

NIXON GIVES CONGRESS A PROGRAM FOR 'HISTORIC PROGRESS' IN 1974; AFFIRMS ROLE IN SOUTHEAST ASIA

10-POINT PROPOSAL

JAN 31 1974 Seeks to Ease Energy Crisis, Curb Inflation and Attain Peace

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WASHINGTON, Jan. 30—

President Nixon proposed to Congress tonight a 10-point program for this year that he said would lessen the energy crisis, check inflation, make new progress toward world peace and institute reforms in such domestic programs as health, welfare and transportation.

His proposals were contained in a 30,000-word message that

Excerpts from the message appear on Page 20.

preceded his nationally televised State of the Union Message before a joint session of the House and Senate.

"Opportunities are coalescing which give us a chance to make historic progress toward a stable peace and expanding prosperity," Mr. Nixon said as he set out to define the issues and problems facing the nation and his Administration's plans for dealing with them.

Proposals Made Previously

The message, however, contained no surprises. Most of his proposals had been announced previously and much of what he asked was contained in legislation that had been before Congress for some time.

Mr. Nixon indicated that he had no intention of resigning despite the current impeachment inquiry. "The chief legacy that I hope to leave from the eight years of my Presidency," he said at one point in the message is a structure of world peace for generations to come.

Mr. Nixon disclosed the figures in the executive budget for the coming fiscal year beginning July 1 that is to be made public on Monday, saying that it was designed to resist a slowdown in the economy, yet keep inflation in check. This, too, had been expected.

"For the fiscal year 1975, my budget recommends total spending of \$304.4-billion, an increase of \$29.7-billion over the current year," he said. "The increase is being held to the

minimum level necessary — nearly 90 per cent of the increase is unavoidable under existing law. The budgeted increase in relatively controllable outlays is only 4.2 per cent."

Conciliatory in Tone

Mr. Nixon said the projected budget deficit for the fiscal year would be \$9.4-billion, based on anticipated Federal receipts of \$295-billion, an increase of \$25-billion over the current period.

The tone of the message was low-key and conciliatory. For example, for most of last year Mr. Nixon scolded Congress for overspending. Tonight he praised Congress for recognizing that "budget discipline" was required as a tool in controlling inflation.

"I have noted with satisfaction," he said, "that most members of Congress have also recognized the need for budgetary discipline, and that work is going forward to establish a more systematic budgeting procedure."

Mr. Nixon listed his 10 goals for 1974 as follows:

1.—An improvement in the energy supply that would assure "reasonable prices with adequate environmental protection."

2.—"Another giant stride to

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ward lasting peace in the world" by continuing a policy of détente with the great powers and by working for a "lasting peace" in the Middle East.

3.—A check in the rise of prices "without administering the harsh medicine of recession" while moving the economy into a period of "steady growth."

4.—A new system of comprehensive health insurance that would guarantee high quality care to every American.

5.—More progress toward turning back Federal authority and money to the state and local governments.

6.—"A crucial breakthrough" in public transportation.

7.—Reforms in Federal aid to education.

8.—A "historic beginning" in legislation to protect the right of personal privacy.

9.—A "new road toward reform of the welfare system."

10.—New initiatives in world trade with more access by Americans to markets and supplies.

One of the initiatives contained in the long message was in the area of transportation.

He said he would send Congress legislation that would increase by almost 50 per cent Federal funds for public transportation in metropolitan areas, partly as a result of the energy crisis.

This, Mr. Nixon said, would "mark the largest Federal commitment ever to the improvement of public transportation" and it would be proposed in a way that would give communities freedom to assess and balance their own transportation needs.

Mr. Nixon's plans for welfare reform did not go nearly as far as his spokesmen had indicated he might.

Mr. Nixon said that he planned "a major new effort to replace the present maze of welfare programs with a system that works."

No Details Disclosed

He did not disclose the details of the plan, which are apparently not yet formulated, but he did mention some principles that he said must be reflected in any substitute for the present welfare system.

Among these were the principle that "cash assistance is what low-income people need most" as contrasted with programs, such as housing and food subsidies, under which the government, rather than the poor themselves, decides what their needs are. He did not endorse a "negative income tax" or any other specific method of giving cash assistance to the poor.

In addition, Mr. Nixon said, any new welfare program should be tailored so that "all Americans who are able to work should find it more rewarding to work than to go on welfare."

His first priority, Mr. Nixon said, was to "break the back of the energy crisis" in 1974, but he made no new proposals. He stressed his commitment to "a capacity for energy self-sufficiency by 1980" and he restated in strong language his concern about the recent sharp rises in crude oil prices announced by foreign producers.

Rises Termed 'Threat'

The new prices, he said, pose "a threat to the entire structure of international economic relations," he said. "Not only United States jobs, prices and incomes are at stake, but the general pattern of international cooperation is at stake as well."

That evidently was a reference to fears that scrambling for oil supplies by oil-consuming countries will cause the multilateral approach to trade, which the United States has championed, to crumble under a return to bilateralism.

On health, Mr. Nixon said he would ask for \$100-million above last year's request of \$500-million for cancer research.

While the proposed rise in cancer spending is substantial, it falls far short of what many proponents of an all-out research effort against cancer had advised. The 1971 law on which the expanded effort against cancer is based authorized spending of \$500-million in the fiscal year 1973 and \$600-million for the current fiscal year. The expectation was for a substantial rise beyond \$600-million in fiscal 1975.

The President said his total proposed budget for all biomedical research will exceed \$2-billion in 1975. It is unclear whether this implies any increase over last year's budget in which the total request for health research outlays was \$2.15-billion.

The President promised one civil liberties initiative: a "Cabinet-level review" of measures necessary to protect the right to privacy. The initiative, however, which Attorney General William B. Saxbe had disclosed several weeks ago, was not detailed.

Mr. Nixon said only that he had ordered a review, to be undertaken this year, of "both government and industry practices as they relate to the right of privacy, of the conflicts that arise and the balances that must be struck between legitimate needs for information and the right of privacy, and of those measures—including appropriate legislation—that can be taken to insure that these balances are properly struck."

Mr. Nixon was somewhat more expansive in discussing crime. He declared that his

administration had made impressive gains, and said that "serious crime in our largest cities was actually reduced 13 per cent between 1971 and 1973." He also asserted that "the riots, urban terrorism and burnings of the ineteen-sixties have become a thing of the past."

He said that nation should "intensify" its anticrime efforts, that it should increase Federal assistance to state and local law enforcement agencies and increase the number of Federal judgeships. He once again said that the death penalty should be restored for certain "especially heinous" crimes, such as hijacking, kidnapping and bombing.

Tonight's address had been prepared by the President and his staff over a period of several weeks. Last Thursday, Mr. Nixon retired to the Presidential retreat at Camp David, Md., and for five days worked in virtual isolation on the address and the accompanying long message to Congress laying out his legislative proposals and policies.

He was accompanied there only by a routine support staff and his chief speech writer, Raymond K. Price Jr. Even his personal secretary, Rose Mary Woods, who is almost always with the President on such occasions, remained in Washington. The White House said she was suffering from a cold and chose not to go.

Mr. Nixon returned from Camp David last night as interest in the capital was focused on what he might say about impeachment proceedings pending in the House and his ability to continue in office. This afternoon, Mr. Nixon called in Vice President Ford and four Republican Congressional leaders, Senators Hugh Scott of Pennsylvania and Robert P. Griffin of Michigan, and Representatives Leslie C. Arends of Illinois and John J. Rhodes of Arizona, and briefed them on what he would say.