

and convictions,  
Indictments of organized crime racketeers have tripled, as the  
result of 1970's Organized Crime Control Act and <sup>to</sup> expanded Federal  
interagency strike forces.

## Combating CRIME

Over the past five years, <sup>I have</sup> ~~this Administration~~ <sup>higher</sup> has had no more important  
domestic priority than <sup>rolling back the tide of</sup> ~~defeating the growth of~~ crime and violence which <sup>rise in the 1960s</sup> ~~caused~~  
<sup>and</sup> ~~1960s~~ <sup>so many</sup> caused so many Americans to fear for their very safety. I am therefore

especially pleased to be able to report that we have turned the corner on crime:

~~After~~ -- After seventeen years of continuous <sup>and often dramatic</sup> increase, crime peaked in 1971,

<sup>Now that the momentum increase has been broken, I am confident</sup> ~~and I expect~~ that we can look forward to an overall reduction in  
the years ahead. <sup>its first overall decline. In 1973, it again registered a</sup>

-- Serious crime in our <sup>largest</sup> cities with population in excess of half a  
~~million~~ ~~has~~ was actually reduced by thirteen per cent between  
1971 and 1973. <sup>although holding below the level</sup>

-- In Washington, D.C., where the Federal Government has special <sup>law enforcement</sup> respon-

sibilities, the fight against crime has scored even more dramatic

successes. With the help of 1970's D.C. Court Reorganization

and Criminal Procedure Act, the crime rate in the District of

Columbia has been cut in half. <sup>in addition, of course, the</sup>

<sup>These</sup> All of ~~these~~ indications of success are welcome news -- especially because <sup>mean not that we should</sup>  
~~so many~~ <sup>glaciers on anti-crime efforts, but that we should intensify it -</sup> much has been done in the effort to defeat crime. Key elements of  
our strategy include: <sup>to do so</sup>

-- Increased Federal assistance to state and local law enforcement agencies.

<sup>Proposed For the next fiscal year, I propose funding</sup>  
Federal funding through the Law Enforcement Assistance Administration  
<sup>would</sup> ~~will~~ increase to \$886 million in 1975 -- <sup>up</sup> from \$60 million in 1969.

-- Comprehensive improvement of Federal correctional programs. Already

15 new correctional institutions have been built or are under con-

struction. <sup>my</sup> ~~And the~~ 1975 budget request of \$250 million <sup>will</sup> ~~represents~~

a tripling of 1969's budget levels. <sup>of</sup>

~~While we have achieved substantial successes, we have little cause for~~

<sup>led many to question whether our cities would survive have become a thing of</sup>

complacency. There is still too much crime. I urge Congressional approval for additional efforts to fight crime, including:

- Legislation now before Congress which would create ~~additional~~ <sup>more Federal</sup> judgeships, ~~and~~ <sup>which are needed to</sup> assuring speedier disposition of criminal cases.
- Support for ~~a~~ <sup>5-5</sup> new budget proposal <sup>ed</sup> increasing the ~~x~~ <sup>in</sup> resources of the U.S. Attorneys' offices throughout the Nation. ~~They~~ <sup>-- which they</sup> need for ~~additional assistance~~ <sup>because of</sup> has been ~~created~~ <sup>over the last three years</sup> by their success in increasing <sup>more than</sup> by ~~over~~ one-third the number of criminal cases ~~they~~ filed ~~over the last three years.~~
- Legislation now before the Congress <sup>to deal with</sup> which would meet the problems caused by the increasing <sup>in the</sup> numbers of illegal aliens entering this country <sup>to better</sup> and seeking employment.
- Comprehensive reform of the Criminal Code, <sup>Last year I submitted</sup> along the lines which I proposed <sup>a proposal</sup> last year and which was itself based upon seven years work by the Congressionally-appointed National Commission on Reform of Federal Criminal Laws. ~~This legislation would provide more effective enforcement against criminal activities at all levels.~~
- Legislation to restore the Death Penalty under the Federal Criminal Code for specific crimes <sup>which</sup> ~~(resulting)~~ in the death of innocent victims -- for example, as a result of hijacking, kidnapping, or bombing.

Several especially heinous specific

*meet a need of great and growing importance to our individual personal*

In addition, to all of these things which the Congress can do to improve the law enforcement process with the United States I shall soon submit to the Congress legislation designed to protect the privacy of individuals in our society, <sup>and necessary</sup> without destroying the proper use of criminal justice information by law enforcement agencies. Modern technological advances have made consideration of this type of legislation <sup>increasingly</sup> all the more important if we as a Nation are to maintain our traditional safeguards for the rights of the individual, ~~as our~~ *while pressing our campaign against the crime*

<sup>invite</sup> I ask the Congress to work with the <sup>Administration</sup> in developing the best approach to this complex, <sup>challenging, and yet vital</sup> ~~yet most important~~ problem area.

The <sup>draft</sup> ~~draft~~ legislation which I ~~will~~ <sup>to</sup> submit will attempt to ensure that:

- Non-criminal ~~uses~~ Justice uses of Criminal Justice Information Systems are effectively minimized, and ~~that~~ the content of those systems is both <sup>and</sup> current <sup>and</sup> accurate
- Individuals are able to discover what information about them is on record, <sup>as well as,</sup> how it is used, whether it is correct and, if not, <sup>will be</sup> to see that it ~~is~~ corrected.



# INCREASING FARM PROSPERITY

## The Growth of Agriculture

*Five years ago,*

In 1969, when this Administration entered office agriculture was a depressed industry:

- Large agricultural surpluses existed, depressing farmers' earnings and their incentive to produce a greater abundance.
- Government production controls further reduced any incentive for greater production -- in addition to costing the taxpayers \$ \_\_\_\_\_ in agricultural subsidies for enforced idleness.

-- Farm income was low (\$14.7 billion) and farmers worked long hours *The (worked by farmer)* earning an average income 26 per cent lower than the average income *below (non-farmer)* of other Americans. *During the preceding 8 years farmers had been* And farms were disappearing for the last eight years *on average* years at a rate of over 100,000 a ~~year~~ *each a* year.

Today, that picture has been dramatically altered:

- Instead of *excess of agricultural products* surpluses, there are now greater markets *(than ever, eagerly bidding for increased output)* for agricultural *new* products. In fact, farm exports, which have set *each of* records in the last four years, have strengthened the dollar in international money *have been a major contributor to the* markets and strengthened *my of* our Nation's balance of payments position.
- Farm production has reached new record levels *in each of* for the last three years.
- The Farm Acts of 1970 and 1973 have *sharply* reduced the *(formerly burdensome)* tremendous costs of *Federal*

farm subsidy program. Price support payments to farmers will be reduced to 2 per cent of the USDA's fiscal year 1975 budget, -- in 1969, they accounted for 37 per cent of that Department's budget outlays.

-- And farm income has reached new record levels. *By* The gap between farm and non-farm income had closed from 26 to 12 percent below the average American -- a 50 per cent improvement in 4 years. *farmers used their* In addition, the new income allowed farmers to increase *Total farm income* was up from \$14.7 billion to \$ \_\_\_\_\_ billion *clearing* their purchases of production goods by 30 per cent or 15 billion last year alone -- equalling the growth *in purchasing* of all the years from 1950 to 1967.



In the year ahead, the primary challenge for Federal agricultural policies is to encourage greater production of agricultural goods -- which will mean more income for the farmer, greater international trading benefits for the Nation, and lower food prices for every American.

To aid in this effort, I am asking the Congress to revamp the programs which still ~~maintain~~ <sup>require</sup> ~~mandate~~ restrictive federal control over the production of some remaining farm commodities -- especially rice, peanuts, tobacco, sugar, and extra long staple cotton.

In addition, if farm production is to increase to the benefit of all Americans, we must ensure farmers adequate supplies of <sup>necessary</sup> the materials -- ~~necessary for farm production~~ <sup>has</sup> particularly, ~~fuel for farm machinery and fertilizer to enhance production~~, both of which are in <sup>short</sup> ~~shorter~~ supply this year:

-- Fuel. Agriculture will receive 100 percent of its gasoline needs, 100 percent of its propane and butane needs, and 100 percent of its diesel fuel needs under the mandatory allocation guidelines established by the Federal Energy Office.

-- Fertilizer. Although fertilizer supplies will be tight, supplies will be more plentiful than originally feared. ~~As a result of Federal~~ <sup>will make</sup> decontrol of domestic fertilizer prices, ~~more fertilizer will be~~ <sup>to the American farmer; in addition, fertilizer man-</sup> available ~~within the United States~~ <sup>facturers will receive priority</sup>.

In order <sup>2</sup> to provide added incentives to farmers for increasing their production, <sup>United States will make a special effort in</sup> ~~the Government in its negotiation under the General Agreement on Tariffs and Trade will work in earnest to further domestic agricultural interests by negotia-~~ <sup>the tariff</sup> ~~ting for the~~ reduction of <sup>in</sup> ~~remaining~~ barriers now working against American farm products in international markets, especially <sup>in</sup> Europe and Japan.

To further <sup>enhance</sup> ~~improve~~ the agricultural <sup>activity</sup> ~~industry~~, the Administration will also:

-- promote longer-run more difficult soil and water conservation practices.

*allocation for their  
agrochemical needs (7,7,7)*

### The locations of

- consolidate local branches of Federal agricultural agencies -- ~~for~~ <sup>specifically</sup>  
~~example,~~ the Agricultural Stabilization and Conservation Service, the  
Soil Conservation Service, The Farmers Home Administration, and the  
Federal Crop Insurance Corporation. -- ~~We hope to create~~ <sup>creating</sup> one-stop  
agricultural service centers on the local level ~~to~~ to make things  
easier for the farmer and ~~is~~ less costly for the Government.
- place high priority on new agricultural research <sup>for the future to assure</sup> ~~to help in assuring~~ ~~the future~~  
plentiful agricultural goods at reasonable prices, to maintain our  
competitive advantage in world agricultural production, and to  
protect the productivity ~~and~~ <sup>and</sup> beauty of the land.
- participate in a World Food Conference <sup>under UN auspices</sup> in November of this year to  
help in developing better strategies world-wide <sup>to meet the</sup> ~~to improve the~~  
~~future growing agricultural needs of~~ ~~availability~~ ~~adequacy~~ of food for the world's growing population.

At my direction, Secretary Kissinger recently  
prepared to the United Nations that it convene a  
World Food Conference. ~~The will be held in~~  
~~November, 1974.~~ a concern made urgent by  
acute present food shortages in many parts of  
the world. This will be held in November, 1974.  
~~It~~ should prove of particular importance to the  
American farmer, whose extraordinary productivity  
has made this nation the world's leading food exporter  
-- and whose own prosperity will continue to increase  
as we organize to meet more fully the needs of a hungry world.  
#

Rural Development

As part of my attempt to develop a co-ordinated, comprehensive policy for rural development, over \$12 billion has been ~~targeted~~ ~~provided~~ invested during the five years since this Administration entered office. As part of our growing national commitment, annual Federal funding for rural development has been tripled during the last five years. These funds have been spent on:

- Rural Housing - More than \$6.4 billion has been provided through 487,000 housing loans.
- Electrification and Telephone Systems - Over \$3 billion has been spent to enroll 177,000 new rural consumers.
- Water and Waste Disposal - ~~Now~~ <sup>Some</sup> 8,500 loans and grants have provided rural communities with ~~nearly~~ more than \$1.4 billion to finance water and waste disposal systems.
- Loans to Farmers - More than 489,000 loans totaling over \$4.2 billion have been made available.

During the past year <sup>we have increased my</sup> ~~there has been heightened activity designed to meet the~~ <sup>on behalf of</sup> ~~needs of our~~ Nation's rural residents:

- During 1973, the Rural Development Act of 1972 was ~~is~~ funded for the first time to provide over \$750 million in loans and grants to States, <sup>under</sup> ~~Each States allocation was determined on a formula basis dependent upon that States rural population and rural income. This program is granting procedures that save them~~ <sup>to the States</sup> a new flexibility enabling them better to meet their own ~~priorities~~ in promoting rural industrialization and improving the quality of life in their rural communities, <sup>according to their own</sup> ~~-- priorities.~~



Accomplishments in Rural Development - 1973

The Rural Development Act was funded for the first time in 1973 with a funding level of over \$750 million in loans and grants. Most of these funds are allocated by formula among the State ~~Farmers Home Administration~~ offices based on State rural population and rural income factors using the definitions of rural set forth in the Act.

-- A Cabinet-level ~~Domestic Council~~ Rural Development Committee, ~~was appointed by the President and is chaired by the Secretary of Agriculture.~~ This committee assumed responsibility for interdepartmental policy formulation and resolution of rural development policy issues, ~~as determined by the Secretary of Agriculture.~~

-- The first Assistant Secretary for Rural Development was appointed to ~~discharge the rural development leadership and coordination responsibilities of the Secretary of Agriculture.~~ *in meeting Rural America's needs*

-- The President signed an amendment to the Rural Electrification Act of 1936 which will allow ~~for~~ greatly increased REA loan levels, ~~with stress on guaranteed loans at market interest rates and direct government loans at 5 percent.~~

-- An interim rural housing policy was developed ~~that puts greater emphasis on purchasing and improving existing housing, rental housing, home repairs, and rehabilitation, and makes and making Farmers Home Administration programs more available to most persons with the greatest housing needs.~~

*Programs more responsive to those*

During 1973, the ~~Secretary~~ *Administration* designated 25 multicounty areas in 24 States to start receiving Resource Conservation and Development (RCD) Program assistance during fiscal year 1974.

-- In 1973 Rural Electrification Administration (REA) ~~borrowers~~ *loans* assisted over 740 ~~commercial, industrial and community facility projects which created over 40,000 new jobs in rural areas.~~ *creating*

The Secretary of Agriculture has begun a nation-wide program to consolidate USDA county offices to provide one-stop service to rural residents. These U.S. Agricultural Centers will ~~initially bring together the county staffs of ASGS, FHA, SCS, and FICG into one location.~~

-- *(continuing)* To ensure *priority* attention to rural development by the Federal government, ~~I created a~~ *and* special Cabinet-level Rural Development Committee, and the post of Assistant Secretary of Agriculture for Rural Development was created.

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RURAL DEVELOPMENT - NEW INITIATIVES

The purpose of rural development, one which we must not lose sight of, is to make America a better place in which to live and work. We have pursued four basic approaches in our efforts: human resource development and services, economic development, <sup>improvement</sup> provision of community facilities and environmental improvement. Many of the programs I have discussed, REA, EDA, social services and educational services, for instance, are directed at these.

As we have expanded our program efforts, however, the defects of the present categorical approach <sup>have become evident. It</sup> which spreads resources too thinly, in an uncoordinated fashion which fails to maximize the return for ~~our~~ scarce Federal dollars, have become evident.

In conjunction with the Congress I have initiated a broad far-reaching policy development effort to provide recommendations for a new rural development approach. Part of the review has been completed and I plan to submit a new legislative proposal <sup>to the</sup> Congress, which will be called the Economic Adjustment Act of 1974. This proposal, which is to replace the Economic Development programs of the Department of Commerce, will be designed to be more responsive to the plans and goals of the States and local communities involved.

The policy review is also concerned with the effectiveness of programs we are administering under the Rural Development Act of 1972. This review will focus on the degree of success attained in administering these programs in a manner consistent with the "New Federalism"; namely, whether State and local development strategies and priorities are given appropriate weight in the Federal selection and funding of projects under the Rural Development Act.

See next page =>



Rural help

y

As we ~~share~~ look to the future patterns of national growth,  
it is vital that we not become so mesmerized with the problems of the  
cities that we fail to recognize the needs of rural America -- and  
equally vital that we recognize that ~~a~~ the prosperity, the vitality  
~~special~~  
and the/character of rural America are essential cornerstones of our  
balanced growth as a Nation.

(Query: Is our proposed Economic Development Act of 1974  
especially a rural development measure? Does it belong here? If so,  
what should we say about it? --rp)



Ending Drug Abuse

SUGGESTED DRUG INPUT FOR THE  
STATE OF THE UNION

Rec'd 1/22/74-  
for to minnie

TV  
P  
"During the decade of the '60s, increasing thousands of our young people each year turned to heroin and other drugs in search of "new highs" and "chemical solutions" to the problems of life. In this retreat from reality and abandonment of the cherished values of hard work and self reliance, the nation's drug problem grew dramatically. At the time I became President our proudest cities were being destroyed by fear as addicts ~~resorted~~ <sup>turned</sup> to crime and violence to support their habits.

Each drug arrest or overdose death was also the culmination of a personal tragedy for the families concerned. During my campaign for the Presidency in 1968 hundreds of distraught parents implored me to take whatever steps were necessary to bring the drug problem under control.

I am pleased to be able to report that since ~~1968~~ <sup>Then,</sup> tremendous progress has been made.

-- During the last five years Federal spending on drug treatment and enforcement has increased tenfold. <sup>Better</sup> drug law enforcement, at home and abroad, has caused an unprecedented heroin shortage throughout much of the country. <sup>Enough</sup> treatment capacity has now been created <sup>so</sup> that virtually no addict can claim he must commit crimes because he cannot get medical help and counselling.

~~Our~~ Our own intelligence and medical indicators all suggest that we have now "turned the corner" and have begun to win the war against this menace. <sup>and</sup> ~~That~~ we have at last succeeded

Nevertheless, the drug battle is far from over.

For the sake of the next generation - our children's children - I am determined to "keep the pressure on" - to ensure that the heartening progress made to date is translated into a lasting victory over heroin and other drugs.

As enforcement efforts meet with success in one area of the world, pressure increases on other trafficking routes. To meet these new threats, we expect to step up our support of joint drug enforcement programs with other nations threatened by international drug traffic such as Thailand, Burma, and Mexico. I have also directed that plans for increased vigilance at our own borders be put into effect.

In the treatment area, thousands of heroin addicts ~~do not respond to traditional incentives.~~ <sup>choose not to seek treatment.</sup> Many more are turning with distressing frequency to other drugs of abuse. To combat these developments new efforts will be mounted to induce hard core addicts to enter treatment.

To provide added incentive for those not motivated to seek help on their own, I have directed Federal agencies to expand their support for local ~~court diversion~~ programs which direct addicts charged with crimes into treatment pending trial and sentencing. I have also asked that we open our existing

federally funded treatment facilities to the so-called polydrug abuser who is dependent on more than one type of drug.

Continued progress will also require help from the Congress.

-- I will shortly recommend legislation which would result in severe new penalties for heroin traffickers and those engaged in illicit distribution of other <sup>illicit</sup> ~~drugs. of abuse.~~ This will update and supplement my proposals currently pending before the Congress.

-- The Psychotropic Convention, a key international treaty regulating manufacturing drugs worldwide, has-- after 2½ years--still to be ratified. Affirmative action <sup>in</sup> this session on this treaty and its implementing legislation is of the utmost importance.

Acceptance of both of these measures will enable us to maintain the encouraging momentum established during the last four years.

For my part, in the FY-75 budget, I am recommending a 20 percent increase in drug enforcement outlays and will continue to accord the highest priority to drug treatment and rehabilitation programs to help speed the return of ex-addicts to productive lives in society.



By taking these steps, and with your help, we can lay  
the groundwork for a twenty-first century free from the *personal and social*  
*disaster* ~~debilitating cancer~~ of drug abuse.

## MATCHING WORKERS AND JOBS

Government has a profound responsibility not only to respect the dignity of work, but also to help ensure that jobs are available for those who want to work -- and that job training is available for those who want to learn productive skills. We owe this to every one of our fellow citizens who is looking for a job; and equally, as a nation that lives by productive effort, we owe it to ourselves.

*(Attempting to provide manpower)*  
In the design of these services, however, we have learned

a great deal through more than a decade of trial and error.

## Manpower

(2) a

~~Government has a profound responsibility not only~~  
~~The past year was one of significant achievement for federal policy~~  
~~to respect the dignity of work but to help ensure that~~  
~~regarding Manpower.~~  
~~an abundance for those who want to work and that job~~  
~~training is available for those who want to learn.~~  
~~productive skills.~~ Since the enactment

of the Manpower Development and Training Act of 1962, the Federal Government has been packaging combinations of manpower services - on-the-job training, classroom training, work experience, job counseling and placement, and related activities - into ~~discrete~~ <sup>separate</sup> programs. It has engaged some 10,000 contractors throughout the country to operate these programs. The result has been a confusing spiderweb of intertwined services in each community.

This situation has defied any concerted effort to consolidate resources into well-directed attacks on the problems. <sup>local manpower</sup> Predictably, <sup>and for all these good</sup> the <sup>many</sup> myriad of evaluations of these programs over the last decade have not been able to show that <sup>They</sup> ~~manpower programs~~ have effectively increased the employability of those participating ~~in them~~. <sup>in short, for all their good intentions,</sup> They have failed both the country and the

<sup>at last!</sup> Now we have entered a new and more promising era in meeting the Nation's <sup>One of the most significant legislative achievements of 1973</sup> and the individual's manpower needs. <sup>was the enactment</sup> On ~~July 29, 1973~~, I was especially pleased to sign into law <sup>of</sup> The Comprehensive Employment and Training Act (CETA). In keeping with what has been a longstanding desire on the part of this Administration, this <sup>which</sup> Act transfers <sup>from the Federal Government to States and localities</sup> significant control over the design and operation of programs to improve the employability of the unemployed and the underemployed ~~from the Federal Government to States and localities~~. This truly significant piece of legislation does not mark a diminution of the Federal commitment to manpower development. It instead marks a realistic evaluation of the best way to <sup>meet the particular</sup> ~~ensure more effective~~ manpower development for the future.

<sup>needs of each community and</sup>  
<sup>each job-seeker.</sup>



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CETA is a landmark of the new Federalism.  
It is also a landmark on the way to better manpower programs.

~~Now under CETA, State and local governments, or combinations of them,~~  
~~each responsible for a specific geographic area,~~ <sup>now</sup> will be able as ~~prime sponsors~~  
<sup>Federal funds</sup> to use money allocated to them by the Federal Government to provide the

②

(Combined)

combination of manpower services best suited to their needs. ~~In addition,~~  
States will have the overall responsibility of coordinating their State-  
wide manpower activities with those of local prime sponsors, designating  
manpower planning areas, gathering and disseminating information on labor  
markets, and guiding their localities in the techniques of designing and  
operating manpower services. The Federal Government will remain responsible  
for programs which cannot yet be handled at the local level, such as <sup>those</sup> programs  
for Indians, migrants, and the Job Corps.

With <sup>the new</sup> ~~this local~~ freedom to meet <sup>priority</sup> local needs provided by CETA, manpower  
programs can now be ~~expected~~ to show significant results.

(There also was other significant advancement on the  
~~Although enactment of the Comprehensive Manpower Employment and Training~~  
~~manpower law in 1973;~~  
~~Act was certainly the highpoint of the year in manpower improving Federal~~  
~~manpower and development programs, it was not the only achievement. During~~  
~~1973:~~

- The past year was*
- The first full year of operation for the Work Incentive Program,  
designed to help those receiving payments under the Aid to Families with  
Dependent Children (AFDC) program to obtain jobs *(thereby)* and to reduce the  
welfare caseload. During the *past* year, nearly 200,000 AFDC recipients  
succeeded through the Work Incentive Program in *finding* being hired to  
perform unsubsidized jobs in the future.
  - *Progress was also made during 1973* *work-related*  
Great strides were also taken in programs designed to reduce accidents  
and illness *resulting from work*. The Department of Labor by year's  
end had doubled its number of inspections of workplaces, conducting  
65,000 inspections during the year. *and* In addition, 20 State plans for  
safety and health programs at least as effective as the Federal Government's  
Government's were approved and funded.

<sup>with</sup>  
~~was~~ Their new program flexibility,  
In the year ahead, using the newly enacted Comprehensive Employment and  
~~States and localities can~~ <sup>local</sup>  
Training Act, we will devote special attention to any employment problems which  
may result from the current energy ~~sh~~ shortage. <sup>In my ~~first~~ new</sup>  
~~The Budget, which I~~  
<sup>I have added</sup> ~~will send to the Congress next Monday provides~~ <sup>an additional</sup> \$250 million in <sup>the current</sup> fiscal year  
1974 and \$300 million in <sup>(the year begins July 1)</sup> fiscal year 1975 for distribution to areas with high  
<sup>I especially urge approval of</sup> unemployment. This additional funding, ~~added to the CETA ~~ex~~ funds which~~  
~~wi~~ would also be available should ~~provide~~ <sup>provide</sup> areas with increasing energy related  
unemployment a powerful weapon to attack their manpower problems.

In addition, another \$300 million will be added to each year's budget  
to enable those States and localities <sup>that</sup> who wish to do so to mount special <sup>summer</sup>  
employment programs for youth during the ~~xx~~ summer months.

~~During the year ahead further progress can be expected in refining the lesson~~  
~~which we are k learning in the Work Incentive Program which will be partic-~~  
~~ularly important as we the Congress and the Administration prepare to address~~  
~~the problem of welfare reform.~~ <sup>challenge</sup> ~~The budget for 1974 also contains added funds~~  
~~for enforcement of occupational safety and health, as well as equal employment oppor-~~  
~~tunity standards.~~ <sup>I shall also ask increased funding both</sup>  
<sup>laws</sup> <sup>stand for</sup>

<sup>pieces of</sup> ~~I also ~~have~~ urge the Congress to, in the year ahead, once again consider several~~  
~~the legislation which I originally proposed in April, 1973, to improve the~~  
~~Federal unemployment insurance system.~~ <sup>last year. H. R. 1000</sup> <sup>I proposed Registration</sup>

Other proposals I made to the Congress  
last year, and on which I again urge  
action this year, include:

(-- Improvement of the Federal <sup>= State</sup> unemployment  
insurance program, to increase the  
proportion of the unemployed  
workers' normal wage that he could receive)



(15) (6)

Pending Legislation

In April 1973, the Administration proposed legislation to improve the Federal State unemployment insurance system. ~~Our bill would require each State to raise its limit which prevents some unemployed workers from receiving 50% of their previous wage to at least 66 2/3% of the State's average weekly wage. It would also extend coverage under the program to farmworkers,~~ <sup>That bill would increase the weekly amount paid to some workers who normally would have been penalized</sup> ~~In addition, it would prohibit payment of benefits to strikers while assuring benefits to non-participants unemployed as a result of a strike.~~ <sup>to the program's</sup> ~~and to~~

Such general improvements to unemployment insurance are <sup>I believe,</sup> much better than the several categorical programs now being considered in the Congress. ~~These programs would provide special unemployment benefits to individuals unemployed as a result of specific causes. On the surface, such programs seem a proper response for those unfortunate enough to lose jobs through no fault of their own. But it is readily apparent that such approaches cannot work. It is invidious, inequitable, and impossible administratively to separate for special treatment those unemployed for one reason from others who have also lost jobs and have difficulty finding new ones. The solution cannot be found in discriminatory programs which create new special classes and groups, but in a general improvement in our regular unemployment insurance program.~~ <sup>to (separate programs of) various humane</sup> <sup>to a particular situation. However, it</sup> <sup>for other reasons - and especially</sup> <sup>treatment</sup> <sup>fair, equitable</sup>

On the other hand, it takes time to put general unemployment insurance reforms into effect, and pockets of high unemployment may occur -- in the current energy shortage, for example, -- where jobs are particularly hard to find. To handle such situations, changes in our previous proposals will be made to provide added benefits to the unemployed in such pockets.

~~The Administration has proposed legislation to enhance the economic security and employment opportunities for workers. General agreement has~~

(-- Another of my key proposals would

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(7) (16)

now been reached that private pension plans should be improved by setting minimum vesting, funding, and fiduciary standards <sup>for private pension programs,</sup> so that workers have greater assurance of receiving the pensions they expect <sup>and deserve</sup> when they retire. <sup>I urge that we work together to</sup> Congress should <sup>provisions,</sup> ~~speedily resolve~~ the remaining disagreements over specifics <sup>to</sup> and enact responsible legislation, ~~along the lines prepared by the~~ Administration last year, which increases employee protection without

burdening employers to such an extent that existing plans are jeopardized or new ones discouraged. <sup>(X) Let's again urge also extension</sup> Congress should also enact the bill recommended ~~last year to extend the application of the law forbidding employment~~ <sup>to State and local governments</sup> discrimination against older workers. ~~to State and local governments.~~

<sup>I continue to</sup> The Administration still supports legislation to raise the minimum wage. <sup>Higher</sup> Increased prices have eroded the purchasing power of workers receiving the minimum wage. <sup>But be careful to</sup> Yet we must guard against enacting a bill with sharp increases or coverage extensions that <sup>would</sup> adversely affect the same low-income workers the minimum wage was created to help.

#### New Initiatives

With the enactment of CETA last year, and the legislation now pending, a solid legislative foundation will exist for accomplishing our manpower objectives. Our new initiatives will be an administrative building upon those foundations.

First and foremost will be the implementation of CETA. The Federal Government has already started devolving manpower responsibility to States and localities. As the Federal bureaucracy sheds the responsibility of managing some 10,000 contracts, it can be streamlined to concentrate its efforts on running the remaining Federal program, giving technical aid to

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## INCOME SECURITY

One measure of a nation is the respect it returns to its elderly. Another is the way it cares for those in need. These measures are both addressed in our programs for income security.

We can take pride in our progress, even while recognizing that on one crucial front -- welfare & reform -- our principal task is still ahead of us.

In the past five ~~ya~~ years:



Ensuring Adequate Income  
Income Security

<sup>past</sup> In the five years since I became President, we have <sup>made</sup> taken <sup>an</sup> ~~impressive progress~~ <sup>commitment</sup> ~~massive strides forward~~ <sup>our goal of</sup> toward ~~assuring that all citizens~~ <sup>every American</sup> of this Nation have sufficient income to <sup>guarantee</sup> assure an adequate standard of living. The measures of <sup>progress include:</sup> ~~change are impressive:~~

- ~~Increasing the economic security of older Americans~~
- Cash benefits ~~under the social security program~~ <sup>have risen from</sup> ~~were~~ <sup>(to the elderly)</sup> ~~\$26 billion in fiscal year 1969~~ <sup>FY</sup> ~~to~~ <sup>to</sup> ~~reach~~ <sup>reach</sup> \$63 billion in fiscal year 1975. This is primarily <sup>as</sup> the result of ~~the cumulative impact of~~ five benefit increases totalling almost 70% <sup>and reaching 29 million persons</sup>
  - Food assistance <sup>to the needy</sup> ~~under the food stamp, child nutrition and related programs was \$1.2 billion in fiscal~~ <sup>FY</sup> ~~year 1969~~ <sup>(in FY 69, we have increased this more than four times that this level in 1974. (Presently</sup> ~~these programs are more than four times~~ <sup>that</sup> ~~this level in 1974.~~ More than 12 million people <sup>are now</sup> receiving food stamps and ~~that number will~~ <sup>next year</sup> ~~exceed~~ <sup>will</sup> 15 million ~~next year.~~ <sup>more than</sup>
  - <sup>Under</sup> ~~Our~~ new program of Supplemental Security Income, <sup>(which</sup> ~~was~~ <sup>the Federal government will</sup> initiated on January 1 of this year, ~~providing~~ <sup>higher</sup> ~~assistance with dignity to~~ <sup>benefits</sup> ~~the low-income aged, blind and disabled of the Nation.~~ <sup>more than — million of</sup> ~~on a uniform, nationwide basis.~~ <sup>That</sup>

protects the privacy and respects the dignity of those receiving them.

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~~In all, a~~ third of the Federal budget--\$100 billion--will be spent on income security programs in fiscal year 1975, compared ~~to the~~ <sup>one-fifth</sup> ~~with~~ \$38 billion, or ~~20%~~ <sup>which they received</sup> of the ~~total~~ budget, ~~when I came to~~ <sup>just five years ago.</sup> ~~this office in 1969.~~ I take great satisfaction in the shift in priorities which is represented by this comparison. More importantly, however, that shift is an indication of concern and compassion, and the response to that concern, in which all Americans can take pride.

~~This is an impressive measure of the Nation's~~ <sup>concern and commitment</sup> ~~but a sense.~~ However, ~~as impressive as our national~~ The American people--properly proud though they should be of ~~commitment to income security has become,~~ it is the accomplishments of the past half-decade--must recognize ~~not enough.~~ ~~Although the continuing increasing numbers of~~ that the job is not yet finished. The money we are spending <sup>too much of</sup> in such massive amounts--~~almost 10% of our~~ <sup>entire</sup> Gross National ~~Product~~ <sup>still</sup>--just is not doing the ~~full~~ <sup>have a right to</sup> job ~~we~~ <sup>expect.</sup>

Insert A

Our current collection of welfare programs is an expensive ~~and colossal mess and the American people--all the people~~ <sup>-- those who pay the bill as well as those who need our help</sup> ~~deserve something better.~~ <sup>As one example of its failure,</sup> Recent studies have demonstrated <sup>shown that</sup> that under the program of Aid to Families with Dependent Children--AFDC, the cornerstone of the present welfare system--



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welfare system has to be judged  
a colossal failure."

As long ago as 1969, I called for a complete replacement of  
our ~~discredited~~ welfare system. I said then that "whether  
measured by the anguish of the poor themselves, or  
by the drastically mounting burden on the taxpayer, the present

Since then, Federal, state and local expenditures on welfare  
have totalled \$\_\_\_ billion; the Federal share alone has been  
\$\_\_\_ billion. Between 1969 and 1973, the number of families  
receiving Aid to Dependent Children -- the principal category of  
what is generally thought of as "welfare" -- increased from  
\_\_\_ to \_\_\_.

In ~~x~~ 1973, for the first time in \_\_\_ years, and because of  
a vigorous new Federal initiative to press states into enforcing

the rules more strictly, the welfare case load began to decline  
when I asked for reform  
what I called it in my State of the address  
somewhat. But the system remains an outrage unfair to the  
worker, the taxpayer, the recipients and the child. three years ago

Any rationalization of the welfare mess must be considered  
against the background of the nation's other income security programs  
individual and related/benefit programs -- including food stamps, commodity  
distribution, school lunches, subsidized housing, Medicaid, supplemental  
security income and social security.

In the 1975 budget, more than \$100 <sup>b</sup>million is provided for  
income security programs -- more than 2½ times the level of 1969.  
This does not include (Medicaid and \_\_\_), ~~xxx~~ which account for  
an additional \$\_\_\_ billion, ~~x~~ \_\_\_ times the 1969 level.

taxpayer,  
And particularly  
against the children it  
is supposed to help."



(either to persons <sup>in eligible, or</sup> in amount. <sup>3</sup>) (4)

AFDC  
fully 40% of the benefits being paid are incorrect. This is not just the result of fraud, although there is some of that. It is not just the result of an excess of zeal <sup>by</sup> ~~on~~ the ~~part of~~ social workers, ~~concerned for their clients,~~ although there is some of that, too. It is primarily and overwhelmingly the result of a system which is so complex, so riddled with obscure, obsolete and incomprehensible regulations, that it defies fair and efficient administration. And this is only one program among many. To the complexity of the AFDC program, ~~one~~ <sup>we</sup> must add the ~~differing~~ <sup>Separate</sup> complexities of the Food Stamp program, the commodity distribution program, Medicaid, subsidized housing and a whole panoply of others--all designed with the best of intentions to help the same low-income family, but each, for the most part, totally ignoring the existence of the others, and each administered differently in ~~each~~ <sup>every one</sup> of the 50 States.

~~We should not be surprised that the family responds by seeking to get whatever it can of the Federal benefits without paying much attention to rules it doesn't understand, anyway. Small~~

Any rationalization of the welfare mess must eliminate this proliferation of complexities and of overlapping programs.

than ever. Some may call this a measure of success; I call it a measure of failure. It translates into the individual tragedies of families breaking up and of families remaining on welfare when they might have achieved an end to their dependency.

Welfare programs should not exist as an end in themselves but as a means by which families remain intact, by which ~~those~~ *in need can* ~~weaker among us~~ achieve self-sufficiency and dignity. ~~Those are the objectives we should seek and we should measure our success by the extent to which we achieve them.~~ *We should* measure our success *not* by the dollars we hand out, but by the number of ~~families~~ *Americans we help to work their way* which ~~rise~~ permanently out of poverty *and* to live as productive members of our society.

In the final three years of my Administration, I plan to make a major *new* effort to replace the current *major* ~~collection~~ of welfare programs with a system that works. ~~We must design a system which will translate our noble intentions and our dollars into effective programs to achieve our true objectives.~~

-- both of dollars and  
of lives. 6

This task will be complex and difficult, but ~~I believe~~ we  
~~save further waste, a budgetary and a human~~  
have no other alternative. I welcome the evidence that  
thoughtful members of Congress, after careful study, have  
reached the same conclusion. ~~I invite your~~  
~~I invite their~~ active partici-  
pation in ~~our~~ <sup>these</sup> efforts.

The task is urgent because every day which passes means not  
just an opportunity foregone but a worsening of the problem.  
Left untouched, the present hodge-podge of programs will grow  
more expensive, more complex, more inequitable, and more  
ineffective.

While this  
effort  
goes forward,  
Administrative

~~I can--and will--make every possible~~ <sup>well</sup> ~~effort~~ <sup>administrative</sup> to improve the  
operation of the existing programs. ~~We must make this effort,~~ <sup>Through administrative reforms,</sup>  
~~because even with the best of intentions,~~ <sup>recognizing that</sup> a replacement system  
cannot be developed, enacted, and put into operation overnight.  
But, ~~we should not delude ourselves.~~ Unless we move urgently  
to the development of a new system, efforts to improve the  
administration of the present programs will <sup>eventually</sup> be swamped by  
their basic structural flaws.



As we begin this renewed effort to develop a workable system, I ~~would~~ hope that ~~the~~ <sup>the</sup> focus of ~~the~~ <sup>our</sup> debate ~~will~~ <sup>can</sup> be on the substance ~~of~~ <sup>(substantive, involved, and)</sup> the issues, not on superficial labels.

To help focus the ~~debate~~ <sup>discussion,</sup> and as a starting point for developing the new system, I suggest that ~~the American people would~~ <sup>new system should rest on</sup> agree on the following five basic principles:

1. For those who are able to do so, the system should provide <sup>both</sup> the opportunity and strong incentives to help themselves <sup>to do so.</sup>
2. Assistance should be provided in cash so that families, who know best their own needs, can make their own spending decisions.
3. The system should be as simple as possible to administer, with ~~the rules made clear,~~ <sup>rules,</sup> and easy to understand <sup>with</sup> and decisions based, wherever possible, on objective criteria rather than <sup>personal</sup> the <sup>s/</sup> judgment of the administering officials.
4. Federal assistance should be provided on an equitable basis throughout the Nation.

5. The system should be <sup>one that will</sup> structured in such a way as not to require ~~an~~ increased tax <sup>es</sup> burden.

Starting from these basic principles, I believe we can develop a new system which will fulfill the <sup>worthy</sup> noble intentions of the American people. <sup>--- ensure that</sup> ~~one~~ which will ~~help~~ <sup>do help themselves and me</sup> not ~~impede~~ those who can help themselves. <sup>allow and allow</sup> ~~one~~ which will permit those who are ~~unable to~~ <sup>(with)</sup> help themselves to live in dignity and self-respect.   
 ~~cannot~~

*[Signature]*

(Pension reform)

## THE BICENTENNIAL

As we near the celebration of ~~the~~ America's bicentennial, it would be less than ~~realistic~~ realistic not to recognize that ~~there~~ in some respects the Nation's preparations ~~have~~ gotten off to a shaky and spotty start. Perhaps this was inevitable ~~in connection with an occasion that was so~~ uniquely not a single celebration, but many. In any case, the tempo of preparations has ~~been~~ picked up. A sound organizational framework has now been established, with the approval by Congress last year of a new American Revolution Bicentennial Administration. Each of the 50 states and territories has also established its own Bicentennial Commission to plan ~~and~~ and coordinate local Bicentennial ~~events~~ projects. Some 370 counties, cities, towns, villages and tribal units have been officially recognized as Bicentennial communities, and some 600 applications for this designation are currently being reviewed at the Federal level. A master calendar of Bicentennial events, projects and ceremonies is being prepared and maintained by the Bicentennial Administration, to assist in planning



The national Arts and Humanities  
Endowments are actively ~~preparing~~ <sup>helping and</sup> a  
broad and enriching range of bicentennial  
events -

and coordinating throughout the nation. Other nations are actively responding

to the ~~invitation~~ "invitation to the world" that I issued ~~in~~ on ~~July 4, 1972~~

~~1972~~ (July 4, 1972?) to participate with us in this celebration which

is, uniquely, not ours alone, but one which draws on the heritage of

every nation from which people have come to our shores.

In the year ahead, many of the activities that will make up  
this celebration will begin to take definitive shape. Just as the celebration  
belongs to all Americans, I hope that all Americans, together with the  
members of Congress and of the Executive branch, will contribute to  
its shaping.

###

Our Nation and the world have made imposing strides during the first few short years of serious ~~government~~ attention to the problems of the environment. Building upon a well-justified national concern, we created institutions, developed policies and strategies, and expanded understanding of the pressing problems of environmental degradation. We ~~put in place~~ <sup>established</sup> the necessary preconditions for future success.

Now we are entering the second phase of environmental action. It may prove to be a more difficult period.

In this second phase, we will be looking at our environmental problems in new ways, ~~ways~~ which are more complex and ~~more~~ far-reaching than those to which we have been accustomed. Our ~~attention will be drawn not only toward~~ <sup>concern will center on</sup> the inter-action of different environmental goals -- clean air, clean water, and good land use -- ~~and, in turn,~~ <sup>but also</sup> ~~on~~ <sup>toward</sup> the interaction of environmental goals with other national objectives in areas such as energy and economic growth.

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The years since this Administration took office have been years of unparalleled progress in Federal <sup>Environmental</sup> ~~action toward protecting and improving~~ ~~the environment~~. In the short span of five years this Nation has begun to come to grips with a broad range of the most complex sort of challenges. We no longer take our air, ~~and~~ water and land for granted, We have arrived at a new understanding with our natural surroundings ~~but~~ <sup>and instead</sup> and we have crossed the threshold of commitment to solving our environmental problems, not just for ourselves but for future generations of Americans <sup>as well.</sup> (The decisions we have made have not been easy, ~~and~~ those we have yet to make will be even more difficult. <sup>I believe that</sup> But we now view our surroundings -- the air we breathe, the water we drink, the land upon which we live and play and work -- with a <sup>healthy</sup> new respect. <sup>(take great pride in the fact)</sup> I ~~am pleased~~ that this Administration has initiated so many of the landmark natural resources and environmental initiatives that are woven into the fabric of American life today. <sup>I take great pride in the record we</sup> ~~we~~ have compiled ~~an impressive record~~ <sup>pleased</sup> in organizing for action, controlling pollution, protecting our natural heritage, and improving the world environment. <sup>new</sup> (The <sup>measures enacted in 70</sup> I ~~am pleased~~ to have signed many of the proposals I supported into law during the past five years. ~~They~~ have included air quality legislation, strengthened water quality and pesticide control legislation, new authorities to control noise and ocean dumping, regulations to prevent oil and other spills in our ports and waterways, and legislation establishing major national recreation areas at America's Atlantic and Pacific gateways, New York and San Francisco. ~~organizing for action~~



(3)

Organizing for Action

On the organizational front, the National Environmental Policy Act of 1969 has reformed programs and decision-making processes in our Federal agencies and has given citizens a greater opportunity to contribute <sup>to environmental</sup> ~~as decisions are made~~. In 1970, I appointed the first Council on Environmental Quality -- a group which has provided active leadership in environmental policies. In the same year, I established the Environmental Protection Agency and the National Oceanic and Atmospheric Administration to provide more coordinated and vigorous environmental management. [Our natural resource programs still need to be consolidated, however, and I will again submit <sup>in the that we</sup> ~~legislation to the Congress to meet this need by creation of a Cabinet Department of Energy and Natural Resources.~~

Controlling Pollution

~~To come~~  
(~~Examples of Administration actions and accomplishments in controlling pollution~~)

(our vigorous anti-pollution)

(need figures and/or examples --rp)

The results of ~~these~~ efforts are tangible and measurable. Day by day, our air is getting cleaner; in virtually every one of our major cities the levels of air pollution are declining. (Query: Is this still true? -rp) Month by month, our water pollution problems are also being conquered, our noise and pesticide problems are coming under control, our parklands and protected wilderness areas are increasing.

(5)

Preserving our Natural Heritage

I am enormously pleased at our progress in preserving our ~~Nation's natural heritage~~. <sup>These ~~some~~ five years, additional</sup> During my Administration, over 800,000 <sup>(if wilderness and recreational lands)</sup> acres have been set aside for preservation for ~~our~~ future generations, many <sup>of them</sup>. Also, by being retained in their natural state, these areas offer ~~unlimited recreational opportunities, often near our heavily-populated urban centers~~. Two of the ~~open space~~ <sup>new</sup> areas established during my ~~Administration~~ are located at the Nation's gateways -- New York and San Francisco. The gateways <sup>wild</sup> bring together existing parks, military reservations, and private lands to provide a full range of recreation experiences to the people of these major metropolitan areas.

The Legacy of Parks program, which I initiated in 1971, is designed to bring parks to the people. To date, 400 separate parcels of under-utilized Federal lands in all 50 States have been turned over to State and local governments for park and ~~recreation~~ <sup>al</sup> use. This program has made almost 60,000 acres, valued at almost \$200 million, available to the people. <sup>again, many</sup> Many of the new parks are <sup>Then</sup> located near congested urban areas, <sup>we</sup> so that millions in our cities can now have ~~easy access to open space close to their homes~~. ~~My Administration~~ will continue to expedite transfer of additional surplus properties to State and local governments for park and recreation use.