

Text of Nixon's Radio Address on His

Special to The New York Times

KEY BISCAYNE, Fla., Jan. 28.—Following is the text of President Nixon's radio address as taped for broadcast to the nation today:

At noon tomorrow, I will send to the Congress one of the most important documents I will sign as President — my budget proposals for the coming fiscal year.

This budget will not require higher taxes. It will not drive prices higher. And it will give us the chance I spoke of in my inaugural address to make our new era of peace a new era of progress.

In the last few decades, the cost of Government has skyrocketed. For every $1 we were spending in 1952, we are spending nearly $4 today. 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.

'A Tight Lid'

We must resist this trend, for several reasons, the first involves your taxes.

Since 1950, the share of personal income taken for taxes by all levels of government has doubled—to more than 20 per cent of your family budget. This growing burden works to dull individual incentive and discourage individual responsibility. As government takes more from people, people can do less for themselves. The only way to restrain taxes is to restrain spending.

In the campaign last fall, I promised I would not propose any new tax increases. By keeping a tight lid on spending, my new budget keeps that promise.

The second reason for resisting bigger Government is its impact on our economy. We saw in the nineteen-sixties what happens when Government spends beyond its means. The result is runaway inflation, the most insidious of all taxes, which begins by picking your pockets, goes on to threaten your very jobs. Not only the size of your tax bill—but also the size of your grocery bill and the security of your job itself—all of these are at stake when we draw up the Federal budget.

In the past four years, we have put our economy back on course again. Since 1969, inflation has been cut nearly in half. Jobs increased more rapidly last year than at any time since 1947—25 years ago. Real spendable weekly earnings—that is what you have left to spend after paying your taxes and after allowing for inflation—showed their greatest improvement since 1955.

Best of all, the prospects for the coming year are very bright. 1973 could be our best year ever, ushering in a new era of prolonged and growing prosperity.

The greatest threat to our new prosperity is excessive Government spending. My budget calls for spending $250-billion in the current fiscal year, $269-billion next year, and $288-billion in fiscal year 1975. These are large amounts — but they would be $20-billion higher for each of the next two years if we had just gone about spending as usual. That, in turn, would have meant either an annual budget deficit of $30-billion a year, which would have led to higher prices, or a 15 per cent increase in your income taxes.

To keep the totals even this low required a rigorous effort within the executive branch. But we cannot do the job alone.

Third Reason

If we are going to keep taxes and prices down, the Congress must keep spending down. That is why it is so important for the Congress to set a firm ceiling on its over-all expenditures —so that the Congress will consider not only the particular merits of individual programs, but also what happens to taxes and prices when you add them all together.

The third reason my new budget tries to curb the growth of Government is that relying on bigger Government is the wrong way to meet our nation's needs. Government has grown by leaps and bounds since the nineteen-thirties; but so have problems — problems like crime and blight and inflation and pollution. The bigger Government became, the more clumsy it became, until its attempts to help often proved a hindrance.

The time has come to get rid of old programs that have outlived their time, or that have failed. Whenever the return on our tax dollars is not worth the expenditure, we must either change that program or end it.

In the next few days, you will hear from some very sharp reductions in some very familiar programs, some have been regarded as sacred cows in the past. No matter what their real value, no one dared to touch them. Let me give you just a few examples.

Last year we spent nearly $200-million on the Hill-Burton program to help build more hospitals, but today the shortage of hospital beds which existed through the fifties and the sixties has been more than met. And yet, the Hill-Burton program continues to pour out funds, regardless of need.

'Our Search for Waste'

Or take some of our urban renewal programs, they have cost us billions of dollars, with very disappointing results, and little wonder, how can a committee of Federal bureaucrats, hundreds or 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.

And then there is our aid to schools near Federal facilities. There was a time when this program made sense, when Federal workers were a drain on local resources. Now most Federal workers pay full local taxes, yet we still have been paying out more than $500-million a year in compensation to these communities, many of which are among the richest in the country, and so I propose we change that program. Let us spend our education dollars where they are really needed.

Our search for waste has led us into every nook and cranny of the bureaucracy, and because economy must begin right at home, we are cutting the number of people who work in the President's

Plans for the Federal Budget

own executive office from 4,200 to 1,700. That is a 60 per cent reduction.

We also found we could save $2.7-billion in the projected defense budget for 1974 and $2.1-billion in the projected agricultural budget.

But after talking about these cuts, let's get one thing straight. Cutting back on Federal programs does not mean cutting back on progress. In fact, it means a better way to progress. When we cut a million dollars from a Federal program, that money is not lost and its power to do good things eliminated; rather that money is transferred to other budgets where its power to do good things is multiplied. Some of it will stay in family budgets where people can use it as they, themselves, see fit.

Much will go back to state and county and municipal governments, back to the scene of the action, where needs are best understood, where public officials are most accessible and, therefore, most accountable.

And finally, some of the money we save will be shifted to other Federal programs—where it can do the most good with least waste for the most people.

I am proposing, for example, to double spending for major pollution control programs. I am asking for an 8 per cent increase to fight crime and drug abuse; for a 20 per cent increase in research to meet the energy crisis; for a 21 per cent increase to fight cancer and heart disease.

In fact, over-all spending for human resource programs will be increased to a level almost twice what it was when I first came to office. Instead of spending one-third of our budget on human resources and nearly half of our budget on defense—as we were doing in 1969—he have exactly reversed those priorities.

'A True Peacetime Budget'

We can be thankful that with the war in Vietnam now ended, this is a true peacetime budget in every sense of the word.

In the days and weeks ahead, I shall be spelling out my recommendations in much greater detail. My budget will go to the Congress tomorrow; my Economic Report on Wednesday. And instead of delivering just one State of the Union address, covering a laundry list of programs, I shall present my State of the Union report this year in a series of detailed messages on specific subjects. Together, these statements will chart a new course for America—a course that will bring more progress by putting more responsibility and money in more places.

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.

It is important that the struggle to hold the line against bigger Government not become a contest which pits one branch of Government against another, but one which joins the President and the Congress in meeting a common challenge. And those in the Congress who enlist in this struggle need your support.

Every member of the Congress gets enormous pressure from special interests to spend your money for what they want. And so I ask you to back up those Congressmen and those Senators, whether Democrats or Republicans, who have the courage to vote against higher spending. They hear from the special interests; let them hear from you.

It is time to get big Government off your back and out of your pocket. I ask your support to hold Government spending down, so that we can keep your taxes and your prices from going up.