Johnson Notes Nation's Challenges . . .

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level outside of mandatory increases. He said the budget accurately covers all federal expenditures and receipts.

Under the new budget the expenditures will increase by $10.4 billion and receipts will increase by $22.3 billion, including the new tax revenues.

A breakdown of the $10 billion showed:

- $3 billion for defense efforts.
- Almost $1 billion for for interest.
- $4.5 billion for mandatory payments under laws passed by Congress such as Social Security and Medicare.
- $1.6 billion for pay increases for military and civilian personnel which Congress passed.

Total expenditures approximate $186 billion and total estimated revenues including the tax bill are roughly $178 billion.

If Congress passes the tax bill, Johnson said the budget deficit can be reduced by $12 billion (from $20 billion to to $8 billion). The war, he said, is costing about $25 billion.

Johnson stressed that the tax increase would cost the average individual about a penny out of each dollar's income.

"This must be a temporary measure which expires in two years," he said. "Congress can repeal it sooner if the need has passed, but Congress can never repeal inflation."

He called for leaders of American business and labor to act responsibly to keep increases in line with productivity.

"I wish with all of my heart that the expenditures that are necessary to build and to protect our power could all be devoted to the programs of peace. But until world conditions permit and until peace is assured, America's might and America's bravest sons who wear our nation's uniform, must continue to stand guard for all of us as they gallantly do tonight in Vietnam and other places in the world," the President said.

"Yet neither great weapons nor individual courage can provide the conditions for peace. For two decades America has committed itself against the tyranny of want and ignorance in the world that threatens the peace. We shall sustain that commitment."

Another major point on the international scene dealt with nuclear disarmament. Johnson told the assembly he is encouraged to believe that a nuclear-ban treaty draft can be laid before the Geneva Conference in the near future.

He based this feeling on communications received this afternoon from Ambassador Fisher in Geneva and added he is hopeful of being able to forward such a treaty to Congress this year for its approval.

Johnson commented on his meeting last year with Russian Chairman Kosygin saying that if the two didn't reach accord at least a clearer understanding of respective positions was gained.

"Serious differences still remain between us, (the U.S. and Russia), yet in these relations we have made some progress since Vienna and the Berlin Wall and the Cuban missile crises.

"But despite this progress we must maintain a military force that is capable of detering any threat to this nation's security whatever the mode of aggression. Our choice must not be confined to total war or total acquiessance," Johnson said.

"We do have such a military force today, and we shall maintain it."

Other highlights of Johnson's speech included restating his call to reduce the nation's balance of payment deficit. He asked Congress to help in carrying out those parts of the program that require legislation.

"We must restore equilibrium to our balance of payments, and we must also strengthen the international monetary system," the President said.

"We have assured the world that America's full gold stock stands behind our commitment to maintain the price of gold at $35 an ounce. And we must back up this commitment by legislating now to free our gold reserve."

Johnson closed his speech on a unifying note by calling for candidates for public office not to use the questions he had raised for "narrow partisan oratory."

"They (the questions) go to the heart of what we Americans are all about, all of us, Democrats and Republicans."

He said he hopes debates on the policies would reflect the seriousness and gravity of the policies themselves.

Johnson said many of the goals he spoke about can be achieved this year and looked to the nation's 200th birthday saying "The state of our union will be much stronger eight years from now . . . if we resolve to reach these goals now.

"And they are more important, much more important than the identity of the President who will then be in office. These goals are what the fighting and our alliances are really meant to protect.

"Can we achieve these goals, of course we can, if we will.

"If ever there was a people who sought more than mere abundance it is our people.

"If ever there was a nation capable of solving its problems it is this nation.

"If ever there were a time to know the pride and the excitement and the hope of being an American it is this time.

"So this, my friends, is the state of the union. Seeking, building, tested many times this past year and always equal to the test," Johnson concluded.

Meeting Slated

A critique session for Emerald photographers will be held at 5 p.m. in 301 Allen Hall. Attendance is optional.

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5	O Positive
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2	B Positive
2	AB Positive

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