

Nixon Urges Public To Seek Budget Lid

Appeals for Pressure on Congressmen— Will Submit Fiscal Plan Today

NYTimes

By ROBERT H. PHELPS JAN 29 1973
Special to The New York Times

MIAMI, Jan. 28—President Nixon disclosed today plans for cuts in long-standing programs of aid to hospitals, schools and urban areas in appealing to the nation to put pressure on Congress to hold down Federal spending.

In an 11-minute radio address taped in Washington before the President came South for a long weekend in the sun, Mr. Nixon also disclosed proposals for shifting some of the savings to programs to control

The text of Nixon speech is printed on Page 18.

pollution, fight crime and drug abuse and step up research on cancer and heart disease.

The President also repeated his determination to avoid a tax increase.

The President gave no dollar figures on the amounts of the proposed cuts or increases or when he wanted them to take effect. Those details, as well as other proposed reductions and increases, will be released tomorrow when he sends to Congress his budget for the fiscal year 1974, which begins July 1 this year.

Recognizing that some leaders of the Democratic-controlled Congress disagree with him over how Federal funds should be allocated, the President used most of his radio time to give his argument for holding spending to \$268.7-billion, the budget total he disclosed Friday, and to justify "sharp reductions" in programs that have become "sacred cows."

The address ended with an

appeal to the people to support those in Congress "who have the courage to vote against higher spending."

The President began his speech by noting that the cost of Government had "skyrocketed" over the last few decades.

"For every \$1 we were spending in 1952, we are spending nearly \$4 today," he said. "If the budget continues to double every 10 years, it will be over a trillion dollars by the nineteen-nineties—20 years from now—or as big as our entire economy is now."

Mr. Nixon offered three reasons for resisting this trend.

The first was to prevent a tax increase. Asserting that taxes by all levels of government take more than 20 per cent of family budgets, he said, "This growing burden works to dull individual incentive and discourage responsibility. As government takes more from people, people can do less for themselves."

'Could Be Our Best Year'

The second reason the President gave for holding down spending was to prevent inflation. "Nineteen seventy-three could be our best year ever, ushering in a new era of prolonged and growing prosperity," the President said. "The greatest threat to our new prosperity is excessive Government spending."

The third argument the President made for his budget was to curb growth of Government. "The bigger Government became, the more clumsy it be-

Continued on Page 18, Column 3

Nixon Asks Public to Seek Curbs on Federal Budget

Continued From Page 1, Col. 2

came, until its attempt to help often proved a hindrance," he said.

It was in making this third argument that Mr. Nixon disclosed his plans to reduce funds for "some very familiar programs." He gave three examples of "sacred cows that no one dared to touch" regardless of their real value.

'Disappointing Results'

Mr. Nixon noted that last year \$200-million was spent under the Hill-Burton Act, the program of Federal aid for hospital construction that began in 1946. The shortage of hospital beds that existed for the last 20 years "has been more than met," the President said.

"Or take some of our urban renewal programs," Mr. Nixon went on. "They have cost us billions of dollars, with very disappointing results. And little wonder. How can a committee of Federal bureaucrats, hundreds of thousands of miles away, decide intelligently where building should take place? That is a job for people you elect at the local level, people whom you know, people you can talk to."

The President did not say so, but the law now provides that local agencies decide on urban renewal projects within guidelines established by the Federal Government.

Popular Program

The third "sacred cow" that Mr. Nixon mentioned was aid to schools near Federal facilities, such as military bases. Presidents Kennedy and Johnson tried in vain to cut back on this program, which is popular in Congress because it pumps more than \$500-million a year into local school districts.

"There was a time when this program made sense, when Federal workers were a drain on local resources," Mr. Nixon said. "Now most Federal workers pay full local taxes . . . Let us spend our education dollars where they are really needed."

Mr. Nixon also said that ways had been found to save \$2.7-billion in the projected defense budget and \$2.1-billion in the projected agriculture budget, but did not say whether these were cuts in current programs or rejections of proposals for new programs.

These reductions and plans to cut the number of employ-

ees in the executive office from 4,200 to 1,700 were the only ones mentioned by the President in his address. Reports in Congress say that the budget will also call for drastic cuts in many social programs.

The budget cuts he is proposing do not mean a cut in progress, Mr. Nixon said. He said some of the money saved would stay in people's pockets for them to spend as they saw fit, much of it would go back to state, county and municipal governments, and some would be shifted to other federal programs.

At this point Mr. Nixon told of proposed increases, giving percentages but not the specific programs. He said he would ask for doubled spending "for major pollution control programs," an 8 per cent increase to fight crime and drug abuse, a 20 per cent increase in research to meet the energy crisis and a 21 per cent increase to fight cancer and heart disease.

While the President did not say so, the Administration reportedly plans to seek special revenue-sharing legislation giving states and localities block grants to use as they please for various purposes.

The President put his impending fight with Congress in personal terms for his listeners: "In holding down spending, what is at stake is not just a big, impersonal Federal budget. What is at stake is your job, your taxes, the prices you pay, and whether the money you earn by your work is spent by you for what you want, or by Government for what someone else wants."

'Enormous Pressure'

While urging that the "struggle to hold the line against bigger Government not become a contest which pits one branch of Government against another" the President ended his speech with an appeal for support for Representatives and Senators, whether Democrats or Republicans, who vote against higher spending.

He said that every member of Congress "gets enormous pressure from special interests to spend your money for what they want." He did not name any of these special interests.

While the speech was being broadcast, Mr. Nixon was on Grand Cay in the Bahamas, at the home of a friend, Robert Abplanalp, a New York industrialist.