

and convictions)
Indictments of organized crime racketeers have tripled as the result of 1970's Organized Crime Control Act and ^{to} expanded Federal interagency strike forces.

Combating CRIME

Over the past five years, ^{I have} ~~this Administration has~~ had no more ^{higher} important domestic priority than ^{rolling back the tide of} ~~defeating the growth of~~ crime and violence which ^{rise in the 1960s} ~~has~~ ^{causing the} caused ^{and} ~~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 ^{and often dramatic} increase, crime peaked in 1971, ^{in 1972 registered} its first overall decline, ^{and} in 1973, ^{it again registered a} ~~and I expect~~ that we can look forward to an overall reduction in the years ahead.

Now that the momentum increase has been broken, I am confident

-- Serious crime in our ^{largest} cities with population in excess of half a ~~million~~ ~~has~~ was actually reduced by thirteen per cent between 1971 and 1973.

-- In Washington, D.C., where the Federal Government has special ^{law enforcement} ~~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.

All of ^{These} ~~the~~ indications of success are welcome news -- especially because ^{mean not that we should} ~~so many~~ much has been done in the effort to defeat crime. Key elements of our strategy include:

-- Increased Federal assistance to state and local law enforcement agencies. ^{Proposed For the next fiscal year, I propose funding} Federal funding through the Law Enforcement Assistance Administration ^{would} ~~will~~ increase to \$886 million in 1975 -- ^{up} from \$60 million in 1969.

-- Comprehensive improvement of Federal correctional programs. Already 15 new correctional institutions have been built or are under construction. ^{My} ~~And the~~ 1975 budget request of \$250 million ^{will} ~~represents~~ a tripling of 1969's budget levels.

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

^{led many to question whether our cities would survive have become a thing of}

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~~ ^{more Federal} judgeships, ~~and~~ ^{which are needed to} assuring speedier disposition of criminal cases.

-- Support for ~~A~~ ⁵ new budget proposal ~~increasing the~~ ^{ed} resources of the U.S. Attorneys' offices throughout the Nation. ~~They~~ ^{fn} need for ~~additional assistance~~ ^{because of} ~~has been created~~ ^{over the last three years} by their success, ~~in increasing~~ ^{more than} by ~~over~~ one-third the number of criminal cases ~~they~~ filed, ~~over the~~ last three years.

-- Legislation now before the Congress which would ^{to deal with} meet the problems caused by the increasing ^{e in the} numbers of illegal aliens entering this country ^{to better} and seeking employment.

-- Comprehensive reform of the Criminal Code, ^{Last year I submitted} along the lines which I proposed ^{a proposal} 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 ^{which} specific crimes ~~(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, ^{and necessary} without destroying the proper use of criminal justice information by law enforcement agencies. Modern technological advances have made consideration of this type of legislation ^{increasingly} 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*

^{invite} I ask the Congress to work with the Administration in developing the best approach to this complex, ^{challenging, and yet vital} ~~yet most important~~ problem area.

The ^{draft} ~~draft~~ legislation which I ~~will~~ 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 ^{and} current ^{and} accurate
- Individuals are able to discover what information about them is on record, ^{as well as,} how it is used, whether it is correct and, if not, ^{will be} 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 earning an average income 26 per cent lower than the average income of other Americans. *ed them* *The (worked by farmers)* *below (non-farm)* *During the preceding 8 years farms had been* *And farms were disappearing for the last eight years, on average* *costs a* *year* *at a rate of over 100,000 a year.*

Today, that picture has been dramatically altered:

- Instead of surpluses, there are now greater markets *was added* *as a result of agricultural products* *than ever, eagerly bidding for increased output* *new* *each of* for agricultural products. In fact, farm exports, which have set records in the last four years, have strengthened the dollar in international money markets and strengthened *major* 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* *(formerly burdensome)* reduced the 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.* *In addition, the new income allowed farmers to increase* *was up from \$14.7 billion to \$ _____ billion* *their purchases of production goods by 30 per cent or 15 billion last* *year alone -- equalling the growth* *during* *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~~ ^{require} ~~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 ^{necessary} the materials -- ~~necessary for farm production~~ ^{For} particularly, ~~fuel for farm machinery and fertilizer to enhance production~~, both of which are in ^{short} ~~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 decontrol of domestic fertilizer prices~~ ^{will make} more fertilizer ~~will be~~ available ~~within the United States~~ ^{to the American farmer; in addition, fertilizer man-} ^{facturers will receive priority}

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

To further ^{enhance} ~~improve~~ the agricultural ^{activity} ~~industry~~, the Administration will also:
-- promote longer-run more difficult soil and water conservation practices.

allocation for their agrochemical needs (???)

The locations of

- consolidate local branches of Federal agricultural agencies -- ~~for~~ ^{specifically}
- ~~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~~ ^{-- creating} 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 ^{for the future to assure} ~~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~~ ^{and} beauty of the land.
- participate in a World Food Conference ^{under UN auspices} in November of this year to help in developing better strategies world-wide ^{to meet the} ~~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 ~~to 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 - ~~More~~ ^{Some} 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 ^{we have increased our} ~~there has been~~ heightened activity ^{on behalf of} ~~designed to meet~~ the ~~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, ^{under} ~~Each States allocation was determined on a formula basis dependent upon that States rural population and rural income. This program is granting~~ ^{procedures that serve them} ~~to the States 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, ^{according to their own} ~~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 ~~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 existing housing, rental housing, home repairs, and rehabilitation, and makes Farmers Home Administration programs more available to persons with the greatest housing needs.~~ *and improving* *placing* *and making*

Programs more responsive to those

During 1973, the ~~Secretary~~ *Administration* designated 25 multicounty areas in 24 States to start receiving Resource Conservation and Development (RC&D) 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, FIA, SGS, and FCIC into one location.~~

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

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, ^{improvement} 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 ^{have become evident. It} 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 to ^{the} 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 ~~max~~ 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 W.C. 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~~ ^{turned} 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~~ ^{Then,} tremendous progress has been made.

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

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. *and 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.~~ *choose not to seek treatment.* 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

in reduction both the total number of heroin addicts and the number of new addicts

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 ^{illicit} 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 ⁱⁿ 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) @

Government has a profound responsibility not only to respect the dignity of work but to help ensure that training is available for those who want to learn production 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~~ ^{separate} 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. Predictably, the myriad of evaluations of these programs over the last decade have not been able to show that ~~manpower programs~~ ^{They} have effectively increased the employability of those participating in them. ~~in short, for all their good intentions, they have failed both the country and the~~

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at last) Now we have entered a new and more promising era in meeting the Nation's ~~and the individual's manpower needs.~~ ^{One of the most significant legislative achievements of 1973} ~~On~~ ^{was the enactment} ~~1973, I was especially pleased to sign into law~~ ^{of} The Comprehensive Employment and Training Act (CETA), ~~In keeping with what has been a longstanding desire on the part of this Administration, this Act transfers 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 ensure more effective manpower development for the future.~~ ^{from the Federal Government to States and localities of} ~~manpower development for the future.~~ ^{meet the particular needs of each community and each job-seeker.}

job-seeker

CETA is a landmark of the new Federalism. (13)
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,~~ ^{now} will be able as ~~prime sponsors~~
^{Federal funds} to use money allocated to them by the Federal Government to provide the

combination of manpower services best suited to their ^{combined} 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 ^{those} ~~programs~~
for Indians, migrants, and the Job Corps.

With ^{the new} ~~this local~~ freedom to meet ^{priority} local needs provided by CETA, manpower
programs can now be ~~expected~~ to show significant results.

There also was other significant advance 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 ^{*work-related*} 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 Govern-
ment's were approved and funded.

^{with} ~~using~~ their new program flexibility,
 In the year ahead, ~~using the newly enacted Comprehensive Employment and Training Act,~~ ^{States and localities can} we will devote special attention to ^{local} any employment problems which may result from the current energy ~~xx~~ shortage. ^{In my ~~1974~~ new} The Budget, ^{which I} will send to the Congress next Monday provides ^{I have added} \$250 million ^{an additional} in ^{the current} fiscal year 1974 and \$300 million in ^(the year begins July 1) fiscal year 1975 ^(in CETA) for distribution to areas with high unemployment. ^{I especially urge approval of} This additional funding, ~~added to the CETA ~~xx~~ funds which~~ ~~would also be available should~~ ~~provide~~ 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 ^{that} who wish to do so to mount special ^{summer} 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 particularly important as ~~we~~ the Congress and the Administration prepare to address the problem of welfare ^{challenge} reform.~~ ^{I shall also ask increased funding both} The budget for 1974 also contains added funds for enforcement of occupational safety and health ^{laws}, ^{as well as} employment opportunity standards. ^(and for)

^{pieces of} I also ~~urge~~ urge the Congress to, in the year ahead, once again consider ^{last year. H.R. 1000} ^{I proposed} ^{legislation} the legislation which I originally proposed ~~in~~ April, 1973, to improve the Federal unemployment insurance system.

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

- (- Improvement of the Federal ^{= State} unemployment insurance program, to increase the population of the unemployed workers' normal wage that he could receive.

Pending Legislation

15/6

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,~~ ^{That bill would increase the weekly amount paid to some workers who normally would have been penalized} ~~In addition, it would prohibit payment of benefits to strikers while assuring benefits to non-participants unemployed as a result of a strike.~~ ^{and to the program's}

Such general improvements to unemployment insurance are, ^{I believe,} 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.~~ ^{to (separate programs of) various humane} ^{to a particular situation. However, it} ^{for other reasons - and especially} ^{proper} ^{fair, equitable} ^{treatment}

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

now been reached that private pension plans should be improved by setting minimum vesting, funding, and fiduciary standards ^{for private pension programs,} so that workers have greater assurance of receiving the pensions they expect ^{and deserve} when they retire.

^{I urge that we work together to} Congress should ^{to} ~~speedily resolve~~ the remaining disagreements over specifics ^{provisions,} 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. ^{(X) I again urge also extension} Congress should also enact the bill recommended ^{to State and local governments} last year to extend the application of the law forbidding employment discrimination against older workers. ^{to State and local governments.}

^{I continue to} The Administration still supports legislation to raise the minimum wage. ^{Higher} Increased prices have eroded the purchasing power of workers receiving the minimum wage. ^{But be careful to} Yet we must guard against enacting a bill with sharp increases or coverage extensions that ^{would} 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

[Handwritten signature]

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 ~~x~~ reform -- our principal task is still ahead of us.

In the past five ~~ya~~ years:

Ensuring Adequate Income
Income Security

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

~~Increasing the economic security of older Americans~~
-- Cash benefits ^{have risen from} under the social security program ^(to the elderly) were \$26 billion in fiscal year 1969, ^{FY} they will ^{to} reach \$63 billion in fiscal year 1975, This is primarily ^{as} the result of ~~the cumulative impact of~~ five benefit increases totalling almost 70% ^{and reaching} ~~29 million persons~~

-- Food assistance ^{to the needy} under the food stamp, child nutrition and related programs was \$1.2 billion in fiscal year 1969, ^(in 1974,) ~~these programs are more than four times~~ ^{will be funded at} ~~this level in 1974.~~ ^{We have} ~~increased~~ ^{Presently} ~~More than 12 million people~~ ^{than} ~~are now~~ receiving food stamps and ^{that number will} ~~exceed~~ 15 million ^{will} next year. ^{fourfold}

^{Under} -- ^{Our} The new program of Supplemental Security Income, ^{(which} ~~was~~ ^{the Federal government will)} initiated on January 1 of this year, ^{higher} ~~providing~~ ^{benefits} ~~assistance with dignity to~~ ^{more than} ~~(the low-income aged, blind and disabled of the Nation.~~ ^{on a uniform, nationwide basis,} ~~That~~ ^{protects} ~~the privacy and respects the dignity of~~ ^{those receiving them.}

-13

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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 ~~with~~ ^{to the} \$38 billion, or ~~20%~~ ^{one-fifth} of the ~~total~~ budget, ~~when I came to~~ ^{which they received} ~~this office in 1969.~~ ^{just five years ago.} 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~~ ^{This is an impressive measure of the Nation's concern and commitment} ~~but a sense of~~ ^{However,} ~~as impressive as our national~~ ^{commitment to income security has become, it is} ~~The American people--properly proud though they should be of~~ ^{the accomplishments of the past half-decade--must recognize} ~~commitment to income security has become, it is~~ ^{not enough.} ~~the accomplishments of the past half-decade--must recognize~~ ^{that the job is not yet finished.} ~~that the job is not yet finished.~~ ^{too much of} ~~The money we are spending~~ ^{entirely} ~~in such massive amounts--almost 10% of our Gross National~~ ~~Product--just~~ ^{is} ~~is not doing the full job,~~ ^{we} ~~we expect.~~ ^{expect.}

Insert A

~~Our current collection of welfare programs is an expensive~~ ^{-- those who pay the bill as well as those who need our help} ~~and colossal mess and the American people--all the people~~ ^{As one example of its failure,} ~~deserve something better.~~ ^{shown that} ~~Recent studies have demonstrated~~ ~~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 ~~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 somewhat. ^{when I said urged reform} But the system remains ^{what I called it in my State of the address} an outrage unfair to the worker, the taxpayer, the recipients and the child.

Any rationalization of the welfare mess must be considered against the background of the nation's other income security ^{individual} programs 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 million is provided for income security programs -- more than 2½ times the level of 1969. This does not include (Medicaid and ___), ~~ifx~~ which account for an additional \$___ billion, a ___ times the 1969 level.

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

message
three years ago
a
monstrous
consumer
outrage
-- an
outrage
again
the
community
against the

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 ^{by} ~~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~~ ^{we} must add the ~~differing~~ ^{Separate} 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~~ ^{every one} 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 ^{Americans we help to work their way} families 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 ^{many} ~~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, on 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~~ ^{I ~~and~~ invite your} their active partici-
pation in ~~our~~ ^{these} 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~~ ^{will} and will make every possible ~~effort~~ ^{administrative} to improve the
operation of the existing programs. ~~We must make this effort,~~ ^{through administrative reforms,}
~~because even with the best of intentions,~~ ^{recognizing that} 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 ^{eventually} be swamped by
their basic structural flaws.

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

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

1. For those who are able to do so, the system should provide ^{both} the opportunity and strong incentives to help themselves ^{to do so.}
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,~~ ^{rules,} and easy to understand ^{with} and decisions based, wherever possible, on objective criteria rather than ^{personal} the (judgment/ of ~~the~~ administering officials.
4. Federal assistance should be provided on an equitable basis throughout the Nation.

5. The system should be ^{one that will} structured in such a way as not to require ~~an~~ increased tax ^{es} burden.

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



~~(Pension reform)~~

THE BICENTENNIAL

As we near the celebration of ~~the~~ America's ~~Nation'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 has so~~ ~~in connection with an occasion that has 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

bicent - 2

The national Arts and Humanities
Endowments are actively ~~preparing~~ ^{helping and} 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~~ ^{established} 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~~ ^{attention will be drawn not only toward} ~~concern will center on~~ the inter-action of different environmental goals -- clean air, clean water, and good land use -- ~~and, in turn,~~ ^{but also} ~~on~~ ^{toward} 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 ^{environmental} ~~action toward protecting and improving~~ ^e ~~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~~ ~~and we~~ ^{but and instead} have crossed the threshold of commitment to solving our environmental problems, not just for ourselves but for future generations of Americans ^{as well.} (The decisions we have made have not been easy, ~~and~~ those we have yet to make will be even more difficult. ^{I believe that} 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 healthy} ^(take great pride in the fact) ~~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. ^{I take great pride in the record we} ~~we~~ have compiled ^{pleased} ~~an impressive record~~ in organizing for action, controlling pollution, protecting our natural heritage, and improving the world environment.

^(The new) ^(measures enacted in 70) ~~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~~

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 ^{to environmental} ~~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 ^{urge that we} ~~submit~~ ~~legislation to the Congress to meet this need~~ by creation of a Cabinet Department of Energy and Natural Resources.

[Handwritten signature]

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. 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.

(@very: Is this sky true? -rp)

Preserving our Natural Heritage

(5)

I am ~~enormously pleased at our progress in preserving our~~
~~Nation's natural heritage.~~ ^{These ~~some~~ five years, additional} During my Administration, over 800,000
^(if wilderness and recreational lands) acres have been set aside for preservation for ~~our~~ future generations, ^{many}
Also, ~~by being retained in their natural state,~~ these areas offer ^{of them}
~~unlimited recreational opportunities, often near our heavily-populated~~
urban centers. Two of the ~~open space~~ ^{new} areas established during my
~~Administration~~ are located at the Nation's gateways -- New York and
San Francisco. The gateways ^{widely} 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 ^{of} recreation use. This
program has made almost 60,000 acres, valued at almost \$200 million,
available to the people. ^{a gain, many} Many of the new parks are ^{them} located near
congested urban areas, ^{we} 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.