

Income Plans, Military Take 60% of Budget

\$100 Billion For Welfare

By William Chapman
Washington Post Staff Writer

President Nixon yesterday proposed spending \$100 billion next year for income security programs, more than double the amount that was spent in 1969 when he first took office.

The new request is \$15 billion higher than the amount being spent in the current fiscal year. His budget includes no major changes in welfare policy, and virtually all of the increases reflect expansion of programs that Congress and President Nixon approved last year.

Income security embraces most of the major government welfare programs and includes Social Security, aid to families with dependent children, food stamps and the new supplemental security income program.

These and government insurance programs have expanded dramatically in the five years since Mr. Nixon became President, with most of the increases stemming from repeated increases in Social Security benefits.

The big item is a \$10 billion increase in payments to Social Security beneficiaries, most of it coming from the 11 per cent increase in benefits that Congress passed and Mr. Nixon signed on Dec. 31.

The other significant increases are in funds for the new supplementary security income program and for food stamps.

The absence of innovations in the welfare, or "income security" budget,

reflects the administration's determination to mark time on domestic programs until it can produce a comprehensive reform plan later this year.

Since last fall, the Department of Health, Education and Welfare has been working on various plans that would assure a minimum income for every American. One effect would be to replace several existing programs for the poor with direct cash assistance.

See WELFARE, A12, Col. 2

\$85.8 Billion For Pentagon

By Michael Getler
Washington Post Staff Writer

President Nixon yesterday sent Congress the largest military spending request in history—\$85.8 billion.

The request comes on the

heels of a State of the Union address last week in which Mr. Nixon proudly declared that "for the first time in 12 years, a President of the United States can report to the Congress on the state of a union at peace with every nation of the world."

The President's message yesterday accompanying the defense budget to Capitol Hill makes it clear that the cost of "peace" remains high.

The new budget calls for spending \$6.3 billion more in fiscal 1975, beginning next July 1, than in the current year.

"These increases are the minimum required," Mr. Nixon said, "to insure the combat readiness and modernization of American forces, to provide for the development of future weapons and to offset the erosion of defense purchasing power through pay and price increases."

Despite the record size, the Pentagon described its new request as "austere," the minimum required to deter attack or "undue pressure" on the United States and its allies.

Virtually all of the increase, the Pentagon claims, is needed to cover the steadily climbing military and civilian pay scales and the rising prices of equipment, supplies and fuel.

Yet, two critical areas of the budget — strategic nuclear forces and weapons research and development — contain real and sizeable increases of \$300 million and \$900 million, respectively.

The new budget, in fact, contains what may well be the largest array of new weapons development projects in 15 years.

Included is initial work — not production — on a new smaller class of missile-fir-

See PENTAGON, A12, Col. 2

More Pay, Jobs in Budget

The budget asks for establishment of 22,200 new, full-time federal jobs, a pay raise in October for civilian and military personnel and a three-step, 22 per cent raise beginning next month for congressmen, judges and political appointees.

Details on Page B11.



Associated Press

CHOTINER BURIAL—President Nixon embraces Murray Chotiner's daughter Renee after funeral. Story, C6.

Conferees Approve Rollback

Oil-Price Cut Chosen Over Profit Controls

By Peter Milius
Washington Post Staff Writer

A House-Senate conference committee voted yesterday to roll back domestic crude oil prices instead of trying to limit the supposed excess profits of the nation's oil companies.

~~Widespread~~ Committee Chairman Henry M. Jackson (D-Wash.), who proposed the rollback, said the action could lower the average price of gasoline across the country by as much as 4 cents a gallon.

There were indications that the Nixon administration might oppose the rollback, which was made part of the big pending energy bill that has been bogged down in Congress since last December by the excess-profits issue. Among other things, the bill would give the President power to ration gasoline.

In other developments yesterday:

• Amoco announced that it is cutting its gasoline prices

by 2 cents a gallon and its heating-oil and diesel-fuel prices by 1 cent a gallon effective today, because its costs have come down.

• Federal energy chief William E. Simon called on the nation's motorists to stop topping off their gas tanks every time they pass a service station. He asked them not to buy until they need \$3 worth at a minimum, and said he will consider making that an order once he has the power under the omnibus energy bill now in conference. Simon thinks panic buying is making the fuel shortage seem worse than it is.

• Simon's Federal Energy Office also published proposed regulations, to take effect March 1, to average heating-oil prices in New England and elsewhere in the East.

Heating oil from high-priced foreign crude oil now costs more than the same oil made from lower-priced domestic crude, a fact that has discriminatory effects among consumers. Simon noted, however, that the industry is already taking steps to narrow such discrepancies voluntarily and that the regulations may thus not be needed.

The House-Senate conference committee hopes to finish up the energy bill today. It will then have to be approved by both houses of Congress before it can be sent to the

See ENERGY, A17, Col. 1

Nixon Presents First

Would 'Bust' the Budget to Avoid a Recession

By Hobart Rowen
Washington Post Staff Writer

If austerity, ceilings and impoundment were the symbols of last year's federal budget, flexibility, balance and contingency plans for new spending are the themes of the fiscal 1975 budget scenario presented to the Congress yesterday by President Nixon.

Gone is the rhetoric of the 1974 budget message, in which President Nixon said that if Congress failed to establish a ceiling, "The seeds sown in individual authorization and appropriation actions will produce evergrowing federal spending . . ."

In place of budget reductions and terminations, which he said a year ago were necessary to get rid of "sacred cows," the President this time calls for a \$29.8 billion increase in spending. And it could be much more, given the current worries about an economic

downturn, whether labeled a recession or something else.

"The President is determined to avoid a recession," Frederic Malek, deputy director of the Office of Management and Budget, told reporters.

"We are prepared to do what is necessary. If that means 'busting' the

News Analysis

budget, we'll do that instead of [allowing] people to be out of jobs."

By at least a tiny margin, the budget has already been "busted" by Mr. Nixon's decision, after the budget was printed, to authorize an additional 100,000 subsidized public housing units.

This will add only a small dollar amount to actual budget outlays for fiscal 1975, but could provide more than \$2 billion to the ailing housing industry.

More than the dollar amount, the eleventh-hour decision on housing is a symbol of new economic imperative and political realities. "We have learned from last year what is possible," Malek said.

In simple terms, the administration lost last year's fight to make its budget reductions stick. In one way or another, Congress put back most of the cuts in programs that the administration had advocated. With only two exceptions, Malek said, presidential impoundment will be routine or non-controversial this year.

Compared to the "ceiling" of \$268.7 billion that President Nixon set such great store by last year, the revised estimate for fiscal 1974 outlays is now \$274.7 billion. (The staggering rate of inflation, however, added \$14 billion more in revenues than projected for fiscal 1974, so that the deficit is now

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\$300 Billion Budget

Few Programs Cut, Few New Commitments

By Peter Milius
Washington Post Staff Writer

President Nixon sent Congress an almost conciliatory budget yesterday: one that neither includes many new programs nor cuts out many old, yet would still increase federal spending \$29.8 billion next fiscal year, to \$304.4 billion.

It is the first \$300 billion budget in the nation's history. Mr. Nixon submitted the first \$200 billion budget just four years ago; government spending has grown that fast.

The increase this year is mainly to pay rising costs of commitments already made. About \$7 billion of it would go for increased Social Security outlays, another \$8 billion for similar income-supplementing programs like Medicare and unemployment insurance, and about \$7 billion in added funds for defense. Interest on the debt will rise \$1.3 billion. The President

said the defense increase is mostly for higher pay and prices.

One year ago, Mr. Nixon was scything his way through the budget and government, cutting out whole programs, impounding appropriated funds and daring his critics in Congress to try to stop him. Fresh from his landslide re-election, he was lashing out at the Democrats in Congress for spending the country toward a tax increase or inflation.

The budget and budget message this year do no such attacking. Watergate may be one explanation. The economy's flame-out is clearly another. The President's problem 12 months ago was to rein in a boom; his problem now is to stave off a recession, if he can.

Mr. Nixon, who last year was lecturing Congress not to spend beyond his budget, said this year that he is prepared to spend beyond it himself, if

the economy sags more than he expects.

Further spending, though, runs the opposite risk, of adding to inflation, and Treasury Secretary George P. Shultz, very much an anti-inflation man, said bravely at a briefing on Saturday that the administration will not "be stampeded into action by every little thing that comes along" in the next several months.

Some key Democrats in Congress have begun calling for tax reductions as well as additional spending to stimulate the economy, hard-hit by the oil shortage on top of the cyclical slowdown that had been expected anyway. Shultz said a tax reduction "should be at the end of the line," but added, "If we must, we must."

Democrats in Congress, many of whom had objected to the budget sent up last year as too stingy, did a flip-

See BUDGET, A10, Col. 1

Chalmers M. Roberts *For 2/10/74*

Governmental Drift

Who's in charge here? More to the point, is *anybody* in charge? Or are we, as a nation, drifting leaderless to some precipice?

Such questions are induced by the seeming abdication of President Nixon from the management of the federal government. Sure, Secretary of State Kissinger continues in diplomatic orbit; the silent silo sitters are at their desks in the missile complexes; Social Security checks get into the mails once a month.

But this capital has a feeling, if I catch the mood, of drift. Mr. Nixon simply is not governing in the accepted sense. True, he appears in television film clips from this podium and that. Messages and reports flow forth in his name. But one has only to look at the struggle of the energy crisis, the long lines at the gas pump, the embattled truckers at their parked rigs, to see that the executive branch of the United States government has, for all practical purposes, come to a halt.

I've been searching for precedents and, in this century, only two come to mind. The first was the final years of Woodrow Wilson, when he lay abed in the White House after a stroke. His wife, by popular belief, ran the administration in those final tragic years "when the cheering stopped." The other is the latter half of Herbert Hoover's administration, when the nation slid into the Great Depression with Hoover insisting that relief for millions of unemployed was the task—yes—of the Red Cross, not the federal government.

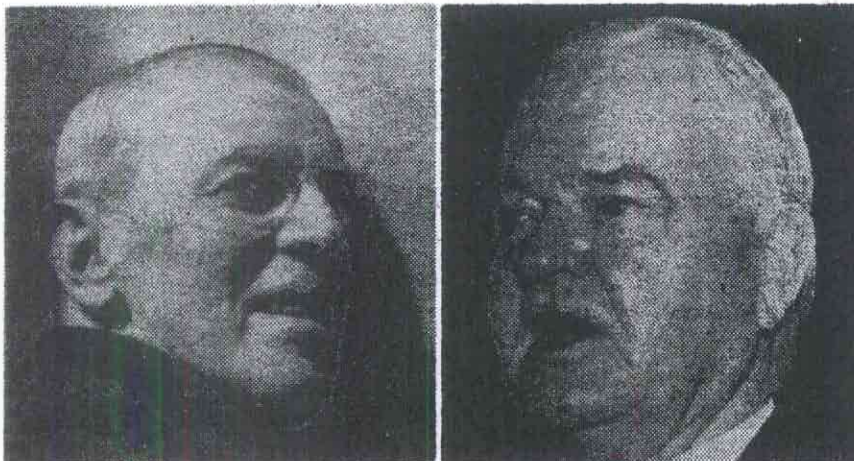
Government is by omission as well as by commission. Wilson, waiting out the end of his term, all but disappeared. "None of the Cabinet men saw

the President, none saw a word in writing save for the handful of frighteningly unfamiliar-looking signatures, and there was nothing beyond the glimpse of him on the South Portico to actually prove that the President even lived," wrote Gene Smith in his book on the last years of Woodrow Wilson. The Senate Foreign Relations Committee finally came to call, to see if he were still alive or at least *compos mentis*. He was both. As Sen. Albert Fall (who would later go to jail for his role in the Teapot Dome scandal) bent over the President's bed and said: "Mr. President, I am praying for you." Wilson responded: "Which way, senator?"

Hoover's dilemma was very different, not physical but mental. He had begun with: "Given a chance to go forward with the policies of the last eight years we shall soon, with the help of God, be within sight of the day when poverty will be banished from the nation." He ended with shantytowns for the unemployed, all across the nation, dubbed Hoovervilles. The Depression, Hoover asserted, was part of an international debacle. America, he said should free itself "of world influences and make a large measure of independent recovery."

The nation's answer to Wilson was Warren G. Harding; to Hoover, Franklin D. Roosevelt. It made no difference that Harding talked of "normalcy" or FDR of balanced budgets: the country wanted change, not drift.

Of course, the parallels with our cur-



"Mr. Nixon is not governing. He is close to being as paralyzed as Woodrow Wilson and Herbert Hoover near the end of their administrations."

?rent condition are not exact. We do have disillusion from a long and costly war, as in 1920. We do have rising unhappiness over the economic condition, as in 1932. But there are perhaps as many differences as similarities between those two eras and today. Yet there is one great, perhaps overriding, sameness: the country has lost confidence in its President. Mr. Nixon stands at 26 per cent in the Gallup Poll; if Dr. George Gallup has been polling in the final Wilson and Hoover years, the percentages doubtless would have been something like that, too.

The battle that Wilson fought and lost had to do with principles of America's international conduct. The one Hoover fought and lost had to do with principles of the government's role in assuring the public welfare. The battle today, in Mr. Nixon's case, is not over principle but over his person, and over the question: Has he so demeaned the presidency and so outraged the public conscience in the exercise of his powers that he should either resign or be removed from office by the constitutional route of impeachment?

Watching the television news night after night and reading the detailed stories morning after morning, one gets the feeling of Mr. Nixon being backed further and further into a corner, one of his own making. His supporters see it as a lynch mob after him. I do not. Sooner or later, after month after month of obfuscation, of twisting and turning and dodging, the President will have to face the bar of justice in the House of Representatives and, perhaps, the Senate. He will either have to spill it all, to produce the tapes and the documents, not just for secret perusal but for public in-

spection, or he will have to accept the popular verdict that he is hiding evidence of guilt.

Whether one sees it as inexorable Greek drama or as High Noon at the OK Corral is immaterial. The crux, the breaking point, one way or the other, is coming, slowly, but surely.

And in the meantime the government drifts. Subordinates do what they can, either of substance, as with Dr. Kissinger, or with make-believe. No one is being fooled. The country knows Mr. Nixon is not governing. He is close to being as paralyzed as Wilson or Hoover.

It is still two years and nine months to the next presidential election, nearly three years to the next inauguration. Congress cannot govern; a Cabinet can function — but not lead. Only a President can set the course and summon the necessary public support, with the concurrence of Congress. Whether Mr. Nixon can ever again govern, as in his first term, is questionable, to put it mildly. Certainly he cannot until the issue of impeachment is resolved one way or the other. And that very likely will consume much of 1974.

This nation survived the last years of Wilson and the final years of Hoover. It will survive the last years of Richard Nixon. But drift is not the natural state of American life. In this case, as in those, it adds to the pressure for change.