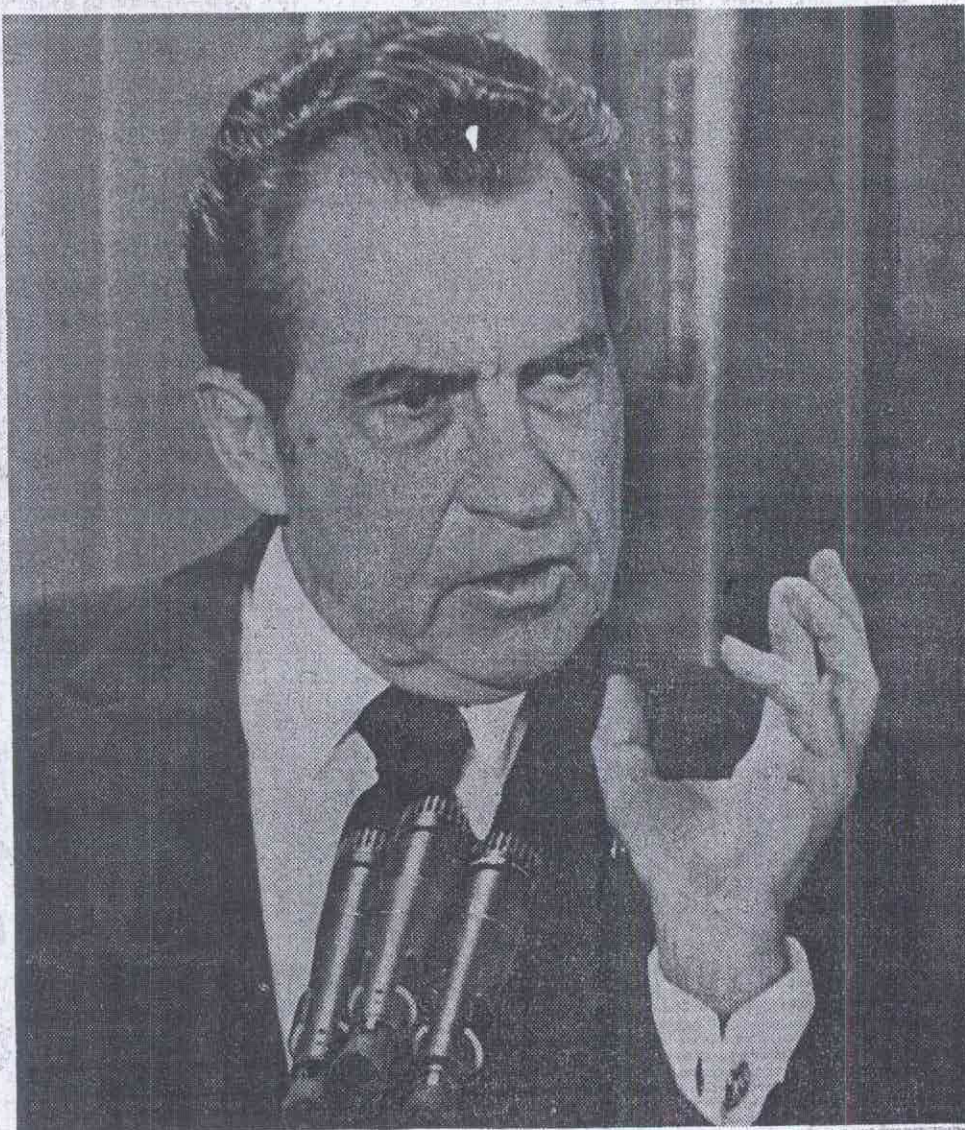


President Challenges Congress



By Charles Del Vecchio—The Washington Post

President Nixon meets the press for the second time in two weeks.

2d 'State of Union' Message Scheduled To Prod Legislation

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By Lou Cannon
Washington Post Staff Writer

President Nixon yesterday criticized the 93d Congress for a "very disappointing performance," and challenged it to hold down inflation and to take action on stalled administration legislative proposals.

He said he would send Congress a new State of the Union message Monday that will call for legislation to forestall an energy crisis, for

a new housing measure, and for enactment of long-delayed special revenue-sharing proposals.

"... It's time for us to turn to these initiatives that are in the interests of all the people and turn to them on an urgent basis," Mr. Nixon said in a 37-minute news conference in the White House.

The President, conceding again that his administration had been damaged by Watergate, said that his own leadership could be restored by "doing something." The first thing he will do, the President indicated, is attempt to prod Congress into swift action on what he called "bipartisan concerns."

While criticizing Congress several times in the opening statement of his second press conference in two weeks, Mr. Nixon alternately extended offers of cooperation. He referred favorably to a suggestion of House Majority Leader Thomas P. O'Neill that Congress and the President attempt to work together and solve the present legislative impasse.

But Mr. Nixon said that this cooperation and the control of legislative spending he desires must not come at the expense of the defense budget.

"This would be a fatal mistake, because we can have the finest defense programs in the world and it isn't going to make any difference if we don't have our freedom and we're not around to enjoy them," Mr. Nixon said.

The President, reiterating a

point he made in his last public speech at New Orleans Aug. 20, said that the United States would enter the next round of arms reduction talks with the Soviet Union in "a second-class position" if the defense budget were reduced.

Reaction from congressional leaders to Mr. Nixon's call for legislative action was both prompt and negative.

"I don't blame him for wanting to send up a second State of the Union message," said House Speaker Carl Albert. "The first was very disappointing."

In criticizing Congress the President resorted to one of his frequent sports metaphors,

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describing Congress as "a fourth-quarter team" and saying that "in that last quarter we have to score a lot of points." Senate Majority Leader Mike Mansfield responded in kind.

"Our record is a very good one," Mansfield said. "I think in the first two quarters we have made good yardage. We'll just plug along and do our job."

O'Neill, while describing Mr. Nixon's description of congressional performance as "grossly unfair," said that presidential counsellor Melvin R. Laird telephoned him just before the news conference and arranged a meeting with Democratic leaders to discuss legislation.

The President's outdoor press conference at San Clemente on Aug. 2 was almost totally dominated by Watergate issues, and Mr. Nixon at that time appeared both combative and edgy in response to blunt and sometimes hostile questions.

Yesterday, under the television lights in the East Room, Mr. Nixon seemed far more relaxed and at ease with the press. But the tensions of PRESS. But the Watergate showed briefly when Mr. Nixon was asked if one of his major problems was "rebuilding confidence" in his leadership.

He said that some public confidence had been "worn away" by months of television attention to Watergate, "by innuendo, by leak, by frankly

leers and sneers of commentators.

"Now how is it restored?" the President continued. "Well, it's restored by the President not allowing his own confidence to be destroyed. That's to begin. And second, it's restored by doing something. We have tried to do things; the country hasn't paid a great deal of attention to it, and I may say the media hasn't paid a good deal of attention to it. Because your attention, quite understandably, is in the more fascinating area of Watergate."

Most of the Watergate-related questions at the news conference yesterday dealt with the issue of disputed tapes and presidential documents sought by Watergate Special Prosecutor Archibald Cox.

The President said he was confident that appeals courts would uphold his right to keep secret the recordings of conversations with former aides implicated in the break-in of the Democratic headquarters at Watergate on June 17, 1972. Mr. Nixon is under order from U.S. Judge John J. Sirica to produce the tapes for judicial inspection, but White House attorneys are scheduled to appeal the case today.

In the past Mr. Nixon has said he would abide by a "definitive" ruling of the Supreme Court on the issue. But yesterday he declined to define what he meant by the word "definitive."

"The matter of definitive ruling is one that will be discussed in the appeal procedure, and for me, in advance of that discussion . . . to dis-

cuss that would be inappropriate," the President said.

He was pressed on the point in follow-up questions. One questioner quoted President Lincoln as saying that "no man is above the law," and asked Mr. Nixon why he wouldn't abide by any Supreme Court decision, "definitive or not."

The President replied that Lincoln had indicated many times that "he would move in the national interest in a way that many thought was perhaps inviolation of the law." He cited the suspension of habeas corpus during the Civil War.

Mr. Nixon then went on to repeat the argument he has made in written statements and in his San Clemente press conference that confidentiality of discussions is essential to the conduct of the presidency. If the tapes were turned over to a judge or a congressional committee, he said, the principle would be "so seriously jeopardized" that it would probably be destroyed.

"That's why I have taken the hard line I have taken with regard to complying with the lower court's order," Mr. Nixon said.

The President also was asked to assure the American people that there is nothing contained in the tapes that would reflect unfavorably on his Watergate statements.

"There is nothing whatsoever," Mr. Nixon replied.

Mr. Nixon declined to answer a final question about the tapes, a query about whether he would be willing to release them voluntarily if he wins his point in court establishing the

presidential right of confidentiality.

The President, while leaving open the possibility of an affirmative answer, said White House counsel had advised him that it would be inappropriate to comment.

At the news conference Mr. Nixon also said that a private audit of his finances "gave the lie" to allegations that he had personally profited from his presidential position in his homes at San Clemente or Key Biscayne.

On other issues Mr. Nixon said it would be a "grave infringement" on Vice President Spiro T. Agnew's rights to discuss questions about his legal situation, declared that there was no chance that Congress could approve tax legislation in time to halt inflation, and announced that he would veto legislation raising the minimum wage from \$1.60 to \$2.20 an hour.

In a discussion of Mideast problems the President warned that the Arab nations would dry up their markets in Europe and the United States by continued price increases and seizures of U.S. oil companies.

" . . . If they continue to expropriate, if they do expropriate without fair compensation, the inevitable result is that they will lose their markets and other sources will be developed," Mr. Nixon said.

But the chief focus of his attention clearly was his stalled legislative program, which Laird and other White House aides have in recent weeks defined as the No. 1 domestic priority as the White

House emerges from Watergate.

Among the bills which Mr. Nixon says he wants approved are the Alaska pipeline legislation and other energy measures, including research and development in the field of coal and the deregulation of natural gas produced in the United States. The President said there are seven energy proposals that Congress had not acted upon and that the result could be an energy crisis.

The President also called for passage of two long-delayed revenue-sharing bills, the better schools bill and the better communities bill, "and a new housing proposal that I will be sending to the Congress within the next two weeks."

But Mr. Nixon drew a distinction between these latter measures, which he said involve basic philosophical differences with the Congress, and the defense budget, anti-inflation and energy issues, which he called "bipartisan concerns. It is in these areas bipartisan that White House regarded by the President as aides are most hopeful of working out an accommodation with Congress.

The President is to assess his legislative prospects this morning in a meeting with Republican congressional leaders at the White House. He is to meet with his Cabinet Friday.