

Following are excerpts from the transcript of President Nixon's speech yesterday at the A.F.L.-C.I.O. biennial convention, Bal Harbour, Fla., as recorded by The New York Times through the facilities of A.B.C. News:

I am very honored for the very first time to be speaking before the A.F.L.-C.I.O. convention. And in speaking on this occasion I have brought with me a prepared text. I have given that text out to the press.

I'm not going to read that text to you today. I want to say to all the press, though, who have already written their stories that they can print it and I stand behind it.

The text contains the usual laundry lists that a President of the United States is supposed to go over when he appears before the A.F.L.-C.I.O. or any other labor convention. I'm very proud of this list.

But rather than reading that text I'm going to do something that I believe President Meany will appreciate and all of the others here that I have met so often in the Cabinet Room over the past three years.

You like it straight from the shoulder. I'm going to talk to you about our differences and I'm also going to talk to you about some areas where we agree and there are several of both, as you know.

Crucial Labor Backing

And in talking about those differences and where we agree I'd like to address myself first to a question that I notice has been speculated on in the press and it was one, as a matter of fact, that was raised by some of my own advisers in the White House.

Putting it quite bluntly, one of them said: "Why are you going?" They said: "You know a majority of those that are going to be at this

great convention are against you politically.

I'll tell you why I came here: Because while some of you may be against me politically and some of you may be against my party I know from the experience over the past three years that when the chips are down organized labor's for America and that's why I'm here before this convention today.

I could give you a number of examples where that's been proved. President Meany and the other presidents up here who have been there at meetings where I've asked for their support can give them to you also.

I have known that whenever we had an issue of the defense of America, when some would be for unilateral disarmament, organized labor stood firm behind the Commander in Chief and for strong national defense. The president can always count on labor for a strong national defense.

I know for example that when the question arises as to hard decisions to protect America's fighting men the President of the United States, whoever he is, whatever his party, can count on the support of organized labor and I have had that support over the past three years.

The New Prosperity

And I know too, that when hard decisions have to be made to bring to an end, on an honorable basis that will discourage aggression in the future, a very difficult war that the President of the United States can always count on organized labor.

And now having spoken of the support that you have given in times of war I am here today to ask for your support for another cause. It is the cause of building a lasting peace and it is the cause of a new prosperity.

Now I mention new prosperity I can imagine that many say "what was wrong with the old prosperity?"

I'll tell you what was wrong

with it—two things: war and inflation.

You have to go clear back to 1955 and '56 when President Eisenhower was President to find full employment without war and full employment without inflation.

What was wrong with 1968 and 1970? We had full employment. But at what cost? Three hundred American dead every week. That's too high. I don't think any American worker—that any American—wants to have his job be based on the sacrifices of Americans abroad if we can avoid those sacrifices. And that's what we are trying to do.

Now as a result of the success in our programs in Vietnam we have had some aggravation of the problem of unemployment.

We want full employment; we want good jobs; we want high wages; we want it in times of peace. Let's see what Vietnam—our success in Vietnam has done to that objective.

Defense Plant Losses

Did you realize that there were 539,000 Americans in Vietnam when I took office? By January of next year we will have brought home 400,000. But even more, as a result of winding down the war in Vietnam 2,200,000 Americans will have been let out of defense plants and out of the armed services over the past three years.

Now if the war in Vietnam were going on at the same level as it was going on when I came into office with 300 Americans dying every week we would have unemployment at less than 4 per cent today. But we can do better than that. We can build a new prosperity. We can build it without war.

And that is why I so strongly favor the tax measures that I recommended to the Congress. I know there's some disagreement on that here in this audience and I respect your views there. But

the repeal of the automobile excise tax, the job development credit will allow American workers to have the new plant and the new equipment that will enable them to compete more effectively with workers abroad and thereby increase the number of jobs here.

And, of course, the relief for consumers which will get more purchasing power into the hands of Americans and thereby increase the demand and increase the number of jobs. All of these things are directed toward building that new prosperity that all Americans want.

Disagreement Over Trips

Now I come to another area where we have a little disagreement. I know that some of you have read about my trips to Peking and to Moscow.

And there have been some rather striking statements made about those trips from this platform.

I respect a difference of opinion; I know that it has been suggested that I'm taking those trips halfway around the world really as political junkets in an election year.

Let me be very blunt on that point: These trips are not about the next election—they're about the next generation. And we all have an obligation to that next generation.

No one in this room knows better than I do the great differences between the Communist societies and ours. No one in this room would go to such a conference with his eyes more open than mine will be open.

The Direct Choice

They know me—I know them. Those differences are not going to be solved by these trips. Then why do we go? I'll tell you why. It's a practical consideration. There are 250 million people in the Soviet Union. There are 750 million people in China.

And so we then come to

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this question—what do we do about it? Do we wait 10, 15, 20 years from now and continue to stand in confrontation with those that we do disagree with?

Or, in other words, putting it more directly—do we talk about our differences or do we fight about our differences?

My friends, with the advent of nuclear warfare, a President of the United States with an obligation to future generations, has no choice but to talk about those differences. Talk about them with this goal in mind—not of giving in on our system, not of making concessions at the expense of our friends, but talking about them with the great goal of seeing that the peoples of this world can have different systems but will not be engaged in nuclear destruction. That's why I'm going—we're going to try. We may not succeed, but I think future generations would hold us responsible if we failed to try.

More Action Planned

Now, let me turn to the other side of the coin. I said that we needed a period of prosperity without war. We're working toward that. I said also that we needed prosperity without inflation. We're working toward that.

We just completed the 90-day freeze. Now I understand there's been some disagreement about whether that freeze worked. Well, let's look at the numbers.

It was a remarkable success because the figures are in. In two months the wholesale price index went down rather than up and that's the first two months in five years that that has happened.

Look at your morning papers. The Consumer Price Index—a rise of one-tenth of 1 per cent—that rise was the lowest in four years.

And so it was worth doing. And if you don't think so, go home and ask your wives who go to the grocers. Go

home and ask others. You will find that as far as prices are concerned, what they want rather than less action on the inflation front is more. And that's what we are going to provide.

And on that score let me say having succeeded in Phase One, we're now moving to Phase Two.

Now, I have noted that President Meany's had some things to say about Phase Two. As a matter of fact it's a little hard not to note what he's had to say.

Just to be sure I didn't misquote him I cut it out of The Washington Post.

He criticized Phase Two, criticized the make-up of the Pay Board and the Price Commission and criticized the Committee on Interest Rates and so forth.

And then he went on to lay down certain conditions and then he said: "If the President of the United States doesn't want our membership on the Pay Board on our terms, he knows what he can do." Well you know President Meany is correct. I know exactly what I can do and I'm going to do it.

And I think it's time that we all understand just where we stand on this—where we agree and where we disagree.

I want a program that is fair to all elements of the society, fair to organized labor, particularly as I have emphasized for the reasons that I mentioned before.

Obligation of President

But as President of all the American people, it is my duty to do what I think is best for all the American people. And my friends, whatever some of you may think, a great majority of the American people and a majority of union members want to stop the rise in the cost of living and that's what we're going to do.

In order to stop the rise in the cost of living, we want the participation of business,

we want the participation of labor, we want the participation of consumers and all the other areas of the society.

We hope we get it. But whether we get that participation or not, it is my obligation as President of the United States to make this program of stopping the rise in cost of living succeed. And to the extent that my powers allow it, I shall do exactly that.

Now, my friends, having said that, let me now point at an area of agreement.

It's a myth that organized labor has no interest and no stake in stopping the rise in the cost of living.

Look at the numbers. I've read the figures with regard to the raise and wage increases, the increases from 1965 to 1969. They were significant and incidentally, they were needed. But do you know that from 1965 to 1969 when American labor was getting some of its most substantial wage increases for most American workers in that period price increases completely ate up the wage increases.

And so it's in your interests as well as the interests of the consumers to do what we can to see that when you get a wage increase it's a real increase. That's what I'm trying to do. That's what we're working for.

Let me say to you this isn't like an ordinary collective bargaining dispute where labor wins and management loses. If we fail in this venture America will lose and all of us will lose and I say to you we can't let that happen.

It means that we must work together. It means we must speak candidly as President Meany has, and I appreciate his candor and his honesty. But it also means that what we must try to do is to find a way to temper the rise in the cost of living so that all Americans will benefit and we can win this

fight which is in the interests of all Americans.

And so as we look at America's strength we realize that we have to keep it and how are we going to keep it?

Let me tell you how we're going to keep it: we can pass laws; we can have all the fancy ideas of the political scientists and the sociologists and the economic professors and those that have plans for what American will be.

But without the hard work and the patriotism and the character of 80 million American wage-earners we cannot continue to be a great nation.

And so we need the devotion, the character, the patriotism of the people you represent. We need it because America has a mission in the world. It is bigger than ourselves. It's as big as the whole world itself. It wasn't so at the beginning.

Whether America failed or succeeded wouldn't have determined whether or how the world would have war or peace. But today there is no other free nation in the world that can provide the leadership—if that leadership can be provided—that can keep the peace and to stop aggression around the world.

And so I say to you, my friends, the future of America is in the hands of 80 million American wage-earners. Putting it another way, the future of America is in your hands. I believe it's in good hands. I believe it's in good hands because despite the differences that I mentioned here I have found over and over again in talking to the leaders of organized labor that when the chips are down the people in organized labor will take those positions that are best for this country.

I will conclude as I began: Yes we do have differences but regardless of what those differences are, because I know you are for America you can be sure every one of you will always have a friend in the White House.