

Transcript of Nixon's Address to Congress

Following is a transcript of President Nixon's address to Congress yesterday, as recorded by The New York Times:

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests:

I come before this special joint session to ask the cooperation of the Congress in achieving a great goal: a new prosperity without war and without inflation.

In this century, Americans have never before had a full generation of peace.

And in the past 40 years we have had only two years with real prosperity, without war and without inflation.

As a result of major initiatives in the field of foreign policy, I believe that as America is bringing to a conclusion the longest and most difficult war in its history we can look forward with confidence to a generation of peace today.

And yet we confront this irony: as the dangers of war recede, the challenges of peace increase.

It is customary for a President to ask the Congress for bipartisan support in meeting the challenges of war.

Today, I come before you to ask bipartisan support in meeting the challenges of peace.

Three Problems to Face

In achieving our goal, we find ourselves confronted at the outset by three problems.

The first is the legacy of war. Two million men have been cut back from our armed forces and defense plants because of our success in winding down the war in Vietnam. As part of the transition from a wartime to a peacetime economy, we now have to find jobs for these men—jobs producing for peace instead of war.

The second problem is also a legacy of war. We must stop the rise in the cost of living.

The third problem is a legacy not of war, but of peaceful progress in the world over the past 25 years—progress which has altered dramatically the balance in the economic relationships between the United States and the other great trading nations of the world.

As a result we today are challenged to protect the value of the dollar, and to learn once again to be competitive in the world.

Twenty-five days ago I took action to attack these problems, to advance the goal of a new prosperity without war and without inflation.

I ordered a 90-day freeze on prices and wages.

I ordered a \$4.7-billion cut in Federal spending, to allow for tax cuts to create new jobs.

On the international front, I ordered a temporary 10 per cent surcharge on products imported from abroad, and I ordered the convertibility of the dollar into gold suspended.

SEPTEMBER 10, 1971

Asking Support for His

Economic Plan

Pleased With Reaction

Now in taking these actions, I knew there were great risks. There were dire predictions of massive resentment and noncooperation at home, and of turmoil and retaliation abroad. But that did not happen.

Here at home we can be proud of the fact that millions of Americans showed that they are willing to give up wage increases and price increases that would benefit some of the people, in order to stop the rise in the cost of living for all of the people.

And then as we look abroad, we find that adjustments are being made and actions are being taken to set up a new monetary system within which America can compete fairly once again. Instead of continued talk about the weakness of the American dollar, we now find in the world a new understanding of the strength of the American economy.

The reaction of the American people to the new economic policy has been unselfish and courageous. The reaction of our trading partners abroad has been measured and constructive. And I ask the Congress to respond in a similar spirit, as the Congress has to so many other great challenges in the past.

This is a time to set aside partisanship. Let us join together in placing the national interest above special interests in America.

I ask the Congress to consider as its first priority—before all other business—the enactment of three tax proposals

that are essential to the new prosperity. These three measures will create 500,000 new jobs in the coming year.

Savings on Automobiles

First, I urge the Congress to remove the 7 per cent excise tax on automobiles, so that the more than 8 million people in this country who will buy new American-built cars in the next year will save an average of \$200 each. This is a sales tax paid by the consumer. Its removal will stimulate sales, and every 100,000 additional automobiles sold will mean 25,000 additional jobs for America's workers.

Second, I urge the Congress to adopt a job development credit to encourage investment in machinery and equipment that will generate new jobs. This credit was advocated by a Democratic President and enacted by a Democratic Congress in the 1960's. It was enormously effective then in creating new jobs. It will be just as effective in creating new jobs now, today.

First it will be an incentive for business to hire more workers; it will enable wage-earners to work more productively, and it will make American products more competitive in the world's markets.

Third, I urge the Congress to create more consumer purchasing power by permitting the planned \$50 increase in the personal income tax exemption scheduled for 1973 to take effect next Jan. 1, one full year ahead of schedule.

For a family of four, this could mean an additional \$200 increase in tax-exempt income, beginning less than four months from now.

Big Gains in Both Areas

Taken together, these tax proposals that I ask the Congress to enact would reduce taxes now paid by individuals by \$3.2-billion and would provide \$2.7-billion in incentives to companies to invest in job-producing equipment.

There is another vital area in which I ask the cooperation of the Congress, and that is the area of budget restraint. Tax cuts to stimulate employment must be accompanied by spending cuts to restrain inflation.

Among the spending cuts that I have ordered are the following:

I have ordered a postponement of scheduled pay raises for Federal employees.

I have ordered a 5 per cent reduction in government employment.

And I have ordered a 10 per cent cut in foreign economic aid.

Because the Congress has not yet enacted two of my principal legislative proposals—welfare reform and revenue sharing—I have recommended that their effective dates be postponed, three months for revenue sharing, one year for welfare reform. This adjustment recognizes that there is no longer sufficient time to get the administrative machinery in place by the previously scheduled dates.

Political Temptations

Now, in the coming year this Congress will face many temptations to raise spending and to cut taxes in addition to the recommendations I have made. I understand those temptations. In the short run they will be very popular proposals.

But as we look at the realities of our budget at this time we must face up to this hard fact: any additional spending increases not accompanied by tax increases and any additional tax cuts not accompanied by spending cuts will be certain to start us again on a spiral of higher prices.

To spend more than we can afford, to tax less than we can afford is the sure route to prices higher than we can afford. I ask therefore that the Congress be responsible in recognizing these realities.

There are two other matters in which I seek the cooperation of the Congress:

The first concerns the immediate future and the second the long-range future of America in the world.

The 90-day freeze on wages and prices that I announced on Aug. 15 was a temporary measure, to hold the line while the next phase of stabilization was discussed. I am announcing today that the freeze will not be extended beyond 90 days.

But I assure the Congress and the American people that when this temporary and necessarily drastic action is over, we shall take all the steps needed to see that America is not again afflicted by the virus of runaway inflation.

The system of wage and price stabili-

zation that follows the freeze will require the fullest possible cooperation not only between the executive and legislative branches, but also by all Americans.

Meeting Diverse Groups

I am announcing today that I have invited representatives of the Congress, of business, of labor and of agriculture to meet with me within the next few days for the purpose of helping plan the next phase. They have all accepted the invitation.

In addition, I have directed the members of the Cost of Living Council to continue meeting with representatives of all other interested groups.

As we consider what follows the freeze, let us bear in mind that prosperity is a job for everyone—and that fighting inflation is everybody's business.

Let us remember also that nothing would be more detrimental to the new prosperity in the long run than to put this nation's great, strong free-enterprise system in a permanent straight jacket of government controls.

Regimentation and government coercion must never become a way of life in the United States of America. That means that price and wage stabilization, in whatever form it takes, must be only a way station on the road to free markets and free collective bargaining in a new prosperity without war.

Freedom brought America where it is today and freedom is the road to the future for America.

Now the long-term matter on which I seek the cooperation of the Congress centers on this fact: we must set as our goal today an economy that within 10 years will provide 100 million jobs for America.

To meet that goal we need new tax incentives other than the one I have discussed today for the creation of additional jobs. And to meet that goal we need new programs to insure that America's enormous wealth of scientific and technological talent is used to its fullest in the production for peace.

Uses of American Technology

Later today in this great chamber, the Congress will pay tribute to three splendid Americans back from the moon.

Theirs was a magnificent achievement—a stunning testament to their personal skill and courage. And also to what American technology can achieve.

Let us find the means to insure that in this decade of challenge, the remarkable technology that took these Americans to the moon can also be applied to reaching our goals here on earth.

of Congress I shall present new proposals in both these areas: tax reform to create new jobs, and new programs to insure the maximum enlistment of America's technology in meeting the challenges of peace.

Achieving these goals will be in the vital interest of the United States not just for the next year, not just for the next 10 years, but for the balance of this century and beyond. And I look forward to working with the Congress. To getting the best thinking of the Congress, in preparing for this great experiment.

As we consider these new economic policies, it is important that all of us here today consider the stakes that are involved.

America has entered a new era in its economic relationships with the rest of the world.

For a quarter of a century now since the end of World War II, America has borne the principal burden of free world defense, of foreign aid, of helping old nations back onto their feet and new nations to take their first, sometimes faltering steps. We have paid out nearly \$150-billion in foreign aid, economic and military, over the past 25 years.

We have fought two costly and grueling wars; we have undergone deep strains at home, as we have sought to reconcile our responsibilities abroad with our own needs here in America.

More Attention to Home

In this quarter-century America has given generously of itself and of its resources—and we have done this because we are America, and America is a good and a generous nation.

In the years ahead, we will remain a good and a generous nation—but the time has come to give a new attention to America's own interests here at home.

Fifteen years ago a prominent world statesman put this problem that we confronted then in a very effective way. He commented to me that "world trade was like a poker game in which the United States then had all the chips and that we had to spread them around so that others could play."

What he said was true in the 1940's.

It was partially true in the 50's and also even partially true in the early '60's. It is no longer true today. We have generously passed out the chips. Now others can play on an equal basis—and we must play the game as we expect and want them to do.

We must play, that means, the best we know how. The time is past for the United States to compete with one hand tied behind her back.

This new era is a time of new relationships in the world; of a changed balance of economic power; of new challenges to our leadership, and to our standards of living.

And my colleagues in the Congress, we should not be resentful of these changes. They mean that more of the world's people are living better than before. They help make the world a better and a more stable and a safer place for all of us. But they also present us with a new set of challenges—the challenge of the peace.

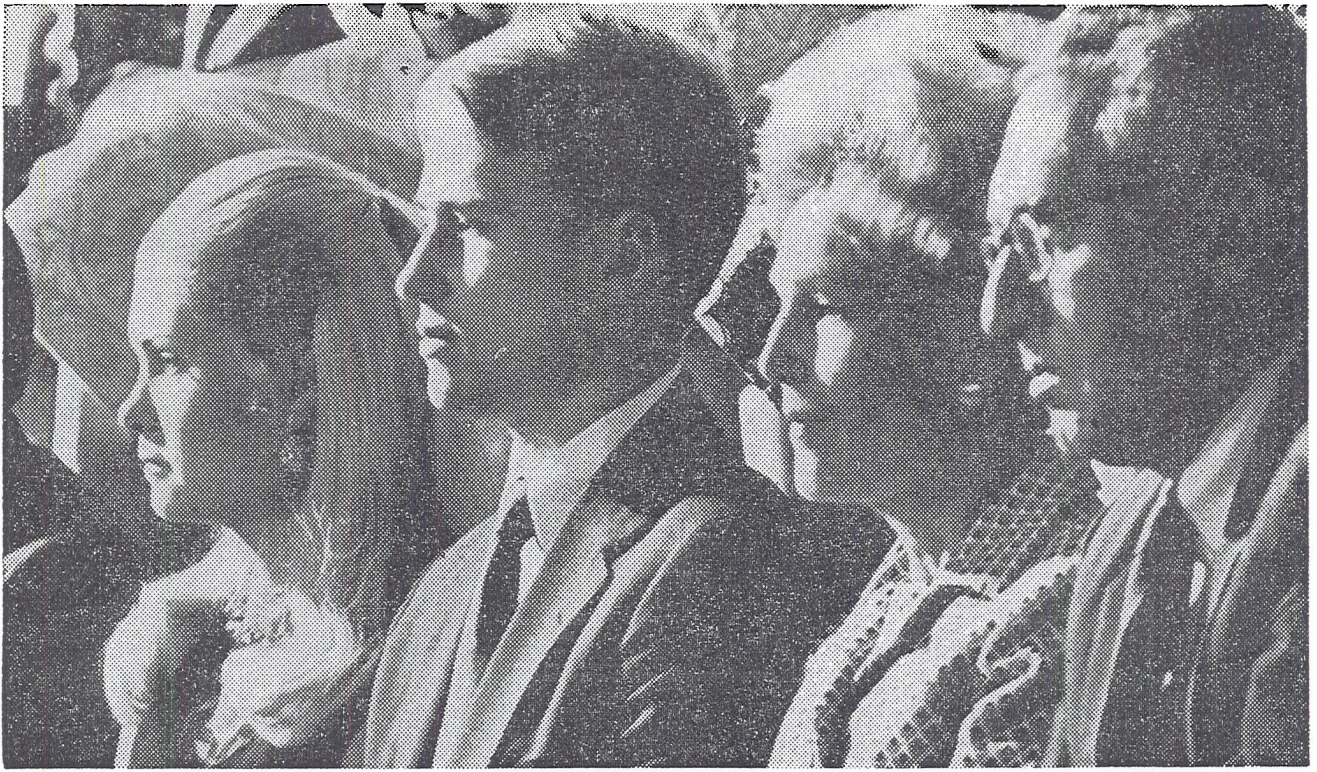
Time for Show of Spirit

The time has come for the United States to show once again that spirit that transformed a small nation, a weak nation, a nation of three million people on the precarious edge of an untamed continent, into the world's strongest and richest power.

In this new era we must find the roots of our national greatness once again.

In order to meet the challenges of peace, we must have a healthy America—a strong America.

We need a healthy and productive



The New York Times

Mr. and Mrs. Edward Finch Cox, Mrs. Richard M. Nixon and Henry A. Kissinger, Presidential adviser, listen to speech

economy in order to achieve the great goals to which we all are so firmly committed:

¶To help those who cannot help themselves.

¶To feed the hungry.

¶To provide better health care for the sick.

¶To provide better education for our children.

¶To provide more fully for the aged.

¶To restore and renew our natural environment, and,

¶To provide more and better jobs and more and greater opportunity for all of our people.

To accomplish these great goals requires many billions of dollars. We cannot accomplish them without a healthy economy. We cannot accomplish them without the revenues generated by the work of more than 80 million Americans.

And my colleagues in the Congress, we cannot accomplish these goals if we make the mistake of disparaging and undermining "the system" that produces America's wealth—of casting it in the false light of an oppressor and exploiter of human beings.

We can be proud of the fact that the much-maligned American "system" has produced more abundance, more widely shared and more opportunity for more people than any other system, any time, any place in the history of man.

And it is that very system that makes it possible for us to help the poor; makes it possible for us to feed the hungry, to clean up our environment, to meet all the other great goals which we have set for ourselves as a nation. As we correct what is wrong in this nation, let us always speak up for what is right about America.

Executive Branch Changes

To be a healthy nation, a strong nation, we need also restore the health of our government institutions.

That is why I again urge the Congress to act in this session on the sweeping reorganization of the executive branch which I proposed, in order to make it more efficient, more manageable, more responsive to the needs and wishes of the people.

That is why I again urge the Congress to act in this session on the far reaching proposals of revenue sharing which I have proposed, to help revitalize our state and local governments and to ease the crushing rise in the burden of property taxes in this country.

And that is why I again urge the Congress to act in this session on welfare reform. Let us bring under control a system that has become a suffocating burden on state and local taxpayers and a massive outrage against the people it was designed to help.

Let us get rid of a system where going on welfare is more profitable than going to work.

The postponements that I have recommended in the funding of these programs have been made necessary by past legislative delays. Let us make sure that there will be no further delays.

All of these programs—all of our new economic programs—that I have described today will mean nothing, how-

ever, unless the American spirit is strong and healthy—the spirit of our people across this land.

In recent weeks I have traveled back and forth across this country—in Maine and New Hampshire, New York, Idaho, Wyoming, California, Texas, Ohio, Illinois—and I can say with confidence that on the farms, and in the cities, in the towns, in the factories throughout this nation the spirit of the American people is strong. It is healthy.

A strong and healthy spirit means a willingness to sacrifice. And Americans are willing to sacrifice, when a short-term personal sacrifice is needed in the long-term public interest.

A strong and healthy spirit means a willingness to work.

The Basis of Greatness

Hard work is what made America great. There could be no more dangerous delusion than the notion that we can maintain the standard of living that our own people sometimes complain about, but the rest of the world envies, without continuing to work hard.

The "good life" is not the lazy life, or the empty life, or the life that consumes without producing. The good life is the active, productive, working life—the life that gives as well as gets.

No work is demeaning or beneath a person's dignity if it provides food for his table and clothes and shelter for his children. The thing that is demeaning is for a man to refuse work and then to ask someone else who works to pay taxes to keep him on welfare.

Let us recognize once and for all in America that any work is preferable to welfare.

A strong and healthy spirit means having a sense of destiny.

As we look ahead five, 10, 20 years, what do we see?

We could see an America grown old and weary, past its prime, in its declining years. Or we could see an America proud and strong, as vigorous in its maturity as it was in its youth.

We hold the future in our hands. We have consulted our fears too much. Now let us be inspired by our faith. If our forefathers had consulted their fears, we would not be here today.

America would never have been discovered. The West would never have been explored. Our freedom would never have been defended. Our abundance would never have been created.

As we renew our faith, let the challenge of competition give a new lift to the American spirit.

Opposition to Isolation

A nation becomes old only when it stops trying to be great.

That is why we cannot remain a great nation if we build a permanent wall of tariffs and quotas around the United States and let the rest of the world pass us by. We cannot live behind a wall that shuts out the rest of the world.

The world is too small, and the United States is too important a part of that world. If we were not a great power, we would not be the America we know. And if we do not stay a great power the world will not stay safe for free men.

We cannot turn inward, we cannot drop out of competition with the rest of the world, and remain a great nation. Because when a nation ceases to compete, when it ceases to try to do its best, then that nation ceases to be a great nation.

America today is No. 1 in the world economically. Let's keep America No. 1 in the world economically.

General de Gaulle once said that France is never her true self unless she is engaged in a great enterprise.

My colleagues in the Congress, America can be her true self only when she is engaged in a great enterprise.

To build a full generation of peace is a great enterprise.

To help the poor and feed the hungry, to provide better health and housing and education, to clean up the environment, to bring new dignity and security to the aging, to guarantee equal opportunity for every American—all these are great enterprises.

To build the strong economy that makes all these possible—to meet the new challenges of peace, to move to a new prosperity without war and without inflation—this truly is a great enterprise, worthy of our sacrifice, worthy of our cooperation, and worthy of the greatness of a great people.
