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THE WHITE HOUSE
WASHINGTON

Bob H) Bob O.)

V. P. S speech on
foreign policy in 1972.

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EXCERPTS OF REMARKS BY GOVERNOR NELSON A. ROCKEFELLER
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My objective today is to analyze President Nixon's foreign policy -- its accomplishments to date and its meaning for the years immediately ahead of us.

In the past four years, foreign policy has absorbed much of the public's attention. We have been bombarded by a seemingly endless flow of events: Vietnam; The Middle East; NATO; U.S. - U.S.S.R. relations; Disarmament; China; Indo-Pakistan war; International monetary and trade problems.

The very number and diversity of important events and the rapid pace at which they arise have given a false impression that there is little or no relationship between one event and another.

There is, of course, a vital relationship between events -- a relationship which reflects the growing interdependency among nations, both political and economic.

There is a need to review the events of the past four years from this perspective and to evaluate America's policies and actions -- not only in terms of any particular policy's ability to solve a specific issue -- but as a totality designed to meet the complexities posed by today's global interdependence.

In order to do this, it is necessary to review the situation that confronted President Nixon when he assumed office four years ago and evaluate his responses.

I. The World Scene in 1969 and the Need to Redefine America's World Role

A. The International Situation in 1969:

The major problems confronting the United States on the international level in 1969 were:

- 1.) The U.S. involvement in the Vietnamese war;
- 2.) The unstable situation in the Middle East;
- 3.) The need to develop a working relationship with the Soviet Union, despite our basic ideological differences; and
- 4.) Strained relations with our allies in NATO and the Western hemisphere.

Most of these problems had existed in one form or other throughout the 1960's. Their persistence -- combined with the constant series of crises they provoked -- indicated that the interests of world peace and stability might be better served if the United States altered its approach to international relations.

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B. The Need to Redefine American Policy

It was clear that the pattern of international politics was changing.

Central to this change was the shift in America's world position; by 1969, it no longer enjoyed the economic and military pre-eminence of the post-war period.

1.) It was obvious that we were rapidly losing our strategic nuclear superiority, due to an unprecedented Soviet military build-up emphasizing nuclear missiles and submarines -- started after the Cuban missile crisis.

The result has been the disappearance of military and diplomatic advantages previously enjoyed by the United States.

Consequently, our option to resolve issues through confrontation -- as in the case of the Cuban missile crisis -- has been seriously diminished.

2.) It was clear that the resurgence of Western Europe and Japan as major industrial powers had implications for U.S.-Allied relationships on the political and economic levels.

In addition, it had significant effects on the international balance of power.

3.) The emergence of Peking as a second center of power within the Communist world signalled the end of the bipolar world led by Moscow and Washington.

This development emphasized America's need for policies which could cope with an increasingly multi-polar world.

4.) In addition, there was growing domestic pressure against America's "over-involvement" in the world -- with rising demands that internal affairs receive higher priority.

Domestic pressure and international change reinforced each other. The United States had to formulate a new approach to international affairs.

II. The Redefinition of America's Role

A. Importance of a U.S. Role

President Nixon recognized the need to reshape America's international role -- the necessity to respond both to global changes and domestic pressures.

He also realized that the United States had to continue its role as a world leader in international affairs.

A world-wide American withdrawal would only increase global instability and create an environment which would threaten the survival -- not only of the United States -- but of the free world itself.

Equally, the adoption of ineffectual or misdirected policies by the United States would, at the very least, weaken the possibilities of attaining world peace.

Therefore, while it was necessary for the United States to play a more restrained role in international affairs, it was imperative that U. S. Policy and power be so directed that they encouraged the creation of an international system which would foster stability and peace.

B. The Definition of America's New Posture

One of the first acts of the President was to enunciate the Nixon Doctrine -- a statement of America's new international posture.

The thesis underlying the Doctrine was that the United States would continue to be involved in international affairs but that the burdens of peacekeeping had to be more equitably distributed.

America's Allies and friends would have to assume more responsibility for their own defense so the United States would, in the future, be less likely to become involved in local disputes.

C. Basic Elements of the Nixon Doctrine

The President announced the three "pillars" of America's new posture as strength, negotiation and partnership.

These pillars were, in effect, the means by which the Nixon Doctrine was to be implemented.

They were a statement of America's approach to international problems and were closely inter-related.

There could be no negotiations with the Communist world if the free world did not act in partnership -- and the United States did not retain enough military and economic strength to negotiate as an equal.

III. The Implications of America's New Role

A. Policies Inherent in the Nixon Doctrine

The new doctrine contained several specific policy formulations:

(1) The United States would establish a different type of relationship with its Allies.

(2) The United States would maintain a strong defense posture.

(3) The United States would seek to settle problems through negotiations and thus minimize the risk of confrontations.

This latter point indicated that a wide range of specific current issues confronting the Administration would be handled through negotiation.

It also indicated that potential problem areas would have to be identified and analyzed and negotiations begun on them before they reached the crisis level.

(4) U. S. policies had to be "credible" if the U. S. was to play an effective world role.

(5) Therefore, this nation would continue to support its commitments and retain the final option of military action.

B. The Development of the Nixon Doctrine: Strategy and Tactics

The statement of a policy does not, of course, assure its successful implementation. That depends upon a number of a more subtle factors:

(1) The ability to formulate a policy so that all those affected have an interest in its success;

(2) The retention of flexibility so that the nation has several options available to it in any given situation;



(3) The capability of designing a policy which is appropriate -- neither too forceful nor too weak -- to resolve a given problem;

(4) Recognition of the limits imposed upon governments by outside commitments and internal pressures, and,

(5) The ability to see the relationship between one issue and another.

IV. The President's Foreign Policy Successes

During the past four years, the Nixon Administration has conducted an extremely successful foreign policy.

Many of the problems which faced the President when he assumed office have been dealt with:

- U.S.-Allied relationships have improved.
- Inter-NATO relationships are emerging on a new basis.
- U.S.-U.S.S.R. relations have been relaxed and we are in a new era of detente.
- The opportunity for increased Asian and world stability has been improved by the President's opening to China.
- South Vietnam is rapidly getting into a position for assuming all of the responsibilities for its own fate, and,
- Stability -- if tenuous -- has been established in the Middle East and South Asia.

In my view, the President has been successful because he has had the courage not only to assume a new posture and try new approaches but also because he has had the ability to implement his policies.

He has had a flexible approach to international relations.

He has used a wide variety of diplomatic tools from Presidential missions and personal diplomacy to the threat of military intervention.

Most importantly, he has designed policies so that their scope is broad enough to insure their success.

He has placed the United States in a position in which it had a wide range of options available to it.

Finally, the President has conducted his policies so that they reinforce each other.

V. Steps Towards Creating a More Stable World

A. Negotiations and the Broad Front Approach

Insofar as possible, the President has tried to conduct negotiations on as broad a front as possible.

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This includes conducting negotiations on a multi-national basis at various levels and involving a broad range of issues.

(1) The Reasons for the Broad Front Approach

The scope of the negotiations generally permits policy reinforcement; that is, one policy supports another.

For example, U. S. partnership policy towards Western Europe supports its policy towards the Soviet Union. East-West detente would be impossible without free-world solidarity.

The broad front increases both the incentive to negotiate and the penalty for failure, since all parties have a high stake in reaching agreements.

The very breadth of the negotiations make them less vulnerable to outside crises -- since the participants are reluctant to sacrifice a relatively large number of gains in order to react to a local situation.

(2) The Most Successful Example of the Broad Front Approach:

The free-world negotiations with the Soviet Union included European and U.S.-U.S.S.R. problems so that talks were held on bilateral levels as well as among the Big Four.

The breadth of the approach assured that the negotiations did not collapse over an external crisis.

And so the Summit Conference did take place, despite North Vietnam's invasion of the South, and despite President Nixon's response to that attack -- the mining of Haiphong Harbor and resumed aerial bombardment of military targets.

(3) Other Results of the Broad Front Approach:

The broad-front approach also helped to readjust the relationship between America and its European Allies.

By working together on a basis of mutual interest, the nations in NATO have moved towards a partnership basis of equality and away from U. S. domination.

In specific terms, these negotiations have resolved a number of specific problems:

(a) Berlin;

(b) The question of the two Germans;

(c) U.S.S.R. agreements in such major areas as arms limitation and trade.

Furthermore, they have laid the basis for future areas of agreement. SALT II and Mutual and Balanced Force Reductions are to be undertaken within the year.

Most importantly, the negotiations have aided considerably in reducing international tensions and thus have created a more stable world.

B. Widening the International System

Another approach which the President has used in his effort to increase international stability has been to go beyond the containment policy, which befitted an earlier era, and to widen the scope of America's relations with the rest of the world.

The expansion of American relations has been a positive action -- undertaken in the knowledge that this country could help shape international policies only if it understood, through direct contacts, the interests of the individual nations involved.

This policy has taken the form of increased U.S. ties to Rumania and Yugoslavia as well as the establishment of informal relations with Communist China.

Basic ideological differences between Communist China and the United States cannot be resolved. But the establishment of informal relations between the two nations has important implications for Asian stability and world peace.

Both mainland China and the United States are now aware of each other's concerns.

This makes the possibility of direct confrontation less likely, since, by creating a continuous dialogue, both nations will have an opportunity to explain their positions.

Essentially, by including mainland China within the international system, the President has increased the number of diplomatic options available to him in case of another Asian crisis.

This minimizes the probability of having to rely on a military solution to the problems of instability in Asia -- as we have in Korea and Vietnam.

C. Decisive Action in Crises

In addition to the Vietnamese war, the United States has faced other major crises during the Nixon Administration. Two of these were:

- The Middle East crisis of 1970, and,
- The Indo-Pakistan war of November 1971.

In both these areas, the President prevented the full fruition of the crises and a further increase of instability.

(1) The Middle East

The President sought to encourage the settlement of the 1967 war not only by continuing America's endorsement of the Jarring negotiations but also by initiating discussions between the United States and the Soviet Union and participating in Big Four talks.

At the same time, the President sought to balance Soviet arms deliveries to Egypt -- and to maintain a balance of power in the area -- by a program of U.S. military assistance.

In 1970, the President succeeded, through his own diplomatic initiative, in obtaining a cease-fire in the Middle East -- which it has been possible to maintain up to the present.

There have been threats to the cease-fire, especially the installation of missiles by Egypt and the U.S.S.R. in the stand-still zone, and the Jordanian civil war.

In fact, the civil war in Jordan threatened to evolve into a full-scale war as a result of the Syrian invasion.

The President ordered the Sixth Fleet into the area and placed U.S. forces on alert. His willingness to use the fleet and reinforcements brought home the depth of America's commitment to stability in the Middle East and made clear to those threatening that stability the risks involved.

The military option, necessary in this instance, was available because of the President's insistence on a strong defense posture. This gave him the ability to avert an outbreak of war in the Middle East.

In the end, the President obtained a Syrian withdrawal.

The Middle East continues to be a crisis area.

But the cease-fire has held for two years and has introduced an element of stability into the area.

Hopefully, negotiations will resume.

The United States has not sought to impose a settlement of the war -- that must be done by the nations concerned. But recent developments have placed this nation in a position to encourage a solution to the problem.

(2) Indo-Pakistan War

The President's actions in the Indo-Pakistan war evoked a great deal of criticism in America at the time.

The President's actions were directed towards preventing a war -- a war which might have:

- (a) Drained the limited resources of the participants;
- (b) Eliminated Pakistan and increased instability in a highly unstable area;

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(c) Escalated beyond the geographical limits of the two nations directly involved, and,

(d) Encouraged Soviet expansionism.

The President acted through the United Nations to obtain a cease-fire and a withdrawal of foreign forces.

- The first effort, on December 4, 1971, was within the Security Council (11-2) and was vetoed by the U.S.S.R.
- The second effort, December 7, was passed overwhelmingly by the General Assembly 104-11 with 10 abstentions.

When India refused to respond to the overwhelming appeal of the General Assembly and did not deny U.S. evidence that it was considering the destruction of West Pakistan, the United States again, on December 12, called for a Security Council resolution, which was again vetoed by the Soviet Union.

The cease-fire which was agreed to on December 17 was largely the result of U.S. and UN pressure.

While the President's actions failed to prevent the war, they did help to contain it and to prevent the destruction of West Pakistan.

The area is unstable and will undoubtedly remain so in the near future.

For this reason, continued discussions between the United States and all the nations involved are important to promoting some form of regional stability.

D. Adjustment of Allied Relationships

The ability of America and the free world to survive depends upon their capacity to work together.

- To combine their military and economic strength;
- To solve common economic and social problems; and
- To define and fulfill mutual political goals.

The President has therefore shaped America's policies to accommodate a wide range of interests represented by our inter-Allied relationships.

He has moved consistently with the objective of creating a partnership with America's allies in Europe, Asia and Latin America.

This partnership concept recognizes the dignity and sovereignty of all nations, large and small, and the need for a more realistic approach to economic growth and "burden-sharing."

It thus provides a solid base from which the free world can actively seek to pursue opportunities for detente.

(1) The Political Level

The United States' relationships to its Western Hemisphere neighbors, and since World War II to its NATO partners and Japan, have been characterized by varying degrees of American domination.

On the political level, the President has encouraged these nations to assume more responsibility for their own destinies within the larger framework of true partnership in our common interests.

(a) The participation of NATO-Europe in the negotiations with the U.S.S.R. and the pattern of consultation established between the United States and its European Allies during SALT has promoted confidence among the nations and illustrated their ability to share responsibility in working towards political objectives.

Equally, the enlargement of the European Economic Community and the steps towards unity, if hesitant, indicate Western Europe's increasing assumption of responsibility for its own future within the larger partnership.

(b) The President has begun to move toward a relationship of true partnership with the nations of this hemisphere. While the United States has had, since its founding, a special relationship with its neighbors, there has always been a varying degree of paternalism in the relationship.

Now paternalism and its symbols are being replaced by partnership -- for example, the Bryan-Chamorro treaty has been eliminated and the Panama Canal treaty is being renegotiated.

(c) The process of altering America's post-war relationship with Japan has been painful but it is imperative to Asian stability that Japan assume a role commensurate with its economic power and growing international interests.

The readjustment of the U.S. - Japanese relationship began with America's return of Okinawa to the home islands.

The continuous effort to shift towards true partnership has been the subject of summit talks -- most recently the meeting between President Nixon and Prime Minister Tanaka.

(2) The Military Level

The free world is only as strong as its military base.

Military strength is necessary if we and our Allies are to conduct negotiations with the Communist world and prevent the use of coercion against us.

The implications of strength for world peace are obvious.

(a) NATO

The negotiations which have promoted East-West detente have been successful because of the strength provided by NATO.

However, NATO would not have provided such a firm base for negotiations if the President had not reaffirmed America's commitment to the NATO Alliance and refused to undertake a program of unilateral troop reduction.

Because of the President's adherence to this policy, talks on Mutual and Balanced Force Reductions will begin next year within the wider context of European detente.

Although the ultimate reliance of NATO-Europe is on America's strategic forces, there was a tendency to let this fact be used as the excuse for Western Europe's failure to fulfill its proportionate share of military responsibility.

The President has, in this area also, pursued a policy of persuading our allies to share the burdens more equitably.

He has encouraged the nations of Western Europe to upgrade their own defense efforts and to increase their contribution to NATO -- and they have agreed to an additional expenditure of \$2-billion for weapons and the modernizing of the present infrastructure.

And under the current two-year "offset agreement," West Germany will spend an additional \$2-billion in order to neutralize part of the United States' balance of payments deficit arising from our military commitments to NATO.

Current steps towards European unity should provide additional opportunities for these nations to coordinate and complement each other's defense efforts.

These developments have all created the basis for a more sensible NATO partnership.

(b) Japan

The President has reaffirmed America's commitment to the Mutual Security Treaty with Japan, in the knowledge that this pact is the bedrock of Japan's ability to define its role in Asia.

At the same time, agreement has been reached for the shift of some of the responsibility for defense to Japan. U.S. troops in Okinawa and Japan have been reduced and Japan is in the process of strengthening its conventional forces.

This is in line with Japan's capabilities and commensurate with the responsibilities it must undertake if this area of the world is to emerge as a stable region.

(c) American Strength

The President's reaffirmation of our Allied commitments could only be undertaken because America has remained militarily strong.

In the ultimate sense, the free world and the ideals it represents depend upon America's strategic force.

For this reason, the President has pursued a policy of upgrading U.S. strength at the same time he has negotiated.

The negotiations have been and are a function of America's overall strategic policy.

(3) The Economic Level

The free world cannot survive unless it is both economically and militarily strong.

The United States and its allies must be able to cope with their domestic problems if they are to play a positive role in shaping the international environment.

The economic strengths of the individual allied nations are becoming increasingly interdependent.

Our common economic goals -- an expanding economy offering increased opportunities for all citizens -- are being dislocated by the rapidly growing competition among us.

These developments are a reflection of a whole complex of domestic and international economic factors:

-- The accelerated inflation resulting from the mid-60s decisions of the U.S. government to load a major "war on poverty" on top of an economy already at full employment levels to meet the needs of the war in Vietnam;

-- The rapid changes that have taken place in the growth and power of industrial production and export trade among the European NATO nations, Japan, Brazil, Mexico, the Philippines, Taiwan, South Korea, and others;

-- The problem is being further exacerbated by the growing dependence of industrial nations on developing nations for raw materials, especially fossil fuels to meet the sky-rocketing energy demands of modern industry and urban life.

The combined effect of these international economic developments on the United States are only now being fully recognized.

They are having a very serious effect on the economic and social life of our own country and of other allied nations.

(a) In 1962, the U.S. was importing goods at the rate of \$16.5-billion a year. This year, it is importing at the rate of \$53.8-billion -- an increase of more than 300 per cent in a decade.

And 60 per cent of these goods are finished products.

(b) This has had a very complex and far-reaching impact on the United States. We have an overall trade deficit that threatens to run over \$6-billion.

(c) This in turn has helped to create a balance of payments deficit which was over \$9-billion in 1971 and currently is running at an even higher rate.

The impact of these developments has been so serious that the President had to take drastic emergency action -- resulting in devaluation of the dollar and temporary import quotas.

The long-term solution to these problems cannot be found by any one nation acting alone.

Only agreements reflecting the common interests of all concerned will be workable.

Only agreements which take into consideration the domestic as well as the international problems of the nations concerned will be enduring.

This is true for those of us who are highly industrialized as well as for the developing nations.

The scope of the economic problem reflects not only the tight inter-relationship among free world nations but the extent to which we have become globally inter-dependent.

The ability of free nations to cooperate effectively in dealing with these economic and social problems is essential to our capacity to meet the needs of our people and preserve the military strength necessary for free world security.

The President has approached the problem on a number of levels.

(d) Readjusting Economic Relationships

(1) After the failure of our Allies to respond to negotiation, the President announced his New Economic Policy of August 15, 1971.

Dollar convertibility was suspended; a 10 percent surcharge was imposed on imports; U.S. foreign assistance was reduced 10 percent.

Although the President's action was considered a shock, it was well within the domestic capabilities of our Allies to absorb.

(2) It was followed by the Smithsonian meetings. These meetings re-established fixed exchange rates, devaluing the dollar by 12 percent, and led to a consensus on the need for long-term trade and monetary reforms.

(3) Work on international monetary reform is proceeding and a multi-national trade meeting is scheduled for next year.

The object of the trade negotiations is to obtain commitments on a multi-lateral basis. Their scope will include non-tariff barriers.

(4) In the final analysis, these negotiations should create a more stable economic atmosphere. The U.S. should reap specific benefits from them:

-- The undue rate of import growth should be regulated so that American industry no longer suffers from severe dislocations;

-- The export competitiveness of the U.S., already improved by the devaluation of the dollar, should continue to be strengthened.

These measures are being supported by U.S. domestic programs.

The Domestic International Sales Corporation will provide some deferral of tax on income from export sales -- similar to the treatment of U. S.-owned production and sales subsidiaries abroad. This should reduce the incentive for U.S. corporations to produce abroad.



(e) Bilateral Level

(1) On the bilateral level, the President has sought to ease America's trade situation and promote economic health by broadening America's opportunities for exports.

(2) The loosening of trade restrictions as to Communist China and increased contact with Rumania reflect the President's desire to widen participation in the international system.

(3) The new trade relations with the U.S.S.R. will not only improve America's trade position but, at the same time, will underscore the current detente and increase each nation's desire to maintain a stable atmosphere.

(4) Recent U.S.-Japanese negotiations have resulted in an agreement by Japan to purchase about \$1.1-billion of American goods. This will help to reduce the trade gap (1972 estimated \$3.8-billion) between the two nations and is a first step toward greater access to the Japanese market for American goods.

(f) Multi-Lateral Level

The peoples of the Americas, including the United States, have become more and more interdependent economically and socially.

The President is laying the basis for a long-range working partnership -- a partnership of self-reliant, independent nations linked to one another in a common effort to improve the lives of all peoples throughout the Western Hemisphere.

No area of our relationships is more important for the future.

The special importance of Western Hemisphere trade relations has been reflected by:

-- The President's action in "un-tying" our loans to Hemisphere nations so they may have freedom in the use of the money for trade among themselves;

-- The President's support for a generalized tariff preference system;

-- The President's decision in 1971 to increase import quotas for meat, benefitting neighbor nations by helping them to increase their exports and simultaneously helping to hold down meat prices for the U.S. consumer;

-- The President's exemption of Western Hemisphere nations from this country's 10 per cent reduction in foreign assistance.

E. Keeping U.S. Commitments: The Vietnamese War

The President has emphasized his determination to maintain America's commitments.

Where desirable, he has sought to broaden relations within alliances to redistribute the burdens.

The President's reaffirmation of this nation's pledges to its allies is based on the firm conviction that:

(1) The United States is credible only so long as it honors its word, and,

(2) The maintenance of the strength of free world alliances provides the foundation upon which the initiatives for peace must rest.

The whole structure that the President has given to our foreign relations would be undermined if the United States went back on its commitments.

Negotiations would be impossible because they would be meaningless.

A democratic nation has to give a sense of continuity in its international relations. Both our enemies and our friends must be able to rely upon our "word."

The most controversial aspect of the President's policy has been in Vietnam.

His problem was to end the war -- at the lowest possible human cost to the United States -- without (1) leaving the nations of Southeast Asia vulnerable to domination by a totalitarian state and (2) without abandoning commitments accepted by the Presidents before him.

The President did not have the choice of deciding whether or not to commit U.S. troops to South Vietnam.

When he came to office, there were over one-half million U.S. forces in that nation.

The President has had to make many tough decisions about this war.

They are decisions that most politicians would not like to have to make -- but which a President must.

His plan to achieve peace was based on Vietnamization and withdrawal of American ground forces while negotiating for peace with honor.

As a result, despite the differences involved, South Vietnam has become gradually more self-sufficient.

The South Vietnamese are now bearing the full responsibility for the ground combat -- a responsibility which has to be measured in terms of an invasion by 14 North Vietnam divisions.

And the South Vietnamese have rapidly taken over the responsibility for helicopter support of ground operations in South Vietnam.

It was not until October 8th, after these developments, that the North Vietnamese were ready to negotiate.

The success of the President's policies was dramatically attested to last Thursday when Henry Kissinger reported to the nation that peace is within our grasp.

As Dr. Kissinger said, "We will not be stampeded into an agreement until its provisions are right. We will not be deflected from an agreement when its provisions are right."

I personally support this position and it is a position every American can be proud to support.

Underlying this achievement have been the President's Vietnamization policy and his decisive military response to the North Vietnamese invasion of South Vietnam as well as his diplomatic efforts with Communist China, North Vietnam and the Soviet Union.

Significant for the future is the fact that the President's overall policy will give the United States an opportunity to settle future Vietnams without war.

VI. Conclusion

President Nixon has had the courage to reorient the international posture of the United States so this nation can cope with the realities of international politics.

By his broadly-based approach to negotiations, his expansion of this country's contacts, his insistence on honoring commitments, and, his ability to readjust relations within alliances, the President has resolved a number of troublesome issues.

More importantly, he has provided a more secure base from which peace initiatives can be made.

He has given this nation a breadth of movement which it lacked and which, in the final analysis, is necessary if constant confrontation is to be avoided.

The President's policies have resolved current issues and they have provided a sense of direction for the future.

There is a growing national realization of the degree to which our international economic and political interdependence and our ability to cope with these relations affects our options in dealing with our domestic problems.

Too many of today's domestic government policies, laws, and regulations are based on the realities of an era that no longer exists.

The President will have a unique opportunity during the next four years to build on the relationships established in the international field in dealing with our domestic problems.

This will involve:

1. A fresh look at our domestic goals;
2. A reappraisal of the role of the free citizen and free enterprise in achieving these goals;
3. A realistic reassessment of government's effectiveness (a) in providing a framework of laws which will encourage initiative and free enterprise while at the same time protecting the interests of the individual citizen, and (b) in providing government services which will meet the people's needs; and,
4. A reallocation of responsibilities between the three levels of government to eliminate overlapping, inefficiency and waste of the taxpayer's money.

On the record to date, I believe history may well record that President Nixon has conducted the most successful four-year foreign policy of this century.

This record and its portents for the future -- here at home and all around the world -- clearly demand his re-election.



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"The Speech" REVIEW OF SOTU
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JANUARY 13, 1975

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ADDRESS BY THE PRESIDENT
ON
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9:00 P.M. EST

Good evening.

Without wasting words, I want to talk with you tonight about putting our domestic house in order. We must turn America in a new direction. We must reverse the current recession, reduce unemployment and create more jobs.

We must restore the confidence of consumers and investors alike. We must continue an effective plan to curb inflation. We must, without any delay, take firm control of our progress as a free people. Together we can and will do this job.

Our national character is strong on self-discipline and the will to win. Americans are at their very best when the going is rough. Right now, the going is rough, and it may get rougher. But if we do what must be done, we will be on our way to better days. We have an historic opportunity.

On Wednesday I will report to the new Congress on the State of the Union and ask for its help to quickly improve it. But neither Congress nor the President can pass laws or issue orders to assure economic improvement and instant prosperity.

The Government can help by equalizing unfair burdens, by setting an example of sound economic actions and by exerting leadership through clear and coordinated national recovery programs.

Tonight I want to talk to you about what must be done. After all, you are the people most affected.

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Since becoming your President five months ago, economic problems have been my foremost concern. Two elements of our problem are long-range -- inflation and energy. Both are affected not only by our actions, but also by international forces beyond our direct control.

The new and disturbing element in the economic picture is our worsening recession and the unemployment that goes with it. We have made some progress in slowing the upward spiral of inflation and getting interest rates started down, but we have suffered sudden and serious setbacks in sales and unemployment.

Therefore, we must shift our emphasis from inflation to recession, but in doing so, we must not lose sight of the very real and deadly dangers of rising prices and declining domestic energy supplies.

Americans are no longer in full control of their own national destiny, when that destiny depends on uncertain foreign fuel at high prices fixed by others. Higher energy costs compound both inflation and recession, and dependence on others for future energy supplies is intolerable to our national security.

Therefore, we must wage a simultaneous three-front campaign against recession, inflation and energy dependence. We have no choice. We need within 90 days the strongest and most far-reaching energy conservation program we have ever had.

Yes, gasoline and oil will cost even more than they do now, but this program will achieve two important objectives -- it will discourage the unnecessary use of petroleum products, and it will encourage the development and substitution of other fuels and newer sources of energy.

To get started immediately on an urgent national energy plan, I will use the Presidential emergency powers to reduce our dependence on foreign oil by raising import fees on each barrel of foreign crude oil by \$1 to \$3 over the next three months.

A more comprehensive program of energy conservation taxes on oil and natural gas to reduce consumption substantially must be enacted by the Congress. The revenues derived from such taxes will be returned to the economy. In addition, my energy conservation program contains oil allocation authority to avoid undue hardships in any one geographic area, such as New England, or in any specific industry or areas of human need where oil is essential.

MORE

The plan prevents windfall profits by producers. There must also be volunteer efforts to cut gasoline and other energy use.

My national energy conservation plan will urge Congress to grant a five-year delay on higher automobile pollution standards in order to achieve a 40 percent improvement in miles per gallon.

Stronger measures to speed the development of other domestic energy resources, such as coal, geothermal, solar and nuclear power are also essential.

MORE

This plan requires personal sacrifice. But if we all pitch in, we will meet our goal of reducing foreign oil imports by one million barrels a day by the end of this year and by two million barrels before the end of 1977. The energy conservation measures I have outlined tonight will be supplemented by use of Presidential power to limit oil imports as necessary to fully achieve these goals.

By 1985 -- 10 years from now -- the United States will be invulnerable to foreign energy disruptions or oil embargoes such as we experienced last year. Of course, our domestic needs come first. But our gains in energy independence will be fully coordinated with our friends abroad. Our efforts should prompt similar action by our allies.

If Congress speedily enacts this national energy program, there will be no need for compulsory rationing or long waiting lines at the service station. Gasoline prices will go up, though not as much as with a 20 cent a gallon gas tax. Furthermore, the burden of the conservation taxes on oil will be shared by all petroleum users, not just motorists.

Now, let me talk about the problem of unemployment. This country needs an immediate Federal income tax cut of \$16 billion. Twelve billion dollars, or three-fourths of the total of this cut, should go to individual taxpayers in the form of a cash rebate amounting to 12 percent of their 1974 tax payments -- up to a \$1,000 rebate. If Congress acts by April first, you will get your first check for half the rebate in May and the rest by September.

The other one-fourth of the cut, about \$4 billion, will go to business taxpayers, including farmers, to promote plant expansion and create more jobs. This will be in the form of an increase in the investment tax credit to 12 percent for one year. There will be special provisions to assist essential public utilities to step up their energy capacity. This will encourage capital spending and productivity, the key to recovery and growth.

As soon as the new revenues from energy conservation taxes are received, we will be able to return \$30 billion to the economy in the form of additional payments and credits to individuals, business and State and local governments. Cash payments from this total also will be available to those who pay no income taxes because of low earnings. They are the hardest hit by inflation and higher energy costs. This combined program adds up to \$46 billion -- \$30 billion in returned energy tax revenues to compensate for higher fuel costs and \$16 billion in tax cuts to help provide more jobs. And the energy conservation tax revenues will continue to be put back into the economy as long as the emergency lasts.

MORE

This economic program is different in emphasis from the proposals I put forward last October. The reason is that the situation has changed. You know it, and I know it. What we need most urgently today is more spending money in your pockets rather than in the Treasury in Washington. Let's face it, a tax cut to bolster the economy will mean a bigger Federal deficit temporarily, and I have fought against deficits all my public life. But unless our economy revives rapidly, Federal tax revenues will shrink so much that future deficits will be even larger. But I have not abandoned my lifelong belief in fiscal restraint. In the long run, there is no other real remedy for our economic troubles.

While wrestling with the budgets for this year and next, I found that at least three-quarters of all Federal expenditures are required by laws already on the books. The President cannot, by law, cut spending in an ever-growing list of programs which provide mandatory formulas for payments to State and local governments and to families and to individuals. Unless these laws are changed, I can tell you there are only two ways to go -- still higher Federal taxes or the more ruinous hidden tax of inflation. Unchecked, Federal programs mandated by law will be prime contributors to Federal deficits of \$30 to \$50 billion this year and next. Deficits of this magnitude are wrong -- except on a temporary basis in the most extenuating circumstances.

MORE

Reform of these costly mandated Federal spending programs will take time. Meanwhile, in order to keep the budget deficit as low as possible, I will do what I can.

In my State of the Union and subsequent messages, I will not propose any new Federal spending programs except for energy, and the Congress -- your representatives in Washington -- share an equal responsibility to see that no new spending programs are enacted.

I will not hesitate to veto any new spending programs the Congress sends to me. Many proposed Federal spending programs are desirable and have had my support in the past. They cost money--your tax dollars. Mainly it is time to declare a one-year moratorium on new Federal spending programs.

I need your support in this. It is vital that your representatives in Congress know that you share this concern about inflation.

I believe the Federal Government ought to show all Americans it practices what it preaches about sacrifices and self-restraint. Therefore, I will insist on a 5 percent limit on any Federal pay increases in 1975, and I will ask Congress to put the same temporary 5 percent ceiling on automatic cost of living increases in Government and military retirement pay and Social Security.

Government alone cannot bring the cost of living down, but until it does start down, Government can refrain from pushing it up. For only when the cost of living comes down can everybody get full value from a pension or a paycheck. I want to hasten that day.

Tonight I have summarized the highlights of my energy and my economic programs. They must go hand in hand, as I see it.

On Wednesday I will spell out these proposals to the Congress. There will be other recommendations, both short-term and long-range, to make our program as fair to all as possible.

I will press for prompt action and responsible legislation. The danger of doing nothing is great. The danger of doing too much is just as great.

We cannot afford to throw monkey wrenches into our complex economic machine just because it isn't running at full speed. We are in trouble, but we are not on the brink of another Great Depression.

MORE

Our political and economic system today is many times stronger than it was in the 1930s. We have income safeguards and unemployment cushions built into our economy. I have taken and will continue to take whatever steps are needed to prevent massive dislocations and personal hardships and, in particular, the tragedy of rising unemployment.

But sound solutions to our economic difficulties depend primarily on the strong support of each one of you. Self-restraint must be exercised by big and small business, by organized and unorganized labor, by State and local governments, as well as by the Federal Government.

No one will be allowed to prosper from the temporary hardships most of us willingly bear, nor can we permit any special interests to gain from our common distress.

To improve the economic outlook we must rekindle faith in ourselves. Nobody is going to pull us out of our troubles but ourselves, and by our own bootstraps.

In 200 years as a Nation we have triumphed over external enemies and internal conflicts and each time we have emerged stronger than before. This has called for determined leaders and dedicated people, and this call has never gone unheeded.

In every crisis, the American people have closed ranks, rolled up their sleeves and rallied to do whatever had to be done.

I ask you and those who represent you in the Congress to work to turn our economy around, declare our energy independence and resolve to make our free society again the wonder of the world.

The beginning of our Bicentennial is a good time to reaffirm our pride and purpose as Americans who help themselves and help their neighbors no matter how tough the task. For my part, I will do what I believe is right for all our people--to do my best for America as long as I occupy this historic house.

We know what must be done. The time to act is now. We have our Nation to preserve and our future to protect. Let us act together.

May God bless our endeavors. Thank you, and good night.

END (AT 9:22 P.M. EST)

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FOR IMMEDIATE RELEASE

PJ 13
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JANUARY 15, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

STATE OF THE UNION ADDRESS
OF
PRESIDENT GERALD FORD
TO A JOINT SESSION OF THE CONGRESS

THE HOUSE CHAMBER

1:06 P.M. EST

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

Twenty-six years ago, a freshman Congressman, a young fellow, with lots of idealism who was out to change the world, stood before Sam Rayburn in the well of the House and solemnly swore to the same oath that all of you took yesterday, an unforgettable experience, and I congratulate you all.

Two days later, that same freshman stood at the back of this great Chamber, over there someplace, as President Truman, all charged up by his single-handed election victory, reported as the Constitution requires on the State of the Union.

When the bipartisan applause stopped, President Truman said, "I am happy to report to the 81st Congress that the State of the Union is good. Our Nation is better able than ever before to meet the needs of the American people and to give them their fair chance in the pursuit of happiness. It is foremost among the nations of the world in the search for peace."

Today, that freshman Member from Michigan stands where Mr. Truman stood, and I must say to you that the State of the Union is not good. Millions of Americans are out of work. Recession and inflation are eroding the money of millions more. Prices are too high and sales are too slow.

This year's Federal deficit will be about \$30 billion; next year's probably \$45 billion. The national debt will rise to over \$500 billion. Our plant capacity and productivity are not increasing fast enough. We depend on others for essential energy.

Some people question their Government's ability to make hard decisions and stick with them. They expect Washington politics as usual.

MORE

Yet, what President Truman said on January 5, 1949 is even more true in 1975. We are better able to meet our peoples' needs. All Americans do have a fairer chance to pursue happiness. Not only are we still the foremost Nation in the pursuit of peace, but today's prospects of attaining it are infinitely better.

There were 59 million Americans employed at the start of 1949. Now there are more than 85 million Americans who have jobs. In comparable dollars, the average income of the American family has doubled during the past 26 years.

MORE

Now, I want to speak very bluntly. I have got bad news, and I don't expect much, if any, applause.

The American people want action and it will take both the Congress and the President to give them what they want.

Progress and solutions can be achieved and they will be achieved. My message today is not intended to address all of the complex needs of America. I will send separate messages making specific recommendations for domestic legislation, such as the extension of General Revenue Sharing and the Voting Rights Act.

The moment has come to move in a new direction. We can do this by fashioning a new partnership between the Congress on the one hand, the White House on the other, and the people we both represent.

Let us mobilize the most powerful and most creative industrial Nation that ever existed on this earth to put all our people to work.

The emphasis on our economic efforts must now shift from inflation to jobs. To bolster business and industry and to create new jobs I propose a one-year tax reduction of \$16 billion. Three-quarters would go to individuals and one-quarter to promote business investment.

This cash rebate to individuals amounts to 12 percent of 1974 tax payments -- a total cut of \$12 billion, with a maximum of \$1,000 per return.

I call on the Congress to act by April 1. If you do -- and I hope you will -- the Treasury can send the first check for half of the rebate in May and the second by September.

The other one-fourth of the cut, about \$4 billion, will go to business, including farms, to promote expansion and to create more jobs.

The one-year reduction for businesses would be in the form of a liberalized investment tax credit increasing the rate to 12 percent for all business.

This tax cut does not include the more fundamental reforms needed in our tax system but it points us in the right direction -- allowing taxpayers rather than the Government to spend their pay.

Cutting taxes now is essential if we are to turn the economy around. A tax cut offers the best hope of creating more jobs. Unfortunately, it will increase the size of the budget deficit. Therefore, it is more important than ever that we take steps to control the growth of Federal expenditures.

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Part of our trouble is that we have been self-indulgent. For decades, we have been voting ever-increasing levels of Government benefits and now the bill has come due.

We have been adding so many new programs that the size and growth of the Federal budget has taken on a life of its own.

One characteristic of these programs is that their cost increases automatically every year because the number of people eligible for most of the benefits increases every year.

MORE

When these programs were enacted, there is no dollar amount set. No one knows what they will cost. All we know is that whatever they cost last year, they will cost more next year.

It is a question of simple arithmetic. Unless we check the excessive growth of Federal expenditures, or impose on ourselves matching increases in taxes, we will continue to run huge inflationary deficits in the Federal budget.

If we project the current built-in momentum of Federal spending through the next 15 years, State, Federal and local government expenditures could easily comprise half of our Gross National Product. This compares with less than a third in 1975.

I just concluded the process of preparing the budget submissions for fiscal year 1976. In that budget, I will propose legislation to restrain the growth of a number of existing programs. I have also concluded that no new spending programs can be initiated this year, except for energy.

Further, I will not hesitate to veto any new spending programs adopted by the Congress.

As an additional step towards putting the Federal Government's house in order, I recommend a 5 percent limit on Federal pay increases in 1975. In all Government programs tied to the Consumer Price Index, including Social Security, civil service and military retirement pay and food stamps, I also propose a one year maximum increase of 5 percent. None of these recommended ceiling limitations, over which Congress has final authority, are easy to propose because in most cases they involve anticipated payments to many, many deserving people. Nonetheless, it must be done.

I must emphasize that I am not asking to eliminate, to reduce, to freeze these payments. I am merely recommending that we slow down the rate at which these payments increase and these programs grow. Only a reduction in the growth of spending can keep Federal borrowing down and reduce the damage to the private sector from high interest rates.

Only a reduction in spending can make it possible for the Federal Reserve System to avoid an inflationary growth in the money supply and thus restore balance to our economy. A major reduction in the growth of Federal spending can help dispel the uncertainty that so many feel about our economy and put us on the way to curing our economic ills.

MORE

If we don't act to slow down the rate of increase in Federal spending, the United States Treasury will be legally obligated to spend more than \$360 billion in fiscal year 1976, even if no new programs are enacted.

These are not matters of conjecture or prediction, but, again, a matter of simple arithmetic. The size of these numbers and their implications for our everyday life in the health of our economic system are shocking.

I submitted to the last Congress a list of budget deferrals and recissions. There will be more cuts recommended in the budget I will submit. Even so, the level of outlays for fiscal year 1976 is still much, much too high. Not only is it too high for this year, but the decisions we make now will inevitably have a major and growing impact on expenditure levels in future years.

MORE

I think this is a very fundamental issue that we, the Congress and I, must jointly solve. Economic disruptions we and others are experiencing stems in part from the fact that the world price of petroleum has quadrupled in the last year.

But in all honesty, we cannot put all of the blame on the oil exporting nations. We, the United States, are not blameless. Our growing dependence upon foreign sources has been adding to our vulnerability for years and years, and we did nothing to prepare ourselves for such an event as the embargo of 1973.

During the 1960s, this country had a surplus capacity of crude oil which we were able to make available to our trading partners whenever there was a disruption of supply. This surplus capacity enabled us to influence both supplies and prices of crude oil throughout the world.

Our excess capacity neutralized any effort at establishing an effective cartel, and thus the rest of the world was assured of adequate supplies of oil at reasonable prices.

By 1970 our surplus capacity had vanished and, as a consequence, the latent power of the oil cartel could emerge in full force. Europe and Japan, both heavily dependent on imported oil, now struggle to keep their economies in balance.

Even the United States, our country, which is far more self-sufficient than most other industrial countries, has been put under serious pressure.

I am proposing a program which will begin to restore our country's surplus capacity in total energy. In this way we will be able to assure ourselves reliable and adequate energy and help foster a new world energy stability for other major consuming nations.

But this Nation, and in fact the world, must face the prospect of energy difficulties between now and 1985. This program will impose burdens on all of us, with the aim of reducing our consumption of energy and increasing our production.

Great attention has been paid to the considerations of fairness, and I can assure you that the burdens will not fall more harshly on those less able to bear them.

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I am recommending a plan to make us invulnerable to cutoffs of foreign oil. It will require sacrifices, but it -- and this is most important -- it will work.

I have set the following national energy goals to assure that our future is as secure and as productive as our past.

First, we must reduce oil import by one million barrels per day by the end of this year and by two million barrels per day by the end of 1977.

Second, we must end vulnerability to economic disruption by foreign suppliers by 1985.

Third, we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the free world by the end of this century.

To attain these objectives, we need immediate action to cut imports. Unfortunately, in the short-term there are only a limited number of actions which can increase domestic supply. I will press for all of them.

I urge quick action on the necessary legislation to allow commercial production at the Elk Hills, California Naval Petroleum Reserve.

In order that we make greater use of domestic coal resources, I am submitting amendments to the Energy Supply and Environmental Coordination Act, which will greatly increase the number of power plants that can be promptly converted to coal.

Obviously, voluntary conservation continues to be essential, but tougher programs are needed and needed now. Therefore, I am using Presidential powers to raise the fee on all imported crude oil and petroleum products.

The crude oil fee level will be increased \$1 per barrel on February 1, by \$2 per barrel on March 1 and by \$3 per barrel on April 1.

MORE

I will take action to reduce undue hardships on any geographical region. The foregoing are interim administrative actions. They will be rescinded when the broader but necessary legislation is enacted.

To that end, I am requesting the Congress to act within 90 days on a more comprehensive energy tax program. It includes: excise taxes and import fees totalling \$2.00 per barrel on product imports and on all crude oil; deregulation of new natural gas; and enactment of a natural gas excise tax.

I plan to take Presidential initiative to decontrol the price of domestic crude oil on April 1. I urge the Congress to enact a windfall profits tax by that date to insure that oil producers do not profit unduly.

The sooner Congress acts the more effective the oil conservation program will be and the quicker the Federal revenues can be returned to our people.

I am prepared to use Presidential authority to limit imports, as necessary, to guarantee success.

I want you to know that before deciding on my energy conservation program, I considered rationing and higher gasoline taxes as alternatives. In my judgment, neither would achieve the desired results and both would produce unacceptable inequities.

A massive program must be initiated to increase energy supply, to cut demand and provide new standby emergency programs to achieve the independence we want by 1985. The largest part of increased oil production must come from new frontier areas on the Outer Continental Shelf and from the Naval Petroleum Reserve No. 4 in Alaska. It is the intent of this Administration to move ahead with exploration, leasing and production on those frontier areas of the Outer Continental Shelf where the environmental risks are acceptable.

Use of our most abundant domestic resource -- coal -- is severely limited. We must strike a reasonable compromise on environmental concern with coal. I am submitting Clean Air Amendments which will allow greater coal use without sacrificing clean air goals.

I vetoed the strip mining legislation passed by the last Congress. With appropriate changes, I will sign a revised version when it comes to the White House.

I am proposing a number of actions to energize our nuclear power program. I will submit legislation to expedite nuclear leasing and the rapid selection of sites.

MORE

In recent months, utilities have cancelled or postponed over 60 percent of planned nuclear expansion and 30 percent of planned additions to non-nuclear capacity. Financing problems for that industry are worsening. I am therefore recommending that the one year investment tax credit of 12 percent be extended an additional two years to specifically speed the construction of power plants that do not use natural gas or oil.

I am also submitting proposals for selective reform of State utility commission regulations.

To provide the critical stability for our domestic energy production in the face of world price uncertainty, I will request legislation to authorize and require tariff import quotas or price floors to protect our energy prices at levels which will achieve energy independence.

Increasing energy supplies is not enough. We must take additional steps to cut long-term consumption. I therefore propose to the Congress legislation to make thermal efficiency standards mandatory for all new buildings in the United States; a new tax credit of up to \$150 for those home owners who install insulation equipment; the establishment of an energy conservation program to help low income families purchase insulation supplies; and legislation to modify and defer automotive pollution standards for five years which will enable us to improve automobile gas mileage by 40 percent by 1980.

MORE

These proposals and actions, cumulatively, can reduce our dependence on foreign energy supplies from three to five billion barrels per day by 1985.

To make the United States invulnerable to foreign disruption, I propose standby emergency legislation and a strategic storage program of one billion barrels of oil for domestic needs, and 300 million barrels for national defense purposes.

I will ask for the funds needed for energy research and development activity. I have established a goal of one million barrels of synthetic fuels in shale oil production per day by 1985 together with an incentive program to achieve it.

I have a very deep belief in America's capabilities. Within the next ten years, my program envisions 200 major nuclear power plants, 250 major new coal mines, 150 major coal-fired power plants, 30 major new refineries, 20 major new synthetic fuel plants, the drilling of many thousands of new oil wells, the insulation of 18 million homes, and the manufacturing and the sale of millions of new automobiles, trucks and buses that use much less fuel.

I happen to believe that we can do it. In another crisis, the one in 1942, President Franklin D. Roosevelt said this country would build 60,000 military aircraft. By 1943, production in that program had reached 125,000 annually. They did it then. We can do it now.

If the Congress and the American people will work with me to attain these targets, they will be achieved and will be surpassed. From adversity, let us seize opportunity. Revenues of some \$30 billion from higher energy taxes designed to encourage conservation must be returned to the American people in a manner which corrects distortions in our tax system wrought by inflation.

People have been pushed into higher tax brackets by inflation with consequent reduction in their actual spending power. Business taxes are similarly distorted because inflation exaggerates reported profits resulting in excessive taxes.

Accordingly, I propose that future individual income taxes be reduced by \$16.5 billion. This will be done by raising the low income allowance and reducing tax rates. This continuing tax cut will primarily benefit lower and middle income taxpayers.

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For example, a typical family of four with a gross income of \$5,600 now pays \$185 in Federal income taxes. Under this tax cut plan, they would pay nothing. A family of four with a gross income of \$12,500 now pays \$1,260 in Federal taxes. My proposal reduces that total by \$300. Families grossing \$20,000 would receive a reduction of \$210.

Those with the very lowest incomes, who can least afford higher costs, must also be compensated. I propose a payment of \$80 to every person 18 years of age and older in that very limited category.

State and local governments will receive \$2 billion in additional revenue sharing to offset their increased energy costs. To offset inflationary distortions and to generate more economic activity, the corporate tax rate will be reduced from 48 percent to 42 percent.

Now let me turn, if I might, to the international dimensions of the present crisis. At no time in our peacetime history has the state of the Nation depended more heavily on the state of the world and seldom, if ever, has the state of the world depended more heavily on the state of our Nation.

The economic distress is global. We will not solve it at home unless we help to remedy the profound economic dislocation abroad. World trade and monetary structure provides markets, energy, food and vital raw material for all nations.

This international system is now in jeopardy. This Nation can be proud of significant achievements in recent years in solving problems and crises.

The Berlin agreement, the SALT agreements, our new relationship with China, the unprecedented efforts in the Middle East are immensely encouraging, but the world is not free from crisis.

In a world of 150 nations where nuclear technology is proliferating and regional conflicts continue, international security cannot be taken for granted.

MORE

So, let there be no mistake about it, international cooperation is a vital factor of our lives today. This is not a moment for the American people to turn inward. More than ever before, our own well-being depends on America's determination and America's leadership in the whole wide world.

We are a great Nation -- spiritually, politically, militarily, diplomatically and economically. America's commitment to international security has sustained the safety of allies and friends in many areas -- in the Middle East, in Europe and Asia. Our turning away would unleash new instabilities and dangers around the globe, which, in turn, would threaten our own security.

At the end of World War II, we turned a similar challenge into a historic opportunity, and I might add, historic achievement. An old order was in disarray; political and economic institutions were shattered. In that period, this Nation and its partners build new institutions, new mechanisms of mutual support and cooperation. Today, as then, we face an historic opportunity.

If we act imaginatively and boldly as we acted then, this period will in retrospect be seen as one of the great creative moments of our Nation's history. The whole world is watching us to see how we respond.

A resurgent American economy would do more to restore the confidence of the world in its own future than anything else we can do. The program that this Congress passes can demonstrate to the world that we have started to put our own house in order. If we can show that this Nation is able and willing to help other nations meet the common challenge, it can demonstrate that the United States will fulfill its responsibilities as a leader among nations. Quite frankly, at stake is the future of industrialized democracies, which have perceived their destiny in common and sustained it in common for 30 years.

The developing nations are also at a turning point. The poorest nations see their hopes of feeding their hungry and developing their societies shattered by the economic crisis. The long-term economic future for the producers of raw materials also depends on cooperative solutions.

Our relations with the Communist countries are a basic factor of the world environment. We must seek to build a long-term basis for coexistence. We will stand by our principles. We will stand by our interests. We will act firmly when challenged. The kind of a world we want depends on a broad policy of creating mutual incentives for restraint and for cooperation.

MORE

As we move forward to meet our global challenges and opportunities, we must have the tools to do the job.

Our military forces are strong and ready. This military strength deters aggression against our allies, stabilizes our relations with former adversaries and protects our homeland. Fully adequate conventional and strategic forces cost many, many billions, but these dollars are sound insurance for our safety and for a more peaceful world.

Military strength alone is not sufficient. Effective diplomacy is also essential in preventing conflict and in building world understanding. The Vladivostok negotiations with the Soviet Union represent a major step in moderating strategic arms competition. My recent discussions with the leaders of the Atlantic Community, Japan and South Korea have contributed to our meeting the common challenge.

MORE

But we have serious problems before us that require cooperation between the President and the Congress. By the Constitution and the tradition, the discussion of foreign policy is the responsibility of the President. In recent years, under the stress of the Vietnam war, legislative restrictions on the President's ability to execute foreign policy and military decisions have proliferated.

As a Member of the Congress I opposed some and I approved others. As President I welcome the advice and cooperation of the House and the Senate.

But if our foreign policy is to be successful, we cannot rigidly restrict in legislation the ability of the President to act. The conduct of negotiation is ill-suited to such limitation. Legislative restrictions, intended for the best motives and purposes, can have the opposite result, as we have seen most recently in our trade relations with the Soviet Union.

For my part, I pledge this Administration will act in the closest consultation with the Congress as we face delicate situations and troubled times throughout the globe.

When I became President only five months ago, I promised the last Congress a policy of communication, conciliation, compromise and cooperation. I renew that pledge to the new Members of this Congress.

Let me sum it up. America needs a new direction, which I have sought to chart here today, a change of course which will put the unemployed back to work, increase real income and production, restrain the growth of Federal Government spending, achieve energy independence and advance the cause of world understanding.

We have the ability. We have the know-how. In partnership with the American people, we will achieve these objectives. As our 200th anniversary approaches, we owe it to ourselves, to posterity, to rebuild our political and economic strength.

Let us make America once again and for centuries more to come what it has so long been, a stronghold and a beacon light of liberty for the whole world.

Thank you.

END (AT 1:50 P.M. EST)

EMBARGOED FOR RELEASE
UNTIL 1:00 P.M. EDT

MAY 23, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

INTERVIEW OF THE PRESIDENT

BY

HENRY BRANDON

LONDON SUNDAY TIMES

ADALBERT DE SEGONZAC

FRANCE-SOIR

JAN REIFENBERG

FRANKFURTER ALLGEMEINE ZEITUNG

MARINO DE MEDICI

IL TEMPO

AND

ROBIN MACNEIL

BBC

DIPLOMATIC RECEPTION ROOM

11:03 A.M. EDT

MR. MACNEIL: Gerald Ford makes his first visit to Europe as President of the United States. It is an omnibus mission, a summit with NATO heads of Government, talks on the Middle East with the Egyptian President Sadat, and meetings with the Governments of Spain and Italy.

Today, Mr. Ford has invited us to the White House to discuss the issues facing the West. It is the first time an American President has met European journalists in a television program of this kind.

My fellow reporters are Henry Brandon, of the London Sunday Times; Adalbert de Segonzac, of France-Soir; Jan Reifenberg of the Frankfurter Allgemeine Zeitung; and Marino de Medici of Il Tempo of Rome, all Washington-based correspondents of long experience.

Mr. Ford's travels come at a pregnant time. He leaves an America somewhat doubtful about its world role as it absorbs the sudden, final collapse in Indochina. He faces a Western Europe hungry for reassurance, but again somewhat doubtful of America's present will and capacity to back up that reassurance.

Mr. President, we are gathered in the room from which Franklin Roosevelt delivered his famous fire-side chats to rekindle the American spirit during the great depression of the thirties. Do you see your travels to Europe as necessary to rekindle the spirit of the Atlantic Alliance?

MORE

(OVER)

THE PRESIDENT: I think the trip has a perhaps broader aspect or implication.

First, I should say that the closeness between the United States and the Western European countries has a long history and an important future. The trip, as I see it, is aimed at solidifying and making more cohesive this relationship economically, diplomatically and militarily.

I also see it as an opportunity for us to take a look at the past and consult about the future, and to make our personal relationships even better.

If we approach it with that attitude or with those viewpoints, it is my opinion that we, as well as the other allies, can make substantial progress.

MORE

QUESTION: So many commentators see the Europeans in need of some reassurance. Do you feel that is part of your mission?

THE PRESIDENT: I am sure that my presence there, and what we intend to say, and what we intend to indicate by our actions, will be very, very helpful in this regard.

QUESTION: Has your handling of the MAYAGUEZ incident, in effect, done some of that work for you by reaffirming America's will to respond when challenged?

THE PRESIDENT: I am sure that both domestically in the United States, as well as worldwide, the handling of the MAYAGUEZ incident should be a firm assurance that the United States is capable and has the will to act in emergencies, in challenges.

I think this is a clear, clear indication that we are not only strong, but we have the will and the capability of moving.

QUESTION: Mr. President, it seems to me that the handling of the MAYAGUEZ incident proved your own determined character but not necessarily the American will. It was short and it didn't need any Congressional decisions. What has weakened the credibility of the American commitments, I think in the eyes of the allies, are these restrictions and limitations that Congress has put on the Presidency. And then there is also feeling that a kind of neoisolationism is rising in Congress.

I was wondering how you would deal with this doubt in American credibility?

THE PRESIDENT: There has been a tendency during and as an outgrowth of the American engagement in Vietnam one after another limitations placed on a President by the Congress.

Now, I believe there are some new indications that indicate that Congress is taking another look and perhaps the MAYAGUEZ incident will be helpful in that regard.

There were some limitations, but we lived within them, but it was rather short and it didn't require an extensive commitment. But there are some things taking place in the Congress today that I think ought to reassure our allies that the United States, the President, the Congress and the American people, can and will work together in an extended commitment.

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Let me give you an illustration. This past week, the House of Representatives, in a very, very important vote, defeated an amendment that would have forced the withdrawal of 70,000 U.S. military personnel on a worldwide basis. And of course, that would have affected our commitment to NATO.

The vote in the House of Representatives was 311 to 95, as I recall. It was a much more favorable vote this year than the vote a year ago.

I think this is an indication that the American people are getting out from under the trauma of our problems in Vietnam. As a matter of fact, another indication, Senator Mansfield -- the Democratic leader in the United States Senate -- has always, in the past, been demanding and favoring a withdrawal of U.S. military personnel from NATO. Just the other day, he publicly stated that he was reassessing his position and wondered if it was not now the time to perhaps keep our strength there until certain other circumstances developed.

During the debate in the House of Representatives, the Democratic leader, Congressman O'Neill of Massachusetts, said this was not the time or not the place or not the number for the United States to withdraw troops from overseas.

What I am saying is, we may be entering a new era, an era that will be very visible and very substantive in showing the United States' capability and will to not only do something in a short period of time, but to stick with it.

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QUESTION: Are you taking a Congressional Delegation with you to Brussels?

THE PRESIDENT: No, I am not.

QUESTION: I was wondering whether from the European point of view -- I mean, I don't want to butt into Presidential business, it might not be very helpful for Members of Congress to explain the situation in Congress and it may also have some advantages, vice versa.

THE PRESIDENT: Let me answer this way: We have a continuous flow of Members of the Congress, Senators and Congressmen, traveling to Europe and I think it is good. They meet periodically with their counterparts in various European countries, so there is no doubt that the attitude of Congress will be well explained to heads of State and to other parliamentarians. I don't think it is necessary to take on this trip members of the House and Senate.

QUESTION: May I focus one moment on the shade of difference between the political and military type of assurances the United States can give to Europe? Europeans are concerned not as much as the link between the American security and the European security but between American security and what we may call the future of European democracies which are in trouble in some cases.

How do you look at the all-political problem from this point of view?

THE PRESIDENT: We, of course, have to be most careful that we don't involve ourselves in the internal politics of any country, European or otherwise. We, of course, hope that there is stability in any and all governments, in Europe particularly, and that the political philosophy of the party that controls the country is one that has a relationship to our own political philosophy not in a partisan way but in a philosophical way. And when we see some elements in some countries gaining ground, the Communists' element, for example, it does concern us.

I think Portugal is a good example. We, of course, were encouraged by the fine vote of Portuguese people. I think the Communist Party got only 12-1/2 percent of the vote and the non-Communist parties got the rest. But, unfortunately, that vote has not as of this time had any significant impact on those that control the government, but nevertheless we approve of the political philosophy of the people of Portugal. We are concerned with some of the elements in the government.

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QUESTION: Mr. President, could I come back to the Congressional question for a moment. Are you saying that as a result of the trends you see now in the Congress that you are no longer as you were at your press conference on April 3 frustrated by the restrictions that Congress has placed on the Chief Executive?

THE PRESIDENT: I said this was the beginning perhaps of a new era.

QUESTION: Could it lead to the Congress reversing itself on the War Powers Act?

THE PRESIDENT: I doubt that. I think the Congress felt that the War Powers Act worked reasonably well in the MAYAGUEZ incident. But there are some other limitations and restrictions imposed by Congress which I think are counter-productive or not helpful; for example, the aid cutoff to Turkey. Turkey is a fine ally in NATO. We have had over a long period of time excellent political and diplomatic relations with Turkey. I am working very hard, for example, to try and get the Congress to remove that limitation on aid to Turkey.

We had been successful in the Senate. We hope to do so in the House. But there are some others plus that that I hope we can modify or remove in order for the President to act decisively, strongly, in conjunction with the Congress, but not hamstrung by the Congress.

QUESTION: Mr. President, the Europeans have been deeply struck by a poll recently indicating that the American people would only accept military intervention to defend Canada and no other country. This seems to indicate a deep sense of isolationism or at least no isolationism and I wonder what you feel about that question, what you think of that goal and how you think you can react against that trend in your own country?

THE PRESIDENT: I am positive that that poll was an aftermath of our involvement in Vietnam. I believe that the United States, the American people, will completely live up to any international commitments that we have. That poll was taken in isolation, so to speak. It was not related to any crisis or any challenge. I think the record of the American people in the past is one that clearly indicates we will respond to a challenge, we will meet a crisis and we will live up to our commitments. The history is better than some poll taken in isolation.

QUESTION: You don't feel that there is, then, an isolationist mood in America at this stage?

THE PRESIDENT: I think there was one developing during and even to some extent after the war in Indochina or in South Vietnam, but now that we are freed of that problem, it seems to me that the American people will feel better about their relationships around the world, will want me as President, and will want the Congress as their Congress to live up to the commitments and be a part of an interdependent world in which we live today.

QUESTION: Mr. President, could we move on to the relations with the Communist world and the question of detente. It seems to many that the United States is moving into a new emphasis in its foreign policy, away from detente towards more support for the allies.

In fact, Secretary Kissinger has even used the word of the need of a new abrasive foreign policy. How would you describe the post-Vietnam foreign policy, and is it shifting away from detente?

THE PRESIDENT: I don't think there is a contradiction between reaffirmation and strengthening of our relationships with our allies and a continuing of detente.

The United States, through many Administrations following World War II, has had a consistent foreign policy. It is my desire, as President, to build on this foreign policy that has been developed over the years.

It does encompass working with our allies in Europe, in the Middle East, in Africa and in Latin America, and Asia, and in other parts of the world, and I think by strengthening those relationships, it gives us a better opportunity to use detente for the purposes for which it was designed.

Detente was not aimed at solving all the problems. It was an arrangement -- and still is -- for the easing of tensions when we have a crisis.

Now, it can't solve every crisis, but it can be very helpful in some, and it can have some long-range implications; for example, SALT I and hopefully SALT II.

What I am saying is that our policy can be one of working more closely with our allies, and at the same time working, where we can, effectively with our adversaries or potential adversaries.

QUESTION: Mr. President, Secretary Kissinger has just repeated the American commitment to West Berlin. He called it, as I recall it, the acid test of detente.

The Soviet Union has recently challenged the four-power status of Berlin by raising some questions about East Berlin.

Do you think that this is helpful for detente or that this is something which goes into the general area as you just described?

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THE PRESIDENT: It would seem to me the broad description I gave can be very applicable to the problem raised involving Berlin. If the allies are strong, that will have an impact on any attitude that the Soviet Union might take, and at the same time the existence of detente gives the Soviet Union and ourselves an opportunity to work on the solution of the problem in an atmosphere with less tension.

QUESTION: Do you get the feeling in Congress that there is a certain suspicion that the Russians are getting more out of detente, as some of the leading Members of Congress have said, than the United States?

THE PRESIDENT: I think there are some Members of Congress -- and perhaps some in the United States in the nonpolitical arena -- who have the impression that the Soviet Union has been a bigger beneficiary than the United States.

I strongly disagree with that viewpoint. I think detente has had mutual benefits. I would hope that as we move ahead, the mutuality of the benefits will continue.

I don't believe that those who challenge detente and say it is onesided are accurate. I think they are completely in error.

QUESTION: May I put the question differently. Since detente is a way of looking at current affairs, do you subscribe to the argument that the United States should only do what it finds in its own interests no matter how appealing detente may look at times?

THE PRESIDENT: I am not quite clear--

QUESTION: Should the United States stick only to what it finds in its own interests, no matter how appealing detente may look?

THE PRESIDENT: Do you mean in the United States' interests vis-a-vis the Soviet Union or the United States vis-a-vis its allies and friends around the world?

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QUESTION: Also, in terms of, say, the European Security Conference, for instance, where the question has been raised as to what the usefulness of this whole exercise would be for the Europeans and the Americans without a counterpart?

THE PRESIDENT: I would hope that detente would have a broader application than only in our own self-interest. But I must say that we have to be very certain that what we do does not undercut our own security. Detente has been used on some occasions, if my memory serves me correctly, to ease tensions on a broader area than just in U.S.-Soviet Union relations.

QUESTION: Can you tell us whether the recent talk between Dr. Kissinger and Mr. Gromyko have helped to overcome some of the obstacles that you encountered on SALT?

THE PRESIDENT: They, of course, went into the status of our SALT II negotiations. I don't think I should discuss any of the details. I would simply say the talks were constructive. I think they will be helpful in the resolution of some of the negotiations that had to follow after the Vladivostok meeting last December.

QUESTION: Dr. Kissinger has said that detente should not be selective. Do you feel that from now on when there are certain problems going on peripherally of the Western world and of detente you should take the Russians to task on those subjects in a harsher way than you have done up to now in Vietnam, for example, and the help they gave to the North Vietnamese?

THE PRESIDENT: We have indicated quite clearly that we didn't approve of the supplying of Soviet arms to the North Vietnamese. We have clearly said that detente is not a fishing license in troubled waters.

I think that the implication of that statement is very clear. We intend to be very firm, but detente gives us an opportunity to be flexible and flexible in a very meaningful way.

So, it will be orchestrated to meet the precise problem that is on the agenda. We can be firm when necessary and we can be flexible when that attitude is applicable.

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QUESTION: Mr. President, on SALT I, one more question, if I may. Do you think, sir, that to solve the problems that have come up in SALT II it requires a political impetus and decision by the two leaders involved; namely, yourself and the General Secretary?

THE PRESIDENT: We found from the meeting in Vladivostok that there were certain issues that had to be solved at the very highest level, and Mr. Brezhnev and myself did do that. I suspect that as we move into the final negotiations it will be required that the General Secretary and myself make some final decisions and therefore I would hope that the preliminaries can be gotten out of the way and most of the issues can be resolved, and then the final small print, so to speak, can be resolved when Mr. Brezhnev and I meet, hopefully, this fall.

QUESTION: Mr. President, you said a moment ago, talking about detente, if the allies are strong, detente will work. A lot of commentators -- and one noted one in Newsweek this week -- see a perceptible sliding among the allies in Western Europe with the growth of pacifist spirit, a growth of Marxist philosophy in certain governments in the West and wonder and are asking whether they are not going to end up in the embrace of the Soviet Union in making an accommodation with the Soviet Union.

Do you have any slight fears as you set out for Europe that that is what is happening to the Western Alliance and you need to do something about it?

THE PRESIDENT: My impression is that the Western Alliance is very strong and there is no reason why it can't be made stronger. I have followed the recent meeting of the Secretaries of Defense, so to speak, and the report I got back was encouraging. We do have to upgrade, we do have to modernize our military capability in the Alliance and I think we will. I am convinced that in the political area that the meeting we are going to have will be helpful and beneficial in that regard.

So although I see some problems in one or more countries internally, I think basically the Alliance is strong and as long as our allies in Europe see that the United States is not going to pull out, that the United States will continue to be a strong partner, I think this will strengthen the forces favoring the Alliance in our European allies.

QUESTION: Mr. President, there are quite a number of problems in the Alliance at this stage all along the Mediterranean border -- in Portugal, in Turkey, in Greece. You say, however, that the Alliance is strong; therefore, you believe that these problems can be settled without too much difficulty?

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THE PRESIDENT: I certainly recognize the problem between Greece and Turkey involving Cyprus. It is a tragic development, unfortunate, but I am encouraged. There have been some recent talks between the foreign ministers of Greece and Turkey. There are to be both Karamanlis and Demirel in Brussels and I hope to meet with both and see if we can in any way be helpful. I think this is a solvable problem and there is a beginning of the negotiating process that hopefully will lead to a solution. We have to recognize that everything is not perfect but that does not mean we cannot solve those problems that are on our doorstep.

QUESTION: Now, Mr. President, there is another problem which is perhaps more important still which is the one of Portugal -- it is going to make, I suppose, discussions in NATO very difficult with the Portugese Government which is dominated by the Communists. How do you feel that this can be handled? Do you think that eventually a new law or new regulation should be made so that countries who don't follow the ideology of the Western world can leave NATO or should be encouraged to leave NATO such as the pro-Communist Portugese Government?

THE PRESIDENT: I am concerned about the Communist element and its influence in Portugal and therefore Portugal's relationship with NATO. This is a matter that I will certainly bring up when we meet in Brussels. I don't see how you can have a Communist element significant in an organization that was put together and formed for the purpose of meeting a challenge by Communist elements from the East. It does present a very serious matter and it is one that I intend to discuss while I am in Brussels.

QUESTION: Mr. President, it has been reported that when the Portugese elections were approaching and it looked as though the Communists were going to do much better in the elections than they actually did that you were in favor by some action by the United States to reduce the possibility of their success and possibly using the CIA in some form.

Could you tell us about that?

THE PRESIDENT: I don't think I ought to discuss internal matters that might have involved another country. The elections turned out very well. We had no involvement so I think I should leave it right there.

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QUESTION: Mr. President, you and your mission in Europe will be very close to Portugal. You will be stopping in the Iberian Peninsula in Madrid. Spain is one country which does not belong to the NATO community, and it does not belong to the Europe of Nine, either.

The Spanish people have been asking for a long time to be more closely associated with the collective European defense setup, and your Government perhaps has looked with even more sympathy of recent to the Spanish request.

How do you view this policy by the Spanish Government at this time?

THE PRESIDENT: The United States has had a long and friendly relationship with Spain. In 1970, we signed a friendship agreement, and in 1974 we had a Declaration of Principles that involved our relationship in many, many areas on a broad basis.

We think Spain, because of its geographical location, because of other factors, is important in the Mediterranean in Europe. We believe that somehow Spain should be eased into a greater role in the overall situation in Europe.

QUESTION: Actual membership in NATO?

THE PRESIDENT: I am not sure that is something that has to be done at the present time, but it does seem to me that Spain, for the reasons I have given, ought to be brought more closely as far as our relations in the Alliance.

QUESTION: Has the Portuguese development, Mr. President, speeded that thinking?

THE PRESIDENT: I don't believe so, consciously. It may have subjectively.

QUESTION: Mr. President, in your first speech when you became President, first important speech, you talked of Europe, you talked of Alliance, and you never mentioned the word Europe, and you were criticized for that in Europe and you still since have given the impression that for you, Europe is more the NATO organization than the community.

I would like to ask you, do you consider Europe as an entity? Do you think it should have its own independence and its own unity? What are your views on that?

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THE PRESIDENT: I do consider Europe as an entity. On the other hand, we have direct relationships with the major nations in Europe through NATO.

On the other hand, we do in the future and have in the past worked within the economic system with Europe as a whole.

For example, we have worked very closely with the International Energy Agency, which is a very important part of our efforts to avoid future problems and to develop some solutions in the field of energy.

We look upon Europe as an entity, but on the other hand, we deal in a specific way with Europe, or major nations in Europe, through our NATO Alliance.

QUESTION: How vital do you think is Britain's participation in Europe?

THE PRESIDENT: I think it is very important. I don't believe I should get involved in how the vote is going to turn out on June 5, but I think Europe is strengthened by Britain's participation.

I think our overall Western world economic strength is likewise improved and strengthened by Britain's participation.

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QUESTION: You mentioned the International Energy Organization and there is a good deal of dissatisfaction among the European governments that they have done much more in reducing the consumption of petrol than the United States has.

I know you have tried, and I was wondering now, in view of the fact that Congress did not come up with a bill, are you going to raise the import tax by another dollar?

THE PRESIDENT: I agree with you entirely. The European nations have done a much better job in reducing the consumption of petrol, or gasoline as we call it, and I admire them for it.

As President, I have tried to convince the Congress that they ought to pass a comprehensive energy program that would aim at conservation on the one hand and new sources of energy on the other.

Now, I am going to make a decision in the next 48 hours as to whether or not I will increase by \$1.00 the import levy on foreign oil. The Congress has failed very badly. They have done literally nothing affirmatively to solve our energy problem.

Perhaps the imposition of the extra dollar will stimulate the Congress to meet the problem. That is important from the point of view of not only ourselves, but the consuming nations -- those in Europe, ourselves, Japan. I am very disturbed, I might say, about Congress' lack of affirmative action.

QUESTION: The statement by the Shah that he is going to increase the price again by 25 percent has not helped you in Congress, has it?

THE PRESIDENT: I think it probably has helped us because if the price of oil is increased and we have no defense against it, it proves the need and necessity for the United States to have the kind of an energy program that I have proposed.

If we had that program in place, the one I recommended to the Congress in January, the threat of an increase in the oil price would be far less. It is the lack of action by the Congress that puts us more and more vulnerable to price increases by OPEC nations.

So, I hope this prospective, or threatened, oil price increase will get the Congress to do something such as what I have recommended. Then we would not have to worry about that.

MORE

QUESTION: Did you try to persuade the Shah not to raise the price of oil as he is quite influential in the group of OPEC nations?

THE PRESIDENT: We talked about it. He indicated that there might be an increase. I did point out that it could have very adverse economic impacts, not only on the consuming nations, like Western Europe, the United States, Japan, but it could have very, very bad effects on the less developed nations who are more of a victim than even ourselves.

I would hope that there would be a delaying action, but in order to make ourselves less vulnerable for this one and for other threatened increases in the future, the United States has to have a strong energy program, an energy program that is integrated with that of Western Europe through the International Energy Agency. And I can assure you that we are going to keep urging and pressuring and trying to move the Congress so that we end up with a kind of a program that will preclude these increases.

QUESTION: Could I ask one other question on energy? Defense Secretary Schlesinger said in an interview this week that if there came another oil embargo the United States would not be so tolerant this time and could act, and he even mentioned military action. Could you explain what that means?

THE PRESIDENT: I would rather define our policy this way. We have sought throughout the Middle East to have a policy of cooperation rather than confrontation. We have made a tremendous effort to improve our relations with all Arab countries and we have continued our efforts to have good relations with Israel.

If we put the emphasis on cooperation rather than confrontation, then you don't think about the potentiality that was mentioned by the Secretary of Defense.

Since we do believe in cooperation, we don't consider military operations as a part of any policy planning that we have in mind.

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QUESTION: But it is a contingency not entirely ruled out if things should go wrong?

THE PRESIDENT: Well, we put emphasis on cooperation, not confrontation, so we in effect rule out the other.

QUESTION: In the spirit of cooperation we are looking at the United States for leadership in the area of development of alternate sources of energy. We are particularly looking at you for obtaining a nuclear fuel -- enriched uranium, natural uranium, and, very important for us, access to technology.

What do you plan to do in this critical area for many countries of the world?

THE PRESIDENT: It is very critical. I will be making a decision in the relatively near future as to how we can move affirmatively in this area to provide adequate sources of enriched uranium. We must do it. The basic problem is whether you do it through government on the one hand or private enterprise on the other.

We will have a decision. We will get going because we cannot tolerate further delay.

QUESTION: Mr. President, there is a great concern in the world about the proliferation of nuclear matter, and the more nuclear power plants are going to be built, the more the United States is going to supply them, the more of that material will be available in the world.

I was wondering whether -- the question is the reprocessing of this material. I wonder whether it would be possible to find a multilateral way of trying to reprocess this material because there is a question of prestige with so many governments involved.

THE PRESIDENT: We are concerned about the proliferation of nuclear capability. We are trying to upgrade the safeguards when the power plants are sold or made available. We think there has to be continuous consultation on how we can do it technically and how we can do it diplomatically.

We are going to maximize our effort because if the number of nations having nuclear armaments increases significantly, the risk to the world increases, it multiplies. So this Administration will do anything technically, diplomatically or otherwise to avert the danger that you are talking about.

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QUESTION: Mr. President, the oil and energy race is intimately tied up, of course, with the Middle East. You and Secretary Kissinger have said recently that your reassessment of policy in this most explosive and dangerous area which has been going on two months is not yet complete. It is a little difficult to understand how you could have spent two months and are, as you say, meeting President Sadat next week with no new policy.

THE PRESIDENT: I think my meeting with President Sadat is a very understandable part of the process. He, of course, has a deep interest and concern in a permanent peaceful solution in the Middle East. I want to get first hand from him his analysis, his recommendations. Of course, that meeting will be followed by one with Prime Minister Rabin here on June 11 where I will have the same intimate relationship, where he can give me his analysis and his recommendations and some time shortly thereafter we will lay out what we think is the best solution.

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QUESTION: Mr. President, it has been some time since there was an authoritative statement of United States policy vis-a-vis the Middle East with reference to UN Resolution 242, which calls for secure boundaries and withdrawal from occupied territories.

Would you care to state the policy once again?

THE PRESIDENT: Of course, the United States voted for UN Resolution 242 and 339, so we do believe that within the confines of those words, any policy in the longrun has to fit, but the details, because they were quite general in many respects -- the details will be set forth in the policy statement that I will make sometime after meeting with President Sadat and Prime Minister Rabin.

QUESTION: Do you think that the question of Russian policies and overtures in the Middle East should be duly linked perhaps to other areas?

THE PRESIDENT: The Soviet Union, as a co-chairman of the Geneva Conference, obviously has an interest in and a responsibility for progress in the Middle East. I notice that they have been meeting officially, diplomatically, with representatives from Israel, and they have been meeting in the same way with many Arab nations.

I think this could be constructive, and I certainly hope it is.

QUESTION: Mr. President, Mr. Schlesinger has again stressed the possibility of using force in case of an embargo in the Middle East, and he said that if there was another embargo, the United States would not have so much patience as last time.

How do you feel about that, and in what case do you think military force could eventually be used?

THE PRESIDENT: As I said a moment ago, the policy of this Government is one of cooperation, not confrontation. And if you put the emphasis on cooperation, then you don't include within any plans you have any military operations.

I don't think I should go beyond that because everything we are doing in the Middle East -- the numerous meetings I have had with heads of states, the many consultations that Secretary Kissinger has had with Foreign Ministers -- it is all aimed in trying to, in a cooperative way, solve the problems of the Middle East, and none of those plans that we have incorporate any military operations.

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QUESTION: Mr. President, it would give us a longer perspective of history. Some of your aides believe that the West is in decline, and I was wondering whether you share that outlook?

THE PRESIDENT: I certainly do not. I think the West is in a very unique situation today. The West, so to speak, by most standards is technologically ahead of any other part of the world. The West, I think, under our system of free government, is in a position to move ahead taking the lead in freedom for people all over the world.

It seems to me that whether it is substantively or otherwise, the West could be on the brink of a leap forward, giving leadership to the rest of the world. So, I am an optimist, not a pessimist.

QUESTION: There is one aspect of the Middle East, Mr. President, which possibly concerns your visit to Europe this next week. Some of your officials have said that one of your concerns was possibly to suggest to the Alliance that it widen its sphere of attention and interest. Does that mean into the Middle East and what exactly do you have in mind?

THE PRESIDENT: I don't think the Alliance, as such, ought to involve itself in the Middle East. Of course, every one of the countries in Western Europe, including the United States and Canada, have an interest in a permanent peaceful solution in the Middle East and each of the countries will have an impact, some -- for one reason or another -- more than other nations. But I don't think the Alliance should, as a unified body, move into these very delicate negotiations.

QUESTION: What is this initiative that you are reported to be considering to suggest that it does widen its sphere of attention?

THE PRESIDENT: It would be in a broad, but not substantive way. The impact of each nation, if we could all agree, whether it was done through the Alliance, would be extremely beneficial and most helpful in getting the Arab nations, as well as Israel, to resolve some of these longstanding volatile questions.

QUESTION: Do you mean asking individual members of NATO to do more in the Middle East?

THE PRESIDENT: Right, and to not officially coordinate their effort but unofficially work together.

MORE

QUESTION: Back in NATO -- I would like to move back to Europe very briefly -- I would like to come back to your answer on your attitude towards the Common Market. I had a feeling by what you were saying that you have a slightly cool attitude towards the Common Market.

Do you still believe and support the unity of Europe in the same way as President Kennedy supported but which was less strongly supported by President Nixon? Where do you stand exactly?

THE PRESIDENT: I give full support to the Common Market, the European community efforts in trying to resolve some of the difficult economic problems. Under this Administration, under my time as President we will work together, I hope, and there have been some recent illustrations where we have been able to resolve some very sticky problems in the field of agriculture in a very constructive way.

I think this will be our attitude and I have some good evidence, I think, by recent developments that will be the attitude of the community.

QUESTION: Mr. President, are you apprehensive of European rivalry?

THE PRESIDENT: Rivalry in the broadest sense?

QUESTION: Yes, in the broadest sense.

THE PRESIDENT: I am not apprehensive because I think America is strong and we have the will and we have got the technical capability. I think we can compete with any segment of the globe and I happen to think that competition is good. I don't like to discount it but I think competition is beneficial to everybody.

QUESTION: Mr. President, could I just conclude as we come to the end of our time. Could I just conclude by asking you a quick personal question?

Since you have spent your first nine months in office cleaning up messes and reacting to things that were left on your plate as you took over the office, do you now feel yet that you have put a Ford stamp on the Presidency?

THE PRESIDENT: I think we have made a tremendous amount of progress in achieving that. Let me take two or three examples.

MORE

We have a Ford energy program developed entirely under my Administration. We have a Ford economic program which will be successful. We are making substantial headway in building on past foreign policy but as we work toward a SALT II agreement, as we work toward some of the other problem areas in foreign policy, I think you will see a Ford Administration imprimatur and therefore I am optimistic that we can see as we look back historically that before this date there was clear and convincing evidence both at home and abroad there was a Ford Administration.

QUESTION: Mr. President, thank you for talking to us. May I on behalf of my colleagues wish you a very pleasant travels to Europe, a continent of millions of whose people will have been watching this program. Thank you.

THE PRESIDENT: We are looking forward to it.

MR. MACNEIL: Thank you.

END

(AT 11:52 A.M. EDT)