

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 15, 1969

MEMORANDUM FOR:

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Many members of the President's staff have requested a summary of the Administration's accomplishments for the year. Jim Keogh and colleagues have prepared the following material which should be useful to you and your associates.

Herb Klein

Herbert G. Klein

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THE NIXON ADMINISTRATION: A NEW DIRECTION FOR AMERICA

(A Summary Of A Year Of Reform)

"We intend," said President Nixon last October, "to begin a decade of government reform such as this nation has not witnessed in half a century." The record of his first year in office gives solid substance to this promise, for it was a year of reform that set a new direction for America in both foreign and domestic policy.

NEW DIRECTION IN FOREIGN POLICY

Among the accomplishments were:

-- The Nixon doctrine, set forth at the outset of his round-the-world tour, calling for a new kind of partnership for peace and security.

-- Agreement with Japan on the difficult question of Okinawan reversion.

-- New life for the Western European alliance, dramatized by the President's visit to Europe.

-- New posture toward the countries of Eastern Europe, symbolized by the visit to Romania, the first by any President to a Communist country.

-- A new policy for Latin America, unveiled in the first Presidential address ever televised live to the other nations of the Western hemisphere.

-- A series of initiatives to probe the possibilities of moving toward a political settlement of the conflict in the Middle East.

- Continued efforts to end the tragedy of starvation in Biafra.
- Proposals for reforms in foreign aid and trade.
- The signing of the Nuclear Non-Proliferation Treaty.
- The opening of the Strategic Arms Limitation Talks in Helsinki.
- A new policy on the use of chemical and biological weapons.
- A Presidential directive to implement significant overseas personnel reductions, to cut back the American presence and to streamline operations.

NEW DIRECTION IN VIETNAM

- After years in which American involvement has constantly increased, 60,000 troops were withdrawn.
- Casualties fell to a three year low.
- The continued progress in the President's Vietnamization program enabled him to put into effect an orderly timetable for the withdrawal of American forces.

NEW DIRECTION ON THE DRAFT

President Nixon instituted major reform in Selective Service.

- The first draft lottery since 1942 was conducted.
- The period of draft vulnerability was reduced from seven years to one year.

-- Young men will now know at age nineteen the degree of likelihood that they will be drafted and can plan accordingly.

-- Draft calls for November and December were eliminated entirely, and the January 1970 call sharply reduced.

-- The first system of youth advisors to the Selective Service System was inaugurated.

-- An intensive review of the other major aspects of draft policy (including the deferment question) is now underway.

NEW DIRECTION IN DEFENSE POLICY

The Nixon Administration conducted the most thorough review of worldwide military strategy and force options ever undertaken, which resulted in:

-- Presidential approval of explicit criteria for strategic sufficiency.

-- Presidential approval of explicit budgeted strategy guidelines for planning the Defense force posture, which will reduce and stabilize defense spending over the next five years.

-- Presidential establishment of an interagency Defense Program Review Committee to insure balanced review of defense policy and program issues in the light of our overall national priorities.

-- Initial construction of an anti-ballistic missile system to protect our deterrent and to defend the American people against accidental

nuclear attacks or nuclear blackmail by third countries.

NEW DIRECTION IN GOVERNMENT ORGANIZATION

President Nixon undertook the most sweeping reform of government machinery since the Hoover Commission, including:

-- The establishment of four new Cabinet level domestic Councils and numerous other new planning groups.

-- The revival of the National Security Council and other reforms in foreign policy machinery.

-- The establishment of common regional boundaries and headquarters for the field operations of the major domestic departments.

-- A program for consolidating Federal grant programs.

-- A new Office of Child Development to implement the President's commitment to improve the first five years of life.

-- Complete reorganization in such areas as the Manpower Administration and the Office of Economic Opportunity.

-- The most thorough reform proposal in history for the nation's Post Office system.

NEW DIRECTION IN FEDERAL-STATE-LOCAL RELATIONS

The President's "New Federalism" proposals marked an historic turning point:

-- For the first time in history, the President proposed the sharing of Federal revenues with the States and localities.

-- In another historic innovation, the President proposed that administration of manpower training be turned over to State and local governments.

NEW DIRECTION IN WELFARE

The President introduced dramatic new concepts for helping the disadvantaged. They include:

-- The first major reform in welfare in over a generation, a new family assistance plan for helping people move from welfare rolls to payrolls.

-- A new manpower training program to prepare workers for new jobs.

-- The first comprehensive reform of unemployment insurance in the history of that program.

-- The elimination or reduction of taxes for some 17 million low income persons.

-- The first Presidential commitment to put an end to hunger in

America, including an expanded food stamp program and free food stamps for the very poor.

-- New initiatives to provide more low income housing.

-- Strong efforts to eliminate racial discrimination in the job market and new programs for strengthening minority business enterprise.

-- Proposals for Social Security reforms, including larger benefits and a provision that future benefits be tied to the cost of living.

NEW DIRECTION ON THE ECONOMY

The President carried on a rigorous and unrelenting fight against inflation:

-- The Federal budget was cut by more than \$7 billion.

-- A program for gradually phasing out the 10 percent surtax was proposed.

-- A plan of responsible tax reform was laid out, including substantive proposals for making the tax structure fairer.

NEW DIRECTION AGAINST CRIME

-- The Administration asked for more money for crime fighting.

-- More personnel were assigned to the war on crime.

-- Structural reforms in crime-fighting included new anti-racketeering field offices.

-- New laws were requested for combatting organized crime, District of Columbia crime, pornography, and narcotics.

-- The President directed that reforms be made in Federal correctional institutions.

NEW DIRECTION FOR TRANSPORTATION

Long range efforts to meet the transportation crisis were introduced, including:

-- A \$10 billion, twelve-year mass transit program, the largest ever.

-- A \$2.5 billion, ten-year program to improve airway facilities and equipment.

-- An immediate increase in the number of air traffic controllers.

-- A decision to build a supersonic transport.

-- The first comprehensive reform of merchant shipping legislation since 1936.

NEW DIRECTION IN HEALTH AND SAFETY

Significant, new steps were taken to protect public health and safety, including:

-- A comprehensive series of consumer protection proposals to safeguard the "Buyers' Bill of Rights."

-- Steps to protect the public against pesticides and other potentially dangerous materials in the food supply.

-- A strong new approach to enforcing occupational safety and health standards.

-- The first Presidential message in history on the subject of the population explosion.

-- A strong Coal Mine Safety bill.

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During his busy first year, the President traveled to fourteen foreign countries, officially received thirteen heads of government or heads of state as his guests, in the exercise of a new foreign policy aimed at peace and stability in the world. He sent thirty-one messages to the Congress, proposing historic changes in domestic policy. It was a year of substantial progress toward changing the nation's mood, re-ordering its priorities and reorganizing its institutions. At the end of the year, the American people -- 68 percent of whom expressed approval of the way the President was doing his job -- could look forward to the new decade with increased confidence and hope.

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THE NIXON ADMINISTRATION: A NEW DIRECTION FOR AMERICA

(An Analysis Of A Year Of Reform)

"We do not seek more and more of the same. We were not elected to pile new resources and manpower on the top of old programs. We were elected to initiate an era of change. We intend to begin a decade of government reform such as this nation has not witnessed in half a century."

With these words, President Richard Nixon described to the Congress last October the philosophy that has guided him during this first year in office. He went on to recall the observation of a Washington columnist that if ours is not to be an age of revolution, then it must become an age of reform. He proclaimed the word "reform" as the "watchword" of his Administration.

"REFORM." As the President explained, the word implies more than the mere extension of old methods or the expansion of old approaches. It implies instead changes that are fundamental in nature; it implies changes in the concepts that motivate and guide the activities of the government.

Fundamental reform requires careful analysis and patient planning, for it means dealing with the causes of problems rather than their symptoms. The reformer recognizes that the quality of thinking which goes into a solution is often more important than the quantity of money spent on it. As the President put it on one occasion, "We cannot count on good money to bail us out of bad ideas." The reformer also avoids the error of confusing publicity with significance; he would rather be right than be rhetorical.

He knows, too, that a single good idea, quietly implemented, can have an impact which is more sweeping and more lasting than that of the most expensively outfitted and loudly trumpeted of superficial repairs.

It was in the spirit of careful, patient reform that the Nixon Administration approached its tasks on January 20. The fruits of that approach have become increasingly apparent as the year has progressed. They were especially apparent during a ten-day period in late November when -- without particular fanfare --

- 1) The Strategic Arms Limitation Talks (SALT) opened in Helsinki;
- 2) A new foreign trade policy was proposed;
- 3) The troublesome Okinawa reversion question was settled;
- 4) The treaty on the Non-Proliferation of Nuclear Weapons was ratified;
- 5) A new policy on the use of chemical and biological weapons was presented; and
- 6) Major reforms in the Selective Service System were signed into law.

Each of these events was the product of many months of study and consultation. Each could have great impact on American life in the coming decade.

This late November period of fruition coincided with the second landing on the moon in human history. The first landing on the moon, in late

July, also came at a time of significant Administration accomplishments. Then -- in just a sixteen-day period -- the President (a) traveled to eight countries on an around-the-world tour, (b) became the first President to visit Saigon and the first to visit the capital of a Communist country, (c) enunciated the Nixon doctrine calling for a new kind of partnership for peace and security, (d) won two important legislative victories when the Congress approved both his surtax and ABM proposals, and (e) presented one of the most dramatic packages of domestic reforms in the history of America -- one which included his widely heralded welfare, manpower training and revenue sharing proposals.

A great deal happened very quickly during these two periods and they stand out for that reason. They are simply illustrations of the evidence of fundamental reform that set the pattern throughout the first year of the Nixon Administration. It was a year in which the American people saw this pattern, reflected the sense of orderliness in the government and appreciated the fact that there was really someone in charge.

NEW DIRECTION IN FOREIGN POLICY

In the last year of the old decade, the Nixon Administration developed the outlines of a new foreign policy for the 1970s. Its new international strategy placed added emphasis on the interrelationship of world problems, a fact that requires close coordination of a vareity of American decisions.

This understanding was reflected in reforms of the machinery by which foreign policy is formulated, including the revival of the National Security Council.

Perhaps the most important common denominator in the Nixon approach to various countries and continents in 1969 was the new spirit of partnership to which the President gave continuing attention. It was a spirit, the President said, that would call on the United States to lecture less and listen more, to decide more questions in concert with other nations and to undertake fewer responsibilities on a unilateral basis. The President traveled to fourteen foreign countries in 1969 to give substance to this new spirit of partnership and, in that same spirit, he officially welcomed thirteen heads of government and heads of state to this country.

One of the most dramatic expressions of the new approach came on the island of Guam in mid-summer when the President enunciated the Nixon doctrine. While promising continued American assistance, the President called upon Asian nations to assume greater responsibility for their own protection and progress. "For if domination by the aggressor can destroy the freedom of a nation," he said, "too much dependence on a protector can eventually erode its dignity."

The strong Pacific partnership which the President seeks received further impetus in November when Prime Minister Sato of Japan visited Washington and completed an agreement that will return control of

Okinawa to his country during 1972.

A closer partnership of co-equal nations was also the President's theme when he visited five European nations in February and when he spoke at the meeting which celebrated the twentieth anniversary of NATO in April. His proposal to broaden the horizons of the Alliance was realized when the first meeting of the Committee on the Challenges of Modern Society was held in December. And even as he worked to strengthen the Western alliance, he also reached out to the nations of Eastern Europe when he visited Bucharest in Communist Romania as part of his trip around the world. There he was received with such enthusiasm and acclaim on the part of the people that he later described the visit as the "most moving experience that I have had in traveling to over sixty countries in the world. . . ."

The President's October address on Latin America emphasized a new partnership motif in reaffirming our special hemispheric relationship. In that address he unveiled a number of specific proposals for building an inter-American system "in which all voices are heard and none is predominant." The President's action initiatives grew out of a long and intensive review of Latin American policy, one which had its origins when he received as his first official White House visitor on January 21, Galo Plaza, Secretary General of the Organization of American States. The October speech represented an historic shift of emphasis toward

greater encouragement of Latin American initiatives. It was historic in another sense, too: It was the first occasion on which an American president spoke on live television to the nations of the Western hemisphere.

Immediately upon assuming office, the President directed the most urgent and vigorous efforts to relieve the suffering of starving civilians in the war between Nigeria and Biafra. The result has been that the United States has contributed more than half the world total of relief, provided the bulk of transport capacity for food and medicine, and led neutral efforts -- through the President's Special Relief Coordinator -- to mediate problems blocking expanded relief to Biafra.

In the Middle East, the Administration launched a broad range of consultations -- bilaterally, in the Four Power talks, and in discussions with the Soviet Union -- in an attempt to construct a diplomatic alternative to the present course of events there.

At the United Nations on September 18, President Nixon suggested that the UN take up critical questions ranging from the safety of air travel to the creation of a new international voluntary service, from economic development and population control to environmental protection and "internationalizing man's epic venture into space." Once again, he gave specific content to his ongoing concern with building a spirit of international partnership.

The President began in 1969 to propose new directions for the U. S.

foreign aid program. He called on other nations to assume a greater share of the international aid effort, indicated his intention to channel more aid through multilateral institutions, and stressed the importance of private investment and technical assistance. He proposed organizational changes to implement some of these new approaches. In addition, he appointed a distinguished task force of private citizens, under the chairmanship of Rudolph Peterson, to recommend sweeping changes in all aspects of the U. S. aid effort for the 1970s.

The President also proposed reforms in U. S. trade policy which will enable the United States to continue to move toward freer trade while achieving fair treatment for its own industries.

During its first year, the Nixon Administration asked the Senate to approve the Treaty on the Non-Proliferation of Nuclear Weapons, obtained that approval, and ratified this historic agreement. Negotiations with the Soviet Union on the question of limiting strategic arms received extensive diplomatic attention throughout the year, leading finally to the SALT in Helsinki. The United States also participated in the disarmament conference in Geneva and developed an agreement with the Soviet Union to keep nuclear arms out of the seabeds. In November, the President announced the formal renunciation by the United States of all biological warfare weapons and at the same time extended the nation's ban on the first use of lethal chemical weapons to include incapacitating

chemical weapons.

One of the hopes of the new Administration as it came into office in January was that it could dissipate the spirit of constant crisis and concentrate instead on anticipating and preventing crisis situations. A mark of its success was the remarkable absence of acute crises in 1969. A situation which might have developed into a full-fledged crisis -- the shooting down of an American plane by the North Koreans -- was handled without damage to our basic interests and in such an orderly and effective fashion that the American public had virtually forgotten about it by year's end.

NEW DIRECTION IN VIETNAM

The commitment to fundamental reform, and particularly the commitment to a greater sharing of burdens with our international partners, had their most significant application as the President approached America's most troubling problem, the war in Vietnam. First, the President pressed forward with the negotiations in Paris -- both public and secret -- and with other private contacts with the enemy. He developed and announced a substantially more detailed and more generous American negotiating position. In two major television addresses, in his journeys to Midway and to Saigon, in his speech at the UN and on many other occasions, he rallied American and world opinion in support of his new position. And at the same time, he introduced a new policy in Vietnam,

the policy of Vietnamization.

The fruits of Vietnamization are already abundantly evident. After seven years of growing American involvement and rising American casualties, the reverse is now true. In June and again in September, the President was able to announce significant reductions in the level of American forces in Southeast Asia, reductions which now total over 60,000 men and which include 20 percent of our combat forces. As Americans made the training of South Vietnamese troops their primary mission, American casualties declined to their lowest point in three years. Most importantly, the President was able to announce on November 3rd that all American combat ground forces would be withdrawn from Vietnam on an orderly scheduled timetable and that he was more optimistic about the rate of American withdrawal than he had been in June -- when the withdrawal program started.

NEW DIRECTION IN DEFENSE POLICY

Despite widespread predictions that no Selective Service reform would be possible before 1970, the President won decisive Congressional approval -- from both parties in both Houses -- for his new draft lottery system. The lottery itself, the first since 1942, was held on the first day of December.

Here, again, reform has been the watchword. The President's new system reduces from seven years to one year the period of draft

vulnerability for any young man. Moreover, it lets him know in his 19th year the degree of likelihood that he will be drafted, so that he can plan his life accordingly. It also distributes the risk of call more equitably than did the old system. In a further measure the President ordered that graduate students called to service be allowed to complete a full year of school before being inducted. He eliminated entirely the draft calls for November and December, calls which would have involved some 50,000 men, and sharply cut the call for January.

His success in obtaining substantial reform did not dilute the President's strong commitment to an eventual elimination of the draft and its replacement by an all-volunteer army. He appointed a Presidential Commission to advise him on means of obtaining that goal. He also created a program of youth advisers to the Selective Service System, asking them to recommend further reforms in the operation of the draft. He indicated that he would ask the new Director of the Selective Service System to consider further improvements when he takes office next year so that the draft, as long as it is necessary, will be as fair as possible.

In a year in which military expenditures came under severe criticism, the President neither cut the defense budget recklessly nor protected it thoughtlessly. The President began the process of limiting the burden of defense spending on the American economy, by reducing the overall size of the defense program by \$3 billion. He ordered a reduction in

American personnel overseas which will affect 14,937 military jobs and 5,100 civilian positions in addition to the Vietnam cutbacks.

Most importantly, on March 14, 1969, the President announced that he had decided to proceed with the development and construction of the Safeguard Ballistic Missile Defense System in a carefully phased program. He believes that he must act now to buy those options for constructing ballistic missile defense which will enable him to counter successfully the threats we now foresee. To delay would mean a significant lag before such defense could become operational, thus exposing this country to potentially dangerous risks. He won acceptance for his new "Safeguard" proposal from both Houses of Congress.

NEW DIRECTION IN GOVERNMENT ORGANIZATION

The crisis which President Nixon faced when he took office in January was in many respects a crisis of confidence in government, born of the apparent sluggishness of problem-solving mechanisms. The public's complaint was not so much that government was not trying, but that it was not performing. Men did not argue that it was insensitive, but that it was impotent. It was big, they contended, but it was not strong. It was expensive, but it was not effective. It could plan and promise, but in a growing number of cases, it could not deliver.

A central task of the new Nixon Administration was to reduce this "performance gap," to make the government work again. The new President gave considerable attention, therefore, to reforming the machinery of government.

The emphasis on this phase of reform was evident in the very first week of the new Administration when the President revived the National Security Council and established the Urban Affairs Council as a Cabinet level forum for developing new policies and coordinating their implementation. Later in the year he added a new Cabinet Committee on Economic Policy, an Environmental Quality Council, and a Rural Affairs Council to carry out similar functions in areas of special importance.

To aid him in his restructuring efforts, President Nixon set up a new President's Advisory Council on Executive Organization, a group which has been conducting the first overall review of Federal organization since the Hoover Commission. He created a blue-ribbon panel to study the organization of the Defense Department and set up a National Goals Research Staff in the White House to advise him on long-term planning. He asked the Congress to establish a new Commission on Population Growth and the American Future to help in that same effort and called for a new Commission to plan for a transition to Home Rule in the District of Columbia -- a goal which he strongly endorsed. The President presented his own plan for reforming the way we elect our Presidents -- later giving his support to a direct popular election system

after the House approved that plan.

One of the less noticed but most significant changes in government structures came in March when the President established common regional boundaries and common regional headquarters for the field operations of the major domestic departments. This change, which previous administrations had put off for years, will make it easier for Federal officials to delegate authority to the regional level, to coordinate various Federal operations and to cooperate with State and local governments. It will greatly simplify the tasks of Governors, Mayors and other local officials in dealing with Federal agencies. The President has also asked Congress for authority to consolidate closely related grant programs into single entities which can be administered with far greater efficiency and effectiveness. He requested and received from the Congress an extension of the Government Reorganization Act, and under it he has already made important reforms in the operations of the Interstate Commerce Commission.

Most of the Cabinet Departments and other executive agencies have experienced significant structural alterations in this first year of the new Administration. In some cases, whole new offices have been created, such as the Office of Child Development at the Department of Health, Education and Welfare. This Office will implement the Administration's landmark commitment to enriching the first five years of life.

In other cases, old offices have been substantially revamped, such as the Manpower Administration at the Department of Labor. And there are still other cases, such as the Office of Economic Opportunity, where an entire organizational chart has been redrawn. The President has asked a reorganized OEO to function as the "research and development" arm for social policy, experimenting with new ideas and spinning off its most successful programs to established agencies.

One of the boldest manifestations of the President's commitment to reorganization can be seen in his suggestions for reforming the Post Office. For almost two centuries men have questioned whether politically appointed postmasters could consistently achieve sound mail service. But President Nixon is the first president actually to take postmaster-ships out of politics. More than that, he recommended in May that the Post Office Department be converted into a government corporation, with modernized policies for employment and management.

NEW DIRECTION IN FEDERAL-STATE-LOCAL RELATIONS

Government reorganization focused not only on what happens within the Federal government but also on how the Federal government relates to other governing units. And just as the dominant theme in foreign policy was a new spirit of partnership with other nations, so it can be said that the dominant theme on the domestic front was a new spirit of partnership with the States and localities. Power must stop flowing to the central

government in Washington, the President repeatedly declared, and begin flowing in the opposite direction.

With the help of the new Office of Intergovernmental Relations, the Administration nurtured close ties with State and local officials; the President spoke at a Governors Conference late in the summer and welcomed the Governors to the White House in December. And the Administration backed up these gestures with deeds, as it recommended again and again, in program after program, that additional prerogatives and responsibilities be delegated to levels of government which are closer to the people.

A notable example of this decentralization strategy can be seen in the President's manpower training proposals. For the first time, a President suggested that responsibility for a major Federal program, one which involves about three billion Federal dollars, be turned over to State and local authorities as they show themselves able to meet objective standards of exemplary performance. The President outlined a method of gradual transition from Federal to State management and demonstrated that the goals of manpower training could be achieved more effectively in a decentralized system.

The centerpiece of the New Federalism proposals, however, is the President's program for the unconditional sharing of Federal tax revenues with State and local governments. Under this plan, the amount of money

returned to the States without Federal strings would grow to \$5 billion by Fiscal Year 1976. This program would help correct the "fiscal mismatch" which results when revenues grow fastest at the Federal level while expenses climb most rapidly at the State and local level. The President described the proposal as one which "marks a turning point in Federal-State relations," and one which could significantly alter the political landscape of America by the end of the coming decade.

NEW DIRECTION IN WELFARE

"Nowhere has the failure of government been more tragically apparent than in its efforts to help the poor, especially in its system of public welfare," the President said in his speech to the nation on August 8. And nowhere was the President's commitment to far-reaching, fundamental reform more apparent than in his "new and drastically different" approach to the welfare problem.

In place of a system of welfare payments which vary widely from State to State and city to city, the President called for a new Federally-supported floor under the incomes of American families wherever in America they live. In place of a system which provides a disincentive for recipients to go to work, particularly if the work is part-time or low-paying, the President presented a scale of benefits under which it would always pay a welfare recipient to take employment. In place of

a system which offers an incentive for the breaking up of families, the President proposed a plan which encourages families to remain together. And finally, the President's program requires recipients to take a job or enlist in a job training program if one is available. This "family assistance plan" was widely praised as the most important conceptual reform in welfare in well over a generation. Clearly, it was an approach which dealt with the causes -- and not just the effects -- of past welfare failures. The President's goal, as he put it, is to move the needy from welfare rolls to payrolls.

His proposals for reforming the nation's manpower training programs are another essential part of that effort. The President also asked that a National Computerized Job Bank be established to match job seekers with job vacancies. He expanded from 50 to 131 cities the joint private and Federal JOBS program which trains and places disadvantaged workers. The Job Corps was revamped so that it provides for more centers in city neighborhoods and fewer remote rural camps. A new national system of job vacancy statistics was developed and legislation was suggested which would place farm workers under the National Labor Relations Act.

One special feature of the President's Manpower program lies in the provision which would automatically expand its scope in times of high unemployment. This same feature also characterizes the President's new unemployment insurance proposals, which represent the most

fundamental reform in that program since it began in the 1930s. The President has asked that unemployment compensation be extended to more workers, that the size of benefits be increased, and that payments be made to workers who are in retraining as well as to those who are idle. In a related measure, the President asked that Federal taxes be eliminated entirely or reduced significantly for some 17 million low income persons.

The Nixon Administration has worked to provide seriously needed low income housing through its "Operation Breakthrough." This program is fostering new building methods, new sources and methods of finance and new building codes and work rules so that housing can be produced faster and less expensively than at present. At the same time, the Model Cities Program has been revised so as to eliminate artificial restrictions on local governments and over \$200 million has been designated for the rebuilding of riot-damaged neighborhoods, including one which President Nixon visited in the District of Columbia in January.

The Administration has also called for fundamental reforms in government food programs -- changing from an approach which was oriented toward the disposal of surplus commodities to one which is oriented toward human needs. For the first time, a President of the United States has proposed that every American family be guaranteed access to a minimum nutritious diet. The President recommended a

reformed and greatly expanded food stamp program, including free food stamps for the very poor, and his new budget doubled the size of the nutrition education program and more than doubled the budget of the National Nutrition Survey. The Administration also organized the first White House Conference on Food, Nutrition and Health.

To a significant degree, the problems of poverty in America are tied to problems of race. It is important to note, therefore, that the Nixon Administration has made especially strong efforts to expand economic opportunities for members of minority groups. Through the Office of Federal Contract Compliance, the government can require a fair level of minority group employment by those who hold Federal contracts. The OFCC has replaced the informal methods of the past administration with strong new plans of affirmative action, plans which include step-by-step blueprints for bringing nonwhites into the work force which perform the contract. The most highly developed form of the new affirmative action emphasis is the "Philadelphia Plan" in which specific numerical goals for minority employment are established as a prerequisite for a construction company to receive a government contract. With the strong support of the President, this approach is being extended to nine other cities.

Even employers who do not hold government contracts often come under the jurisdiction of the Equal Employment Opportunity Commission. The Nixon Administration has reorganized and expanded the efforts of

the EEOC and has proposed to Congress that it be strengthened so that it can bring suit in its own name against employers who practice racial discrimination. (Under present law, the EEOC can investigate and mediate but only aggrieved individuals can seek court enforcement.) The Justice Department has complemented these efforts by bringing suit against employers and unions that engage in discriminatory employment practices -- and the President has asked each Federal Department and agency to develop its own affirmative action plans to increase minority group employment.

The campaign to encourage employers to hire more members of minority groups has been accompanied by moves to help more members of minority groups become employers. A new Office of Minority Business Enterprise was established in the Department of Commerce to coordinate the 116 Federal programs in this area, and a high level Advisory Council was appointed to guide its activities. A number of "Black Capitalism" projects have already been launched, including an Institute for Minority Business Education at Howard University, and a Voluntary Credit Corporation to provide financial assistance to minority owned or operated enterprises. Small Business Administration loans to minority enterprises doubled in the first half of fiscal 1970.

NEW DIRECTION IN OTHER DOMESTIC PROGRAMS

1. Fiscal Reform -- Fighting Inflation

Inflation constitutes the most unfair of taxes, hurting most severely the poor, the elderly, and others who live on fixed incomes. It was clear at the outset of the new Administration, however, that to combat effectively the advanced inflation of the late 1960s would require a new spirit of self-discipline in government. A willingness to make hard choices and to enforce a strict sense of priorities in order to create a budgetary surplus.

Again and again in 1969 the President showed that he was willing "to crack the whip" and, as a result, he won his battle to limit Federal spending. Low priority programs have been deferred, much waste has been eliminated, and methods are being developed for controlling "run-away" government costs such as those which have plagued the medicare program. There have been significant cutbacks in Federal construction and Federal employment. Altogether, Federal spending plans for the current fiscal year have been reduced by more than \$7 billion.

At the same time, the Administration has proposed significant reforms in the way the government raises its money. It has called for the gradual phasing out of the 10 percent surtax, reducing it to 5 percent in January of 1970, and eliminating it entirely by next June. The President also presented a package of substantive tax reforms, including some

of the most significant changes in the history of the income tax. He asked that many tax loopholes be closed, that a minimum tax be imposed on very high incomes and that taxes for poorer Americans be eliminated.

Altogether, the President's disciplined approach to fiscal policy appears to have been successful. Economic indicators show that the overheated economy has begun to cool off; "the medicine has begun to work," as the President said in his radio speech to the nation on October 17th. Having set the government's house in order, the President has gone on to ask that citizens now show appropriate restraint in their own economic behavior.

An important reform specifically designed to protect the victims of inflation was the suggested revision of the Social Security System. The President recommended a 10 percent increase in benefits, but he did not limit himself to this symptomatic level. He went on to ask that benefits henceforward be tied to changes in the cost of living, building into the program a permanent, automatic defense against inflation. The President also asked that the Social Security earnings limit be raised so as to encourage more older people to remain economically active.

2. Law Enforcement Reform -- Fighting Crime

The Nixon Administration has asked for more money for crime fighting by the Justice Department; an additional \$4 million last fiscal year and some \$16.6 million this fiscal year. It has also assigned more people to this area. But, again, its efforts to enhance public safety

have involved qualitative reforms as well as quantitative expansion. New anti-racketeering field offices have been set up across the country and the nation's first Federal-State Racket Squad has been established in New York. The Administration has asked for new laws to combat organized crime, including an immunity of witnesses statute to aid in information gathering and prosecution and new anti-gambling laws to enhance Federal efforts to police large scale gambling operations. The use of wiretapping -- under carefully controlled circumstances -- was also authorized as part of the fight against racketeering.

The Administration has asked the Congress for new crime control legislation in the District of Columbia, including a sweeping reorganization of the court system, new bail laws to cut back on crimes committed while offenders are awaiting trial, and an increase in court facilities and law enforcement officials. In other messages to Congress, the President called for stricter controls on obscene and pornographic materials and on narcotics and dangerous drugs. The latter subject received the President's special attention as he launched a nationwide educational campaign on the dangers of drug abuse. The Bureau of Narcotics and Dangerous Drugs substantially increased its enforcement activities. Pointing out that 40 percent of those who are released from confinement later return to prison, the President sent to the Attorney General a thirteen-point directive for reforming the Federal corrections system. The Federal program, the President contended, should become a model

for State and local rehabilitative efforts.

3. Reform in Transportation Programs

Urban mass transit, airlines and airports, merchant shipping -- each was the topic of a special Presidential message in 1969 and in each case the President asked that year-by-year improvisation be replaced by careful, long-range planning. His \$10 billion, twelve-year mass transit program is far and away the largest such request of any administration in the nation's history. His \$2.5 billion, ten-year program to improve airway facilities and equipment will meet a problem which has long been neglected. The President has also called for the building of a supersonic transport and for immediate substantial increases in the number of air traffic controllers. Finally, President Nixon has asked Congress for the first comprehensive reform of merchant shipping legislation in over thirty years, including a ten-year building program which would encourage substantially greater ship production at significantly lower prices.

4. Reform for a Better Life

The President's message on consumer protection suggested a number of measures for enforcing what it described as the "Buyers' Bill of Rights." The long list of proposals includes a new Office of Consumer Affairs in the White House and a new Division of Consumer Protection in the Justice Department, new laws to enable both the

Federal government and private citizens to bring unfair or deceptive tradesmen into court, and a number of steps to strengthen the Federal Trade Commission. In related efforts, the Administration acted to protect the public against pesticides and other potentially dangerous materials which are added -- intentionally and unintentionally -- to the nation's food supply.

In his message on Occupational Safety and Health in August, the President called for a new national board to promulgate clear health and safety standards for the workplace and to determine when they have been violated. The President's new approach to this problem would make maximum use of the expertise of private standard-setting organizations and would give major support and responsibility to State programs when it is clear that they give workers adequate protection.

On July 18th -- for the first time in history -- a Presidential message was sent to Congress on the subject of the population explosion. In addition to calling for more research and education, President Nixon declared "that we should establish as a national goal the provision of adequate family planning services within the next five years to all those who want but cannot afford them." He emphasized, however, that population problems will be with us even with a lowered birth rate and that the country must plan now for an increase in its population of some 100 million persons by the end of the century. He called for the establishment of a special commission to take the lead in this planning.

Other Administration initiatives in the safety and health area include its strong Coal Mine Safety Bill -- with mandatory national standards, its Federal assistance programs for hospital construction and for expanding medical school enrollment, new regulations governing oil and gas leases, improvements in waste treatment and water resource programs, and a highly successful advance effort to prevent damage from heavy flooding last Spring.

President Nixon's efforts to improve the quality of life in every region and community of the land took another big step forward when he sent to the Congress his message on the arts and humanities. In it he proposed a three-year extension of the National Foundation on the Arts and the Humanities and called for a virtual doubling of its funds.

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The list could go on and on. Examples of additional first year accomplishments include the Justice Department's strong enforcement of anti-trust laws, the Treasury Department's proposed legislation to regulate one-bank holding companies, and the Administration's careful efforts to help resolve labor disputes, including a new Construction Industry Collective Bargaining Commission and a new approach to collective bargaining with Federal employees. In addition to sponsoring the first White House Conference on Food, Nutrition and Health, the Administration called and began to plan two future White House Conferences,

one on Children and Youth and the other on problems of the Aging. Important revisions were made in the space program and a new nonprofit, nonpartisan National Center for Voluntary Action was established.

"The next President," Richard Nixon said during his 1968 campaign, "must take an activist view of his office." From the day of his inauguration, President Nixon has been a most active Chief Executive. He has sent some thirty messages to the Congress calling for a whole new approach to domestic policy. He has traveled to all parts of the world in the pursuit of peace. His administration has appointed some 2,122 persons to Federal offices, including a new Chief Justice. He has taken a firm grip on the reins of government.

The first year of the Nixon Administration was the last year of the 1960s. It was a year of change -- change in the nation's mood, its priorities, its institutions, its programs. It was a year in which a new President earned the increasing confidence of the American people -- a fact which was evidenced by his 68 percent positive rating in a mid-November Gallup Poll.

As the end of the first year approached, the President could accurately say that reform has been the "watchword" of his Administration. And because 1969 was a year of fundamental reform, the Nation could look forward to the beginning of a new decade with increased hope and confidence.

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