory procedures which affect the entire railroad industry. The steps recommended are critical to creating a healthy system of railroads for our Nation -- a matter of increased urgency as we face environmental and energy problems. I urge prompt Congressional action on this important legislation.

Disaster Preparedness and Relief

This Administration has had ample opportunity to test our Federal programs for dealing with natural disasters. Since taking office in 1969, I have had to declare 147 major disasters in 42 States and 3 Territories. The year 1972 -- punctuated by Hurricane Agnes -- proved to be a record-setting year in this respect: there were 48 major disasters, accounting in part for the food shortages we have had in 1973.

As a result of these experiences, I am convinced that we can do a better job in preparing for disasters and in providing assistance to those who are hardest hit. I have proposed two major pieces of legislation designed to insure that 1973 will mark a turning point in the story of our disaster programs.

The first of these measures is the proposed Disaster Preparedness and Assistance Act. This bill is based upon a major recent study of all disaster relief activities of the Federal Government. It is designed to provide badly needed emphasis upon preventive measures and to encourage the use of insurance before disasters strike. It would increase the role of State and local officials in determining how Federal money would be spent in assisting disaster-stricken communities -- and it would provide for automatic release of Federal funds in the case of major disasters. Red tape, bureaucratic delays, and Federal interference would be substantially reduced, while Federal assistance would be provided more rapidly. The bill also includes generous grant features for those disaster victims unable to repay Government loans while continuing grants to help communities restore their public facilities.
To date, this legislation, so vital to our efforts to mitigate disaster damage, has received only one perfunctory hearing in the Congress. It deserves more serious consideration.

The second major Administration initiative in this area is the proposed Flood Disaster Protection Act. Flood insurance is a key part of any disaster assistance program. This bill would expand the flood insurance program by increasing insurance coverage from $6 to $10 billion. It would also require participation in the flood insurance program by communities that are known to be flood prone, so that residents of these communities would have more adequate protection and would help to bear a reasonable share of the cost.

The Congress has moved rapidly on this bill; but unfortunately, in floor action this past week, the House added a number of amendments that would seriously hamstring the administration of the program and would badly erode its effectiveness. I hope that we can iron out our differences on these crippling amendments in a spirit of constructive compromise that preserves the effectiveness of the bill for those who need it so badly.

Self-Government for the District of Columbia

In 1969 I first proposed a series of actions intended to bring about an orderly transfer of political power to the people of the District of Columbia. I called for a Constitutional Amendment giving the District at least one representative in the House and such other additional representation as the Congress may approve. I proposed, and Congress enacted, legislation providing for an interim non-voting Congressional delegate and for the creation of a Commission on the Organization of the Government of the District of Columbia, the so-called Nelsen Commission.

The Nelsen Commission's recommendations deserve careful consideration. If enacted, these proposals would greatly strengthen the capability and expand the authority of the City's government and moderate the Federal constraints over its operation. Once again, I urge rapid action by the Congress.

As the American Bicentennial dawns, I pledge the Administration to work receptively and cooperatively in this area to achieve true and effective self-government for the District of Columbia.

Fighting Crime and Drug Abuse

In recent years, America's peace officers, with the assistance and encouragement of Federal law enforcement agencies and with the support of far-sighted legislation passed by the Congress, have made commendable inroads against crime. After 17 years of continuous and sometimes shocking increases in the rate of crime, the nationwide rate of serious crime went down in 1972.

But this progress must not be taken as evidence that we can now relent in this struggle. Rather, we must redouble our efforts to restore law and order to America, whether it be in the boardrooms of our corporations, in the halls of our government, or on our city streets. We must do all we can to make the present moment a decisive turning point so that our communities will once again be safe. Three of my legislative proposals are designed to do just that: a bill to modernize and reform the Federal Criminal Code; a heroin trafficking bill to crack down on drug pushers; and a bill to restore the death penalty for certain of the most serious Federal offenses.

Criminal Code Reform

There is a compelling need for greater clarity and consistency in our criminal laws, especially in those which fall within the
Federal ambit. The Federal Criminal Code, which dates back to 1790, has never been thoroughly revised. It is no longer a fully effective instrument for the administration of criminal justice—just as the national transport systems of 1790 would no longer be adequate to the demands of 20th century America.

Since 1966, a number of public and private studies have been directed to the development of necessary reforms in the Federal Criminal Code. It is time that such reforms be undertaken. I have submitted a sweeping proposal for reform, based upon a five-year study by a bipartisan national commission. This measure would eliminate a number of inadequate, obsolete, or frivolous statutes from the Code and would re-order other statutes into a rational, integrated Code responsive to the needs of our modern society.

Although extensive consideration has already been given to this matter by public and private commissions, I realize that a prudent Congress will still wish to study this matter carefully. Senator McClellan has also introduced his own proposals for comprehensive Code reform. Certainly the best parts of each set of proposals can be joined as the legislative process goes forward. Fortunately, hearings have already begun in the Senate and I trust that both Houses will move with appropriate dispatch on this complex but vital endeavor.

Heroin Trafficking Act

In spite of our encouraging progress in eliminating the scourge of drug abuse in America, we still have a long way to go in this vital work.

The center of gravity for America's drug problem rests in the area of "hard drugs"—with heroin at the top of the list. Heroin trafficking is involved with the entire spectrum of criminality, ranging from international organized crime to muggings on the street. It is one of the most remunerative areas of criminal activity and we will never be able to cope with it effectively until the sanctions we can bring to bear against it are as severe as its profits are attractive.

Recent studies have shown that tens of thousands of those arrested on narcotics charges are put right back on the street for periods ranging up to a year and more as they successfully play for time against the courts. More alarming still is the fact that many thousands of those convicted on narcotics charges are never sent to jail. Such facts mean that the penalties for hard drug trafficking are an ineffective deterrent when compared with the potential gains from this multi-billion dollar criminal activity.

The conclusion is simple. We must have laws that will enable us to take heroin traffickers off the streets. I have submitted a proposal which would do precisely that. It would provide tough new penalties for heroin traffickers including minimum mandatory prison sentences. It would also allow a judge to consider the danger to the community before releasing arrested heroin traffickers on bail.

Heroin traffic is a clear and present danger, the pernicious effects of which all reasonable men can agree upon. While many of the proposals which I have placed before the Congress may require extended consideration, the need for cracking down on the heroin traffic cannot reasonably be supposed to be among them. I ask therefore that the immediate attention of the Congress be given to legislation which would help us eliminate this market for misery.
Capital Punishment

The death penalty is not a sanction to be employed loosely or considered lightly, but neither is it to be ignored as a fitting penalty, in exceptional circumstances, for the purpose of preventing or deterring crime. I wish to reaffirm my conviction that the death penalty should be restored for treason, assassination, acts of sabotage and espionage, which are particularly serious, and for violations of selected Federal laws in which death results.

I am deeply troubled by the fact that our courts are often now deprived of a credible sanction in their efforts against violent crime while prospective criminals are provided with the comfort and encouragement of knowing that they will often suffer only limited and mitigable consequences to themselves. I ask that the Congress continue its efforts to correct this discrepancy.

REFORM OF CAMPAIGN PRACTICES

No subject over the last few months has so stirred public comment and reflection as the question of campaign practices.

For nearly four months now, the Congress has had before it my proposal to establish a Non-Partisan Commission on Federal Election Reform so that we could overhaul our campaign practices in a comprehensive, sound and expeditious manner. In light of the great interest of the public and the Congress in such reform, I am at a loss to understand why only the Senate has acted on this request.

In order to have made any reform effective for the 1974 elections, the Commission should have been established and prepared to submit a report by December 1, as I initially proposed. Unfortunately, this opportunity appears to be slipping by and the American public might well ask whether the interest in reform is restricted to calling for changes rather than making changes.

While the passage of time has already made it unlikely that reforms which spring from the Commission's study could be made effective prior to the 1974 Congressional elections, it is not too late for the Congress to move forward to establish the Commission.

PREPARING FOR THE BICENTENNIAL

America is virtually on the eve of its Bicentennial anniversary. Yet a great deal of preparation remains to be accomplished in a relatively short time if our celebration of two hundred years of liberty is to be equal to the importance of the occasion. To this end, I have proposed the creation of an American Revolution Bicentennial Administration to continue and expand upon the work of the present American Revolution Bicentennial Commission. The House has passed a bill in this area and the Senate is moving toward final consideration of its version of the bill.

We are moving rapidly toward a fixed point in time, and we must act swiftly if all agencies of the Federal Government, along with State, local, and private institutions, are to be given the maximum opportunity to prepare properly for the Bicentennial year.

Since the expanded resources of the Arts and Humanities Endowments would be designed in part to aid in these preparations, I am also confident that the House and Senate conferees will soon complete needed action on the authorization bill for these two institutions. It is now widely recognized that both of the endowments are playing an effective role in enriching our cultural and intellectual life, and they continue to deserve our strong support.

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Americans cherish tradition and our own way of doing things. Having been acculturated from childhood to the concepts of an inch, a mile, or a pound, we are understandably nonplussed when we consider the notion of a centimeter, a kilometer, a gram or a kilo. However, when we realize that the rest of the world is equally confused by our system of measurement, we must conclude, however sadly, that we are the ones who are out of step.

In a world of integrated commerce and increasing personal exchange, it is only prudent for us to adjust our own conceptions and devices for measuring and delineating quantity.

I have recommended to the Congress that it pass legislation to convert America to the metric system. This can be done in a reasonable manner, one which is not abrupt or disconcerting. I am pleased to note that the Administration's proposal is presently before the appropriate House subcommittee. I ask that the Senate give equally expeditious consideration to effecting this necessary change.

REORGANIZATION AUTHORITY

The authority of the President to submit Reorganization Plans to the Congress lapsed in April of this year and has not yet been renewed.

This authority permits the President to organize programs and agencies in order to achieve the most effective and efficient performance. It is, therefore, an important executive management tool which provides flexibility and increased capacity to respond to changing needs.

This authority has been made available to every President for more than 25 years. It is essential that it be renewed with great dispatch.

KEEPING THE PEACE

For the first time in more than a decade, America is at peace. Now we must learn how to keep that peace -- a task that is at least as demanding and in many ways even more subtle than the struggle to end a war.

There is always a temptation after war to enter into a period of withdrawal and isolation. But surely we have learned from past lessons of precipitate disarmament that this temptation must be resisted. And surely we have also learned that our progress in securing peace is due in large measure to our continued military strength and to the steadfast, responsible role we have played in the affairs of our world.

Defense Spending

In recent years, it has been fashionable to suggest that whatever we want in the way of extra programs at home could be painlessly financed by lopping 5 or 10 or 20 billion dollars off the defense budget. This approach is worse than foolhardy; it is suicidal. We could have the finest array of domestic programs in the world, and they would mean nothing if we lost our freedom or if, because of our weakness, we were plunged into the abyss of nuclear war.

The world's hope for peace depends on America's strength -- it depends absolutely on our never falling into the position of being the world's second strongest nation in the world.
For years now we have been engaged in a long, painstaking process of negotiating mutual limits on strategic nuclear arms. Historic agreements have already been reached and others are in prospect. Talks are also going forward this year aimed at a mutual and balanced reduction of forces in Europe. But the point of all these negotiations is this: if peace is to be preserved the limitations and the reductions must be mutual. What one side is willing to give up for free, the other side will not bargain for.

If America's peace and America's freedom are worth preserving, then they are worth the cost of whatever level of military strength it takes to preserve them. We must not yield to the folly of breaching that level and so undermining our hopes and the world's hopes for a peaceful future.

Although my military budget -- measured in constant dollars -- is down by almost one-third since 1968, the Congress is now threatening further defense cuts which would be the largest since 1949. To take such unilateral action -- without exacting similar concessions from our adversaries -- could undermine the chances for further mutual arms limitations or reductions. I will therefore actively oppose these cuts.

The arms limitations agreement signed with the Soviet Union last year has at last halted the rapid growth in the numbers of strategic weapons. Despite this concrete achievement, much needs to be done to ensure continued stability and to support our negotiation of a permanent strategic arms agreement. A vigorous research and development program is essential to provide vital insurance that no adversary will ever gain a decisive advantage through technological breakthrough and that massive deployment expenditures will therefore not become necessary. Yet the Congress is in the process of slashing research and development funding below minimum prudent levels, including elimination of our cruise missile and air defense programs. The Trident and B-1 programs, which are critical to maintaining a reliable deterrent into the next decade, are also facing proposals to cut them to the bone.

On top of this, the Senate has approved a staggering and unacceptable cut of 156,000 men in our military manpower. Such action would force us to reduce the number of ships in our Navy while the Soviet Union continues an unprecedented naval buildup and to reduce the size of our Army and Air Force while the Soviet Union and the Chinese continue to maintain far larger forces.

In addition to these cuts, there is also a major Senate proposal requiring substantial unilateral troop withdrawals from Europe, a mistake that could begin a serious unraveling of the NATO alliance. Negotiations for mutual and balanced force reductions begin on October 30. On the very eve of negotiations, the troop cuts in Europe and the reduction in military manpower would destroy our chances of reaching an agreement with the Warsaw Pact countries to reduce troop levels in Europe on a mutual basis. If the Congress were to succeed in making these proposed cuts, the United States would be making far-reaching concessions even before the talks begin.

Cuts in other defense programs are equally unacceptable. It is illogical to cut America's capabilities at the very time the Soviet Union increases hers. And it would be difficult to stabilize delicate situations in the Middle East and Asia if the Congress removes the influential tools which have made stability possible.

Foreign Assistance Act

Another matter of prime concern to me is our commitment to a sound program of bilateral and multilateral foreign aid. more
Last spring I sent to the Congress reasonable requests for our economic and military assistance programs. These programs represent a central element in America's ability to work with her allies to maintain peace and stability in the world. Unfortunately, the Congress has not treated these requests favorably.

The House has already cut about 25 percent from the military aid program and the Senate has cut it by one-half. Not only have extraordinary cuts been made in the funding, but restrictive amendments have been added in committee and others may be suggested on the floor. I cannot stand by while these crucial programs are gutted in haste and reaction.

Current foreign aid programs are being funded through a continuing resolution which ends on September 30. This approach is unsatisfactory, especially in light of demands resulting from North Vietnamese truce violations in Cambodia. Yet the Congress continues not only to provide smaller dollar amounts but also to make unreasonable requests for access to sensitive information and impose counterproductive conditions on specific programs. Such demands are unacceptable; they would badly compromise our ability to maintain security around the world.

I intend to make every effort to increase the funding for fiscal year 1974 security assistance requirements. I shall also strongly resist efforts by the Congress to impose unreasonable demands upon necessary foreign policy prerogatives of the executive branch. A spirit of bipartisan cooperation provided the steel which saw America through the Cold War and then through Vietnam. We must not jeopardize the great potential for peaceful progress in the post Vietnam era by losing that strong bipartisan spirit.

To build a truly durable structure of peace, our progress in reforming the world's trade and monetary systems must be accompanied by efforts to help the poorer countries share more equitably in the world's growing prosperity. To this end, I ask the Congress to support our fair share of contributions to the multilateral development banks -- both the proposed contributions now pending in the Congress and other proposals about which I am currently consulting with the Congress and which will be formally submitted in the near future. Our bilateral assistance programs are also an essential part of our effort to stimulate world development and I urge the Congress to give them full support.

All these efforts represent short-range investments in peace and progress which are of enormous long-range importance. To try to save a few dollars on these programs today could cost us far more tomorrow.

CONCLUSION

With the Congress, the Administration and the people working together during the coming weeks, we can achieve many of the goals described in this message. And we will work together most effectively if we remember that our ultimate responsibility is not to one political party, nor to one philosophical position, nor even to one branch of the Government. Our ultimate responsibility is to the people -- and our deliberations must always be guided by their best interests.

Inevitably, we will have different opinions about what those interests demand. But if we proceed in a spirit of constructive partnership, our varying perspectives can be a source of greater creativity rather than a cause of deadlock.
We already know that the year 1973 will be recalled in history books as the year in which we ended the longest war in American history. Let us conduct ourselves in the next four months so that 1973 will also be remembered as the time in which we began to turn the blessings of peace into a better life for all.

RICHARD NIXON

THE WHITE HOUSE,


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