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1a. Remarks	<p>1. <u>JWH to Ron, 7/14/75</u></p> <p>Remarks of the President and Henry Kissinger to after a breakfast meeting with 150 select Congressmen (9 pp.)</p>	7/9/75	C(A)

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WHM, 12/19/84

February 26, 1975

OFF-THE-RECORD REMARKS
OF THE PRESIDENT
AT THE BREAKFAST WITH
MEDIA EXECUTIVES
IN HOLLYWOOD FLORIDA

8:17 A.M. EDT

THE PRESIDENT: Thank you very much, Ron.

I thank you all for coming. I particularly enjoy the opportunity of getting together with editors, publishers, owners and otherwise of radio and television outlets.

What I would like to do this morning is to speak for a very few minutes and then open the meeting, the breakfast to questions.

We began this series of trips outside of Washington because we came to the conclusion that we were not necessarily getting our message across, getting the facts out to the various areas and, number two, we felt it was highly desirable that we get some input from people other than those in Washington.

We have been to Atlanta, to Houston, to Topeka and now here in Hollywood, or the Dade County area, although I guess Hollywood is in Broward County, and we are going elsewhere in the months ahead.

Right at the moment there are two major problems that I think the country faces: One, the economic one, which is obvious to everybody; two, something that is not quite as obvious, but is probably as fundamental, which is an energy difficulty of some serious consequences.

We foresaw the short-range problem of the economy and the long-range difficulties of the energy problem by putting almost our exclusive total emphasis in the State of the Union on those two problems.



We recommended, as you know, a tax reduction of about \$12.5 billion, most of it -- \$8 billion -- in the area of personal income tax rebates and \$4 billion in business tax reductions in a program to increase the investment tax credit from 4 to 12 percent to utilities, and from 7 to 12 percent on a one-year basis for business as a whole.

We made a very deliberate decision at the time we put that program together. Number one, that time was essential. If we were going to provide any stimulant for the economy, we had to simplify the proposal so that Congress could consider it, act promptly and get the needed input into our economy.

We had lots of good proposals that would have added a provision here or a provision there but we said simplicity, directness, that is the way to stimulate the economy.

Our proposal was to give the personal income tax rebates on the 1974 tax pay. Some people raised questions about that. It seemed to us--at least to me, I should say--the most persuasive argument was that a fellow who was unemployed in 1975 would not get any benefit if you reduced the withholding, but if he had a job in 1974 and had been paid and had an income tax payment that he made, he would get a refund.

So, we think the rebate proposal was the better approach, and we think the investment tax credit recommendations were sound, because it would have forced people who wanted to use that as a tax reduction in business, to do it within a limited period of time, expanding plant or purchasing new equipment.

The Committee on Ways and Means has been acting very deliberately, and the net result is that we are not going to have a tax reduction bill considered by the House until this week, and more likely next week. That is what, five weeks after I made the recommendation, and they have not started hearings on the Senate side yet.

So, I am very concerned that if this program is going to have any impact in stimulating the economy, the likelihood is quite remote.

Rogers Morton was on the Committee on Ways and Means, so he knows the timetable they operate on when they get in a conference with the Senate. My judgment is it will be at least June 1 before they pass a bill; I mean, to actually get a bill down to the White House to be signed.

Hearings in the Senate, Senate action, this proposal that was acted on in the Democratic caucus yesterday on the House side is the beginning of a Christmas tree tax bill, which does away with all the simplicity and the directness that we thought was important for time saving.

I hope you can put some pressure on Members of the House or the Senate. It seems to me time is even more urgent now than it was when we submitted our thoughts in January to the Congress.

Let me say a word or two about the energy program. Better than a year ago Congress and the White House said that if we were going to make an honest evaluation of our problems in energy and come up with some answers, there ought to be a thorough study, and it took them a year and they finally came up with the Project Independence report.

This is the document from which most authoritative action or ideas come for the solution of the energy program. In November, when it came to my desk, and for the next two months after that, under the guidance of Secretary Morton and those on the Energy Council, we went through option after option to try and decide which approach was better -- gasoline tax, straight allocation, a proposal which we have recommended, the price mechanism for one, conservation, and two, the stimulation of new sources of energy.

We finally came up with this package, which I think is sound. It will conserve one million gallons a day in 1975, two million gallons a day by 1977, of foreign oil imports.

That is number one -- conservation.

Number two, we must have a stimulant in the program to get alternative sources developed, further exploration and development of domestic sources of oil, the greater utilization of coal, the expansion of our nuclear capability, the more exotic and imaginative fuels, geothermal, solar, et cetera.

When you look at this variety of approaches, we felt that we had to have a \$2 import tax on foreign oil imports, a \$2 refinery tax on domestic oil, the decontrol of old oil in the United States, the decontrol of new natural gas, a windfall profits tax on oil profits, and with that \$30 to \$31 billion that we would get, we would then -- and this is what is not understood too well -- Uncle Sam takes in \$30 billion and in order to provide equity, that money goes back to people, goes back to individuals in the extent of \$16.5 billion by a reduction in withholding.

It goes back to business, \$6.5 billion, through a reduction in your corporate tax rate from 48 percent to 42 percent. It goes back to state and local units of government, \$2 billion, through the general revenue sharing formula. Uncle Sam has to pay more for energy, like everybody else under the program. Uncle Sam keeps that added money, some \$3 billion.

The poor who have no income but have added energy cost, people on retired income, amounts to about \$2 billion. We would recommend the giving of a straight check of \$80 per person, per adult, and that would help to equalize their added energy costs.

Where do we stand? We stand right now in a kind of head-to-head confrontation. If I know anything about Washington, I know what the inclinations are for Congress, and this is not partisan, this is the way it works.

They would much rather postpone hard decisions, if they can get away with it, and we have recognized that in the Congress there has been an energy problem, but it was not anything that was acute or serious, except for the embargo that took place in October of 1973. As soon as that was over, Congress said, "Well, really there is not any energy problem."



The truth is it is very serious. So, when we finally made up our options, I said, "How can we force Congress to act," and fortunately they had given the President this authority -- since 1962, I guess--to impose levys on foreign oil imports, and there was a 63 cent levy.

So, I said, "I will put an extra dollar on February 1, an extra dollar March 1, an extra dollar April 1. The Congress got very concerned that this would force them to act, so they have spent since January, a great deal of time finding a way to prevent me from forcing them to act.

They have not done one thing, one hearing on a program, either my program or one of their programs. I think we are now getting majority party -- and this is proper -- to get a plan.

There is a lot of controversy within their party for a plan, but at least they are focusing in on the problem. I have some options. I am going to veto it. I think we have got enough votes to sustain the veto.

Some of my advisers say, "Let them override, then they have a self-imposed deadline and then they are really under the gun." But I hope we can find some answer that is moderating or a compromise position. That is where we stand.

I would be glad to answer any questions, and we have Rogers Morton, Bob Hartman, Bill Seidman, Bob Mead, and Ron Nessen. Any one of us would be glad to answer any questions.

Q On this subject?

THE PRESIDENT: On any subject, Jack.

Q I have a question.

THE PRESIDENT: Surely.

Q I feel like the man who always wanted to know the answer to this but was always afraid to ask.

I don't believe that at any time in our history -- perhaps I am wrong about this -- that we ever had prosperity and overly high interest rates. I have not often agreed with Wright Patman or the Senator from Wisconsin, but as a businessman, in addition to being an editor, I know that we at least defer many commitments for needed equipment that we would ordinarily buy were it not for the fact we had to borrow money at what we consider to be excessively high interest rates.

I know this comes primarily under the Federal Reserve system, but I am wondering how you expect to achieve a measure of better times and prosperity with tight money. I don't usually run with this other crowd, but on this one subject, at least, the subject of high interest rates has bothered me, and especially when they were more excessive than they are now.

What influences can be brought to bear either on the Federal Reserve Board or elsewhere to make it easier for businessmen to borrow at more reasonable rates and therefore help to expand the economy instead of contracting it?

THE PRESIDENT: It is very interesting, Jack. I spent the last half hour before I left Washington yesterday with two of my economic advisers on that precise problem, not quite with the focus that you have put on it, but we have had, for a period up to a month or so ago, a very tight money situation with extremely high interest rates.

For the last month or so -- and I don't understand all these things, but I can look at a chart and digest the chart -- but for the last two months in what they call M-1 and M-2 money stocks, and so forth, there has been a precipitous decline.

This is confusing to a good many economists because with the decline in interest rates as reflected in these charts, there has not appeared to be any expansion of money, and that is a phenomena that the various economists are concerned about.

Arthur Burns testified yesterday, you may have seen, and he was being pushed as to why there was not any increase in the supply of money. They have tried, really.

The problem is -- as I understand it in a nontechnical sense -- is that the banks have become more liquid, the money has not been borrowed and the net result is it does not appear that we are getting 6 or 8 percent increase in the supply of money.

How does that get back to your question or problem? Bill, if you want to correct me on any of these terms, don't hesitate to do so.

The thing that worries many people is that, number one, the Fed is not getting enough money out into circulation and since it does not seem to be expanding interest rates or dropping precipitously and could go down more.

Number two, if they do too much of that, within six to eight to ten months you will be right back where we were before with increased inflation of serious magnitude, again high interest rates, back where we were about ten or 12 months ago, and the kinds of cycles that we have been in economically for the last several months.

The best judgment that I can make is that the Federal Reserve is cognizant of the need for an expansion of money. They are hopefully going to expand it at a rate of 6 to 8 percent. If they do, there should be a lower interest rate level and ample money for the expansion or recovery of the economy here in this country.

Q A general question. Do you feel the depletion allowance is tied to the --

THE PRESIDENT: I think you have to take a look, number one, at what I understand the proposal is. As I am told, it is in effect a proposal only to affect the independent oil producer. It does not help or would not be beneficial to the major oil producers.

Is that right, Rog?

SECRETARY MORTON: There would be, as I understand it (Inaudible.)

THE PRESIDENT: I frankly only know what I have read in the papers because they did not submit it to me before they considered it yesterday in their caucus. All I can say is I wish they had postponed that issue for what is thought to be the proposed tax reform legislation which could come along at a subsequent time I think appropriately.

We will get a good reading on whether that is good or bad, at least from the oil industry's point of view, when it gets over to Russell Long's committee. Russell Long is an expert and has great interest in oil depletion, so it will be well tested as to its applicability by Russell, and his committee on the Senate side.

All I can say is we will take a good look at it. I wish they had not tried to put it on this bill, and if the Senate goes along, why we will have to make that hard decision.

Q Can I ask just one thing; that is, the windfall profits tax that we have submitted obviously has to be recalculated if the depletion allowance is included in this. It makes it a very difficult situation, but you will not have any historical background on which you can base a windfall profits tax that we have today. How much is that windfall profits tax?

THE PRESIDENT: Of course, one of the things the Congress is probably going to do, instead of having just the windfall profits tax, they are talking about a plowback provision, which would permit a company or companies to take the so-called windfall profits and plow them back and thereby decrease their tax liability.

If I were to gamble right now on what the Congress would do, I would gamble that they will incorporate a plowback provision.

Wouldn't you, Rog?

SECRETARY MORTON: I would think they would, particularly they would take off the depletion allowance, and this would be, in fact, another way of getting at it.

The depletion allowance is being dealt with not on economic grounds but on political and so-called moral grounds, and that is completely misunderstood. I think they are trying to sop, particularly with the independent producers, by using a plowback provision.

The thing that is wrong with that is that the windfall profits tax is designed to self-destruct over a period of time, and if you have to use a plowback type of approach, you then freeze that tax in and it becomes an integral part of the tax structure of the natural resource business and then you have apples and oranges mixed up, one program for oil, one for coal and one for other minerals.

The best thing that could possibly happen is leave the depletion allowance just exactly like it is and then deal with the windfall profits tax as a counter-proposal to deregulation, and then after the economy settles down, the windfall profits tax would no longer be necessary.

It is a crime that the President's plea for simplicity is not being heeded because we are going to really get ourselves into a deep hole, I think, as far as resource development is concerned over the next 25 years.

THE PRESIDENT: Yes, sir.



QUESTION: I would like to say, first of all, that I certainly share and reemphasize Mr. Morton's conviction on this interest rate problem.

As a consumer of borrowed money rather than a marketer, I am afraid, unquestionably, all too often, there has been variance between the practical application of these day-to-day, month-to-month problems and what a chart might show you, but on a related subject, I have had trouble reconciling a paradox in the existing situation on the investment tax credits.

Since many years ago, when it first came into existence, at a particular point in time, it was my recollection that one of the secondary objectives was to attempt to increase productivity as much as to increase purchases. Today, it seems to me, the primary objective is stimulation of certain portions of the economy, and we certainly are not in that business, so we have no self-serving interest.

It appears to me that, second only to the automobile business, there is an industry and a company which is in desperate need of stimulation, and that is the construction business. And my recollection of the previous and the current investment tax credit plan is that it does not apply to permanent real estate construction. It applies only to equipment, and if my interpretation is true, it would seem to me there would be some merit in considering broadening the application of the investment credit.

All I can do is give my own personal reaction. We are consumers in construction. We are not in that business.

I know, for example, of one major piece of construction that we are contemplating that I would have to say, in all honesty, that a broader application of the investment tax credit would be a considerable encouragement to affirmative decisions rather than "Let's wait and see what happens." It might be a little more complex to administer, but it occurs to me it certainly would be potential stimulus to an industry that is in desperate need of stimulation.

THE PRESIDENT: Let me give a quick answer, and then I will ask Bill Seidman to comment on any details.

In the effort to get quick action and not have a delay, we decided, in our recommendations, not to make any structural changes in the investment tax credit, simply to increase the percentage from four to 12 for utilities and from seven to 12 for business, generally.

Now, the House committee has not taken our recommendations. They have proposed a permanent, with a 10 percent ceiling.

Now, Bill, do you want to add?

MR. SEIDMAN: At present, the tax reform legislation, that is going to be considered later in the year, does contain suggestions for a total restructuring of the investment credit. In the stage it was in when it was left by the Ways and Means Committee last year, it still did not include plant, but there have been several suggestions that it ought to include that. And when the tax reform bill is taken up later on this year, that will be one of the suggestions that will be considered.

THE PRESIDENT: I think it is our contemplation that, when we recommended the broader tax reform bill, we would expand it along the lines you have suggested. But you can see, it does get complicated, and we were trying to hone the first step into action. And hopefully, then, on a second level approach, to get into the question of restructuring investment tax credit.

QUESTION: Mr. President, you talked about the tax credit. You are proposing about a \$52 billion deficit this coming year. We all know that if you continue deficit spending there is a limit as to our capabilities to handle our budget. At the same time of the continuation of deficit spending, would you say, Congress has enacted certain bills that would be very difficult to cut back, yet, Arthur Burns and Bill Simon have been trying to push Congress into cutting major programs and at least try to give them a reasonable balanced budget. It is a very difficult question -- what year can we look to really getting down to real, basic economics in trying to balance the budget, in trying to live within our means, instead of deficit spending?

THE PRESIDENT: Let me give this answer. If we had had, this year, an economy as it was two years ago, we would have a balanced budget, and in the next year, we are anticipating a \$52 billion deficit.

If we were to have an economic situation comparable to what it was two years ago, you would have a balanced budget. That sounds almost unbelievable, but let me tell you what has happened. When President Nixon submitted the budget for the current fiscal year, he anticipated -- and this was done a year ago in January -- he anticipated a deficit of roughly \$7 billion, in that area, if my memory is correct.

In the period from that date of submission to the present time, we have had a serious deterioration of the economy, and we have had an increase for the current fiscal year of payments for unemployment of, I think, \$12 billion. That is added.

We have had a serious drop in revenues because of the deterioration of the economy of \$20 billion, if my memory is correct. The net result is, in this fiscal year, instead of having a \$7 billion or \$8 billion deficit, we expect, by June 30, when the books are closed, to have about a \$35 billion deficit. Now, most of that has taken place because of the changed economic situation, more unemployment payments, lesser revenue. Now, we have had, or we anticipate a somewhat similar situation in the next fiscal year.

I think that the budget people, frankly, and some of the economists, are overly pessimistic, but I would rather have them be pessimistic and have things get better in 1976, than to have an overly optimistic projection and then have everybody disillusioned. I happen to think the economists and the budget people are hypersensitive about some of the things they projected wrong on the optimistic side, so they are kind of letting the pendulum swing the other way.

Now, I used to be on the Committee on Appropriations. I served there 14 years. I became reasonably expert in the handling of the budget, and so, when I got to be the President, I spent a great deal of time in a field that I enjoyed when I was in the Congress. And I went through that budget this year -- that I finally submitted -- with great detail, and I had a little expertise in it.

I did not like the prospect of submitting a budget with a \$52 billion deficit on top of a \$35 billion deficit. So, we made some hard choices, and let me say that, that \$52 billion deficit, is pretty rock bottom because we knocked off \$17 billion added potential expenditures. And I am not sure my friends in the Congress are going to go along with some of those capping programs, such as a 5 percent cap on increases in Social Security, a 5 percent cap on the increases in military retirement, a 5 percent cap on Civil Service retirement, a 5 percent cap on Federal Government pay.

Now, some people have said, "Boy, that Ford, he is a hardhearted, cruel guy," and the inference is we have cut people back. That is not true. We have simply said, "To get a handle on expenditures, we are going to say there has to be a 5 percent cap. Get 5 percent instead of eight or 9 percent, in order to save \$17 billion." Now, will the Congress go along?

You know they will make a lot of speeches, but so far, they have not produced, and I am not optimistic. So, the prospects are that we will probably have more than a \$52 billion deficit.

QUESTION: Don't you think, if you told the American people exactly what is going to happen in this coming year with this kind of thing, that they can really rally to do something about it, because the interest rates are going to go right back up.

THE PRESIDENT: That is the point, and I meant to mention that when I was answering Jack. Bill Simon told me a day or two ago that he has to go into the money market and borrow \$80 billion to \$90 billion. Uncle Sam has to borrow that in the next 12 months to finance these deficits we are talking about, and I am told by experts that there is just so much money available for government, Federal, state and local, business and individuals to borrow. And Uncle Sam -- I think the record shows -- gets his first, and the more Uncle Sam borrows out of that pot of available money, the less is available for everybody else.



So, when you get back to the fundamental, it is damned important for us to show a little responsibility in expenditures and revenues so there is a bigger pot for business, individuals, to borrow from. And we have tried to be frank to the public and say --

QUESTION: I don't think they understand that.

THE PRESIDENT: I think you are probably right, and maybe we have not packaged it right or spoken about it correctly. We are going to keep trying.

QUESTION: Mr. President, basically, I agree with your energy program, but there is one aspect of it that concerns us in Florida because we are do dependent on the imported oil, particularly for generation of power. Is there anything that can be done, or possibly will be done to more or less equalize that extra penalty on the consumers on the Eastern Seaboard?

THE PRESIDENT: Florida, New England and Hawaii are in reasonably comparable situations, and in the first dollar that we put on in the administrative action, your areas are really exempt. There is no added burden in the first dollar.

Is that right, Rog?

MR. MORTON: The thing the President did was exempted residual oil, which is the primary fuel for generation. He exempted it in the first month, and then, he said he would only put 80 cents on in the second month and 60 cents in the third month, so you have \$1.20, instead of \$3, on that product, which would obviously tend to equalize Florida and New England and Hawaii and parts of California and the central parts of the United States.

THE PRESIDENT: Now, that is only in the administrative part. In my State of the Union Message, I said that we would do this and we would seek to equalize, make more equitable, any geographical reason, any industry and any individual.

Now, we have done that, as Rog indicated, by not imposing on residual oil, in the first dollar, any additional tax.

We have been meeting with the airlines. The airlines are an industry that have really -- they face almost unbelievable costs. George probably knows a little bit about that, but we are trying to work out -- and I think we have worked out -- a solution for them.

Agriculture is another area.

QUESTION: You might mention the gasoline tilt.

THE PRESIDENT: All right.

Now, Florida has about the most paradoxical situation because you can take a barrel of oil, of crude oil, and under our fundamental plan, the added cost is about 4.6 cents per gallon, if you spread it across residual, distillates, gasoline. Now, in order to hit gasoline and make it less difficult economically for people who have heating oil, you can do what they call a gasoline tilt, and the people from New England, who say they do not want to use a lot of gasoline but have high heating cost, they want the gasoline tilt to go about like this: from across the barrel 4.6 per gallon cost, they want gasoline to go up to 6.7, or whatever it is, so they can have a reduction in heating oil and distillates down to 2.6 or 2.5.

Now, that is all right for New England because they say they can handle gasoline, but they don't want the heating oil costs. But you, in Florida, have the worst of both worlds. You want cheap gasoline and you want cheap fuel oil and you have got farmers who want to be exempt. Well, we will do our best to try to work out some ingenious formula.

QUESTION: Just don't give us rationing; that is all.

THE PRESIDENT: As I said, there will be rationing in this country over my dead body. I think that is absolutely the most -- well, it just won't work. Let me tell you why.

You know, some of my good friends say, "Gee, let's put rationing on." They think it is going to be six months or a year. It is a five to ten-year gasoline rationing program because that is how long you have to have an energy program, and it does not provide one incentive, not one incentive for additional or alternative sources of energy. So, gasoline rationing is, without a question of a doubt, the worst answer. It won't work, and it does not provide any stimulant.

Yes, sir.

QUESTION: Mr. President, maybe you ought to save some of your answers for all of the reporters.

Mr. President, since the embargo, gasoline has gone up 16 cents a gallon at the pumps, and you said yesterday that the imports were one million barrels a day more than they were before the embargo, in the face of a 15 cent price increase. If this added tax raises another ten or 12 cents, do you expect that will materially reduce or not? How much would the price of gas have to increase in order to reduce the sum?

THE PRESIDENT: Well, the total oil use in the country has not increased. Our domestic production has gone down, and that has been compensated for by the increased imports. So, we are consuming roughly the same, but the domestic production has gone down. And to compensate, we have had to import more.

Now, actually, with the 15 cent gasoline increase -- we are in 1974 -- we are using about three to 4 percent less than we projected we would. There has been about a 5 percent increase -- Rog, correct me -- I listen to all these experts and try to assimilate a little of what they know. There has been about a 5 percent increase in the utilization of oil and gas over the last five or ten years. We are using, actually, three to 4 percent less than the projected amount, and that has come about because of the increase in cost, 15 cents in gasoline -- whatever the extra costs are in fuel and distillates.

Now, our projections are that, if we add -- which is the projection, if our program was put into effect -- about a 10 cent a gallon increase, that there would be this million gallon per day saving in foreign oil imports this year and two million by 1977. That is what our experts project on this experience we have had since 1973.

Yes, sir.

QUESTION: How do you respond to the consumer, who is faced with a dilemma of the Administration and most of us saying there is a gasoline problem and a general energy problem, on the one hand, while, on the other hand, the oil companies are intimidating the dealers to stay open longer, to sell more gasoline and the consumer stands in the middle saying, "Which side of this dilemma can I possibly believe?"

THE PRESIDENT: Well, I came back from our meeting yesterday, and I turned on one of the television stations here, and I saw myself predicting dire consequences if we did not have an energy program. And whatever station it was was then talking to gasoline retail outlets, and they were being put under pressure to sell more gasoline and so forth.

Well, the paradox is that we have an oversupply on hand now, and this immediate glut is in storage, efforts to sell, the Arab nations are cutting back their production -- what, about 15 percent, is it, Rog?

MR. MORTON: Total OPEC world is about 12 million barrels a day.

THE PRESIDENT: Now, that does not necessarily mean that we are free of foreign oil vulnerability, because if they were to turn off the spigot, as they did in October, and we all of a sudden had a 7 million barrel per day elimination, this storage, this availability would change over night, not literally, but figuratively, over night. So, although we are faced, because of our conservation and our allies conservation in France and Britain and West Germany and ourselves, with this conservation, all of a sudden you have what appears to be a glut, but that does not answer our long-term problem, which is, trying to get away from this vulnerability. Today, it is 7 million barrels per day.

The projections are that it would be 12 million to 15 million barrels per day vulnerability if nothing is done and always the threat that if they decide they want to cut us off, boy, then we are in real, real trouble, because if it goes from seven today to 12 three years from now, it is really going to have the potential of destroying our industry, destroying our economy as a whole.

QUESTION: Could I ask another question?

What do you think about Arab and Iranian investment in the United States?

THE PRESIDENT: I think it is good, provided we keep our eye on it, and we have to be extremely careful in what industries they invest and what degree of control they obtain. And we are going to monitor those investments. We will welcome them, but we are going to keep a close eye on them.

How am I doing, Ron?

MR. NESSEN: Rog and Bill Seidman are going to stay here for an hour or so and answer some of the other questions.

QUESTION: Some of these questions, though, might be helpful to the President, when he meets with the real press. (Laughter.)

THE PRESIDENT: One more, and then I think I better go.

QUESTION: Mr. President, I would like to tell you something. A few days ago I was here in Miami from Venezuela. I am not Venezuelan. I am Nicaraguan.

He is the Treasurer of the American Press Association, and he, in conversing with me, mentioned the case of the Venezuelan who sent the international trade loan collectively with the embargo -- he said to me the Venezuelan was sent out because in the last year they do not participate in the embargo and they were very concerned about leasing ---

THE PRESIDENT: Let me answer that.

It is an unfortunate result of a hastily considered trade bill. You see you have OPEC nations, some of which participated in the embargo and some of which did not. Venezuela and Ecuador are a part of OPEC but did not participate in the '73 and '74 embargo, and the trade bill which was passed and which we wanted passed did not differentiate between OPEC nations that participated in the embargo and OPEC nations which did not, and they just put a blanket condemnation of most favored nation provisions and said any OPEC nation is precluded from the most favored nation benefits and other trade benefits, and Ecuador and Venezuela, that helped us, not hurt us, are thrown in the same discriminatory basket.

Now we are trying to get the Congress to change it.

Now, unfortunately, that trade bill which has many, many excellent provisions and which we wanted passed not only had that bad provision, but some others, and the consequences, we are hoping to get reconsideration of some of these provisions which I trust the Congress in more time and more thoughtful opportunities will revise.

Thank you very much. I appreciate the chance to be with you all, and if you are ever in Washington, I hope you will go there, Ron, and come down and see us.

END (AT 9:12 A.M. EDT)

APRIL 15, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
WITH
HENRY A. KISSINGER
SECRETARY OF STATE
AT A SPOKESMAN BRIEFING

THE EAST ROOM

5:08 P.M. EDT

THE PRESIDENT: Mr. Secretary, distinguished members of the Executive Branch:

Thank you very much for the warm applause, and I am deeply grateful for the support that all of you have given, not only in our present difficulties in the areas that I will speak about, but also for the help and assistance that you have given in so many other areas.

I would like to share with you for a few moments -- before introducing the Secretary of State -- some of the points that I made in the speech to the Congress last Thursday and to the American people that same evening.

It has been my long and deep conviction, and it has been accentuated in recent weeks, that the United States must play a very major role in world affairs. When I say a major role, I don't mean a role that will be unsuccessful, but a role and a responsibility that will be successful.

The American people, in my opinion -- if they are told the truth, which we have done and intend to do -- will assume that responsibility and will want their Government to assume that responsibility.

All of my political life, beginning with an election in November of 1948, beginning with an official taking of the oath on January 3, 1949, I have believed that the United States must play a very decisive, meaningful role in world affairs. I made that decision when I became a candidate for Congress in 1948.

MORE



I must concede that prior to World War II, I had somewhat different views, and I suspect many in that day and age likewise had a different point of view. The experience of World War II and the association with a fellow townsman by the name of Arthur Vandenberg convinced me that our Government, our country, had to take strong leadership in trying to find the key to peace in a better world.

I campaigned in that first campaign in a primary against a Republican opponent who was an incumbent who was totally different in his views concerning foreign policy.

If any of you are familiar with the political environment in the Middle West, in those days it wasn't easy to make an issue in September and October of 1948 of support of a global foreign policy for this country.

I was fortunate enough to be successful, and the first two years that I was in the Congress I had the privilege and the responsibility of supporting a Democratic President when he recommended to the Congress, not a relatively limited amount of money for economic and military assistance to our friends on a worldwide basis, but substantial amounts -- if my memory is correct, and some of the men here can perhaps recall it better than I -- \$7 billion or \$8 billion.

I supported it then because I believed in it, and consistently throughout my political life in the House of Representatives, as a Member of the House, and subsequently as a leader, I believed that our country, whether there was a Democratic or Republican President, had to be supported in the policy that looked at the world in its broadest context.

It is my judgment that that was the right thing to do in retrospect, and the views I hold today are an outgrowth of that feeling and that deep conviction.

It seems to me that our Nation's policy over a period of time -- either the achievement of peace or the maintenance of peace -- has been a successful one. In the last few years, if we look at the record objectively, it has been an outstanding record.

I said the other night the situation today is predicated on a firm foundation of success in the field of foreign policy. We have had some setbacks, some have been self-inflicted, and some, of course, have been predicated on mistakes on our own.

MORE

As long as we take the broad view, backed up by adequate military strength and wise and judicious diplomacy, this country can continue to give the leadership, not only to the free world, but to the world as a whole.

We are going to stay strong militarily, and we are going to be wise and judicious and firm diplomatically. We will be fair, both to friend and foe alike, and we have to treat them with an attitude of cooperation.

But, under no circumstances should anybody doubt our will or our resolve.

I think it also should be said that we will be compassionate where compassion is required in trying to help those who are far less fortunate than we. It seems to me if we are to achieve this objective, that we have sought for the last quarter of a century, to my own personal knowledge, if we are to accomplish it in the future, we have to be united at home.

This, of course, does require not pointing the finger, not acting in a way of recrimination, either with the Congress or with those among our fellow Americans who might have differed with us over the period of the last three years.

I think that the mood of the country is developing into one that sees unity, and although there may be some questions raised in the Congress -- and that is their responsibility -- the American people want us to be united, and that will have an impact and it will be reflected in the Congress in time.

MORE

I just hope that it can come quickly enough under our current crisis so that we can achieve what I requested -- military, humanitarian aid for Indochina. And I urge each and every one of you in this very critical time, at the moment, to do everything you can to convince Members of Congress -- Democratic as well as Republican -- and to support what we believe is needed, essential and vital at this moment.

As I look around this room and see all of this talent, men and women who have achieved success, who have influence, I know you can have an impact on the Congress, yes, and throughout our country -- the length and the breadth of it.

As I said, I am convinced we have a great record of foreign policy accomplishments and achievements. So, we don't have to apologize for anybody for what has been done. In fact, we should go out and speak affirmatively, pointing out that a present crisis, an immediate difficulty doesn't mean that we can't be proud and that we can't move ahead.

There is a crisis in Vietnam. We have great obligations, in my judgment, first of course, to our own Americans who are in Vietnam, but we also -- it is my feeling -- have an obligation to a good many South Vietnamese, to South Vietnam, to do the best we can to achieve what we have tried to for some 15 or more years.

Congress plays a role in this. And if you can, in any way you can, help the Secretary of State, myself and others get the support that is needed, I will be deeply grateful.

I made a speech this morning where I repeated in part in different words my conviction that America's future is bright but it depends upon the strength of our military resources, our leadership, our unity at home, the cooperation between the Executive and the Congress, and even though some may be disappointed, some may be lacking in feeling that we can be successful, I am an optimist. I am an optimist because I believe in America, as you do.

I believe in the Secretary of State. I believe in the Department of Defense and the Secretary of Defense. I believe in the good people I see here. Most of all, I believe in America, as you do.

So, I urge you in each and every way you can to carry the message to your friends, to our fellow Americans, because the immediate crisis can be solved and the long-range future for America can be brighter and brighter.

Thank you very kindly.

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Thank you very, very much. It is now my great privilege and pleasure to introduce somebody you all know, somebody I am sure that you all respect and admire as I do, the Secretary of State.

Henry? (President departs the East Room)

SECRETARY KISSINGER: I was just going to say you can sit down now. (Laughter)

Ladies and gentlemen, as you all know from the newspapers, a terrible struggle took place in the White House last week between those who wanted to have the President make a conciliatory speech and those who wanted the President to make a tough speech.

I was overruled and the President gave a tough speech. (Laughter)

So, I thought I would use this occasion to show you what a conciliatory speech is like. (Laughter)

As I look around this room, I must say I see more people from the Department of State than come to my staff meetings which is due to the fact that they all want to see here whether I am following their talking points. (Laughter)

They don't know that I have talking points from each one of them. (Laughter)

Now, I thought what I could most usefully do is to give you some of the thinking behind the President's speech last week and then where we plan to go from here. After that, I will answer any questions which you may want to raise.

And having just spent five hours before the House-Senate Appropriations Committee, I am in a pugnacious mood. (Laughter)

The problem that we face in Vietnam at this moment is a tragic one and it is the beginning of wisdom that we recognize this. We can debate forever whether we were wise or unwise in getting involved, whether the war was properly conducted, whether this or that mistake may have been made.

The fact remains that when a great Nation engages in a major effort for 15 years, when that effort then leads to a point where evacuation is seriously discussed, this is bound to have massive consequences around the world.

MORE

Now, there are those who say that we are producing the problem by announcing it. Our view is that we are solving the problem by facing it.

We have a problem and we are going to deal with it. But we are not going to pretend that what is going on in Vietnam at this moment is not a national tragedy.

What were the choices before the President last week? In a country that we encouraged to resist, where accords which we had signed had been flagrantly violated, there were only two basic choices the President had.

He could either say that he had had enough and that he wasn't going to give any more assistance. Or he could ask for the only amount that was recommended to him, that had any military justification whatsoever. All the other figures in between were without meaning. Those who oppose military assistance oppose it in principle and not in the amount. Those few who may be willing to support it can do so only on the basis of a figure that makes some sense.

The President decided, and I think that history will prove him right, that it was impossible for the United States, after 15 years of effort, after millions of people whom we had encouraged to gear their fate to ours, that we would simply announce that this was it and that we were now simply going to abandon them to their fate.

It is true we may not, by our own decisions, be able to assure their survival, but we decided that we would not, by our own decisions, guarantee their demise. That was the basic theme, the basic reasoning behind the speech. It is the only issue before the country.

We can calculate as well as anybody what the balance of forces is today in Vietnam. Anybody knows that no military outcome is guaranteed but whatever outcome you visualize, whether it is a stabilization of the front, whether it is political negotiation, or whether it is the worst outcome of all, namely, evacuation of Americans and those who have been associated with us.

In any case, we had to get the amount of assistance which would rally enough confidence in Saigon to maintain a position and which would give us an opportunity to control events no matter what happened.

No President could have done anything else once he examined the alternatives and therefore, the country owes the President a debt of gratitude for having stood for this even though he knows the public opinion polls as well, or better, than any of us in this room and as well as any Congressman.

MORE

But leaders are judged not simply by whether they follow the immediate polls but by the consequences of their actions and people do not forgive their leaders for the consequences, even if they intended those consequences.

In 1938, Nevil Chamberlain was the most popular man in Great Britain. Eighteen months later, he was finished. It is not an exactly analogous situation. But even if you assume that things cannot be pulled together in Vietnam, then how we manage our exit is a matter of profound consequences not just to the conscience of this Nation, but to the conduct of our foreign policy.

For a while, foreign leaders were afraid to tell newsmen about their concerns. Indeed, those who are most concerned have the greatest incentive to give us a reputation to uphold by protesting their confidence. But it is now beginning to seep into the press and those of us who read the cables know as an overwhelming fact that there are two questions being asked in the world today, only one of which we can answer.

The first question concerns the constancy, coherence, wisdom, credibility, whatever you want to call it, of a country that manages to lose 50,000 men, makes an agreement which it prohibits itself from enforcing, permits the other side to build up a military superiority while cutting its own military assistance and then when the consequences of this become apparent, walk away from it.

That question we cannot answer.

The second question is, how are we going to react to that event? And the fear in the world is also that America will be despondent, that America will not engage itself any longer, that America will not conduct a strong foreign policy.

That second question we will answer. Indeed, that second question has begun to be answered in the President's State of the World message last week.

With respect to the first question, all that is left to us is to behave with purpose and dignity in this present tragic phase in Vietnam and not to compound whatever mistakes may have been made by ourselves destroying the people we have put into office and by our not helping the people who geared their future to ours, and therefore, it is essential that the Administration stand united behind the program of the President and do it with conviction because it involves a fundamental question of national dignity.

MORE

With respect to the second question of where we go from here, whether America will become despondent, I can assure you that we believe that we have the elements of a strong foreign policy and that we will continue and build on this foreign policy.

There is no question that we will pay a price for what is happening in Southeast Asia, a price that will have to be paid for in added exertions, a price that will require us to be perhaps somewhat sterner than was suitable to a happier time.

There is no question that in various parts of the world people may test our resolution. But, there is also no question that the basic design of our foreign policy is strong.

The relations with Western Europe, as the President pointed out, have never been better. The relations with Japan are on the best basis that they have been in the entire post-war period.

We still have the possibility of creative relations with Communist China and the Soviet Union and in many of the new fields of foreign policy.

In the field of energy, we have done pioneering work and in the national energy agency and its associated decisions have created a basis for consumer solidarity, which makes the problem of oil a much less dangerous one than it was two years ago.

In the field of food, of raw materials, of law of the seas, we have a leadership position, but we should not delude ourselves.

A modern cop-out is humanitarianism, very often. We can't get around to doing a long-range energy and food and raw materials and law of the seas policy if we do not solve our immediate problems.

In order to solve our immediate problems, we need to have a degree of authority in the conduct of foreign policy. This gets me back to the original problem I mentioned to you.

We can have, in the next year and a half, a most creative period in the conduct of our foreign policy, and those opponents who celebrate setbacks are doing so, in my judgment, quite prematurely because in the strategic arms negotiations, in relations with Western Europe, in the field of energy, in the agenda that is before the President for the next year, including prospects in the Middle East, we have it within our capability to achieve considerable, and in some cases, perhaps, historic successes.

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So, the first problem we have is not to get rattled. The second problem we have is that as an Administration we project confidence and that we defend what the President has stood for all of his life and tried to enunciate to you here and enunciated last week.

On that basis, I am confident that we will have a foreign policy of which everybody in this room can be proud, which serves the interests of this Nation and, therefore, the interests of the world.

Now I will be glad to take some questions. People are always reluctant to ask the first question. Does somebody want to start with the second question? (Laughter)

Will you tell me who you are?

Q Larry Potts, Department of Commerce.

SECRETARY KISSINGER: I was afraid you might be one of my staff members. (Laughter)

Q J. M. Chase wrote a book on the economic consequences of the peace. Are you prepared to write a book on the economic consequences of Vietnam?

SECRETARY KISSINGER: I am not sure what the total significance of the question is. It is important to remember that we were gotten into the war by most of the most vocal current critics of the war, and the economic price for Vietnam has already been paid and it is therefore irrelevant to our current decisions.

To the extent, however, that the United States loses control over events in other parts of the world, the economic price -- although I don't think that was what you intended to imply with the question -- the economic price can be quite serious.

If you think that the war in 1973, the October war in 1973 in the Middle East, produced an oil embargo which in turn produced a series of recessions around the world, it seems quite clear to me that to the extent that the United States loses control over events, which we do not intend to permit to happen, to the extent that the danger of war increases in various parts of the world, so also does the managability of economic decisions and many of decisions in the field of energy, of raw materials and of food masquerade as economic decisions, but are importantly affected by political judgments.

MORE



So, I repeat what I said during my presentation, that how we manage this, how we comport ourselves, will importantly affect not only our political but our economic future.

Yes, sir.

Q Mr. Secretary, my name is Matthew Martin of the Environmental Protection Agency.

You cited the analogy, which you said was not exactly parallel, on what happened with Mr. Chamberlain and what you may face. There is another analogy, as persons, of course, ask us. They say, "Well, are we seeing in Cambodia now what is inevitable in Vietnam?"

SECRETARY KISSINGER: I do not know the answer to the question. It is quite possible that whatever we do in Vietnam, the situation could disintegrate. In that case, it will make a lot of difference whether it disintegrates because the United States disintegrated it or whether it disintegrates because defense was no longer possible.

I do not think it is one of the prouder moments in our history when we reflect that finally Cambodia fell because it ran out of ammunition and that most people who have studied it now think that if it hadn't, it might well have preserved its place.

Be that as it may, the case for the President's request is not that necessarily it will save the military situation. The case for it will be equally strong even if the military situation should disintegrate because it will permit the most controlled management of either negotiations or evacuations, or whatever else may happen.

So, the case is not simply that it can be held. The Munich analogy is relevant only in the extent of how quickly popularity can change.

Yes, sir.

Q Mr. Secretary, do you think you made progress in your appearance today with the Congress?

SECRETARY KISSINGER: I don't know. I can't judge that. I didn't get an excessive number of friendly questions. (Laughter) But, it could be my personality. (Laughter)

Yes, sir.

MORE

Q Mr. Secretary, Gordon West of Interior.

A follow-up question to the question the gentleman raised back here. If Vietnam falls, what then happens to the domino theory? Where does it all stop?

SECRETARY KISSINGER: There are certain slogans that tend to get sneered at but that may nevertheless be right. The domino theory in the sense there would be an automatic collapse of a whole number of countries that you can visibly observe, that isn't going to happen.

But what is going to happen was described not badly by Lee Kuan Yew, the Prime Minister of Singapore, an article that was published in the Washington Post this weekend that many countries will decide that their security and, therefore, many of their other relationships can no longer depend on the United States and that you will therefore see a perceptible shift and let many countries who may make their judgments on the basis of our steadiness will alter their perceptions.

In part, this depends on how we conduct ourselves if it should fall. It is not automatic.

What I am saying is our task will become more difficult; it does not become impossible. So, there will be a certain domino theory, maybe not on visible -- a certain domino effect, maybe not spectacularly visible, but it will exist.

Those of us who see the cables are not questioning it for one moment today. It will be the job of our foreign policy to limit its effect. We believe we can do so. We believe that over a period of time we can perhaps even turn this tragedy to some positive good by restoring national unity and by showing that we can overcome setbacks, but we will never do it if we don't admit to ourselves what is happening.

Yes, sir.

Q Dan Weber.

Mr. Secretary, do you expect in the mood of Congress or of the people a trend toward isolationism in view of the events that happened all over the world in the last six months or so?

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SECRETARY KISSINGER: Let's remember the peculiar aspects of many of our foreign policy problems is that they are self-inflicted. Nobody forced us to pass a law that made it crystal clear to Hanoi that there could be no American intervention.

Even though I will grant you that given the mood in the country we would not have intervened, there is a big difference between an aggressor thinking you probably will not intervene or an aggressor knowing you cannot intervene.

The difference is the fact that the entire North Vietnamese Army now happens to be in the South. One Marine brigade could now take North Vietnam. The entire North Vietnamese Army is in the South.

This did not have to happen, nor did it have to happen that we cut our aid while the others increased theirs, nor did it have to happen that we started investigating the CIA at the precise moment that the southern flank of NATO was in massive internal difficulties or that we cut off aid to Turkey.

MORE

I am mentioning these things not to win debating points, but to say that if these problems are of our own making, they are also capable of our own solution. And they are therefore relatively easier resolved than objective foreign policy problems would be.

So, yes, there may be a mood of isolationism among the people that has gone through assassinations, Vietnam, Watergate and many disappointments.

It is our job -- those of us in a position of responsibility -- to prevent that mood from spreading because when the British were isolationists in the 1930s, there was America behind them. There is nobody behind us and the stability and prosperity of the world depends upon us. And we will not permit it to happen insofar as it is possible to do so with Executive actions, and I have the sense that whatever the Congress may do on Vietnam, there is now a sufficient concern that many of the difficulties I have described can be dealt with by cooperative action between the Congress and the Executive.

So, I think that whatever happens in Vietnam, we have a possibility of a creative period in foreign policy.

Yes, sir?

O I am Mr. Fitzsimmons with Treasury.

Mr. Secretary, this is for the future, not for the past, in the Middle East. It looks as though accords were determined at the conference table in Geneva. Is this an acceptable proposition for us? If not, what is the alternative?

SECRETARY KISSINGER: We had made it very clear that we thought that a step-by-step approach would be better because it enabled issues to be segmented into manageable portions, because it enabled us to have the negotiations between individual Arabian countries and in Israel rather than one global confrontation, because it insulated the negotiations from the pressures of outside powers.

Therefore, we thought that it was very much in the interest of Israel that some progress be made that enabled the United States to control the pace of events.

Now, the Government of Israel, for reasons which I will not debate, decided that it could not make that agreement.

MORE

If it isn't possible to have a series of individual manageable agreements, if they prove unmanageable, then there is no alternative except to go to Geneva.

I have noticed that many of the heroes who were, during the step-by-step approach, loudly proclaiming their approach to Geneva have lately been singularly silent and I do not think Geneva is an ideal forum for anybody.

It isn't an ideal forum for Israel because it will be practically alone. It isn't an ideal forum for the Arabs because they will be engaged in escalating rhetoric and they have trouble enough with their escalating rhetoric when they are alone, much less when they are together.

It isn't even an ideal forum for the Soviet Union because while the Soviet Union can make grandiloquent proposals, only we can help to deliver it.

So, I think we now need a period of re-examination and I think when everybody realizes the cold facts, when Israel realizes there must be progress, when the Arabs realize that pressure -- which they are not exercising at this moment -- but they really do not have the alternative of pressure in war, and when the Soviet Union realizes that while they can make grandstand plays, if they want to play any role, they better do it moderately and with us.

I think that either we can put together a Geneva conference that offers some hope for progress, or we will find some other forum of negotiation.

This is why, in my remarks, I indicated a fair degree of optimism about what we can do in the Middle East, though it is an area of dramatic personalities with great thespian abilities.

I will take one more question.

Q Herman Black from the Labor Department.

Mr. Secretary, what is the role of the Soviet Union in the current Vietnam situation?

SECRETARY KISSINGER: We have to understand what our relationship with the Soviet Union is.

Our relationship with the Soviet Union is that of ideologically hostile nations conducting competitive foreign policies, that cooperate with certain specific objectives at the same time they are competing, the specific objective being the prevention of nuclear war, the lowering of tensions in areas where there can be a high potential for nuclear war, and hopefully, to move into a more positive relationship.

Now, one of the prices we have paid in recent years is that those carrots we had available that could have induced a more benign Soviet policy in even other areas, in the field of trade and credit, have not become available as we had foreseen so that the carrots were not very attractive.

MORE

Moreover, what seems to have happened in Vietnam is that the Soviet Union continued more or less its normal level of support and we cut ours. We can't blame the Soviet Union for that. The imbalance was essentially produced by two factors, one by the fact that through a combination of inflation, rising fuel prices, and Congressional desertions, our aid to Vietnam was, in effect, cut to about a quarter of what it was two years ago while on the Communist side it remained constant.

Secondly, the upheavals through which we encouraged the North Vietnamese, in addition to the legislative restrictions, encouraged the North Vietnamese to believe that we did not have the domestic ability to attempt to enforce a treaty, which we after all signed.

Therefore, they made the decision, according to our intelligence, very late, only about February of this year to launch a massive offensive this year.

Those of you who are here from the Defense Department will know that most of our intelligence estimates in December and January were that this would be a year of rather limited offensives and that was based on very good intelligence at the time.

The decision for a massive infiltration really was taken only in January, so you have an interplay of events that produced the North Vietnamese decision.

On the part of the South Vietnamese, you had the fact that for five months they have received no new equipment, have few spare parts and that all of our aid had to go to ammunition and fuel and that even ammunition had to be rationed.

So, as they rationed ammunition, for artillery in particular, their casualties went up and last year the South Vietnamese Army suffered 30,000 killed. At this level of casualties, with their mobility reduced, Thieu made the decision to withdraw into more defensible positions.

It was ill-prepared, ill-conceived and poorly carried out and produced a disaster. But the conditions that produced the decision resulted from a complicated kaleidoscope of events.

Thank you.

THE PRESS: Thank you.

END (AT 5:46 P.M. EDT)

July 1, 1975

REMARKS OF THE PRESIDENT
TO THE
LEADERS OF MAJOR NATIONAL VOLUNTARY
SOCIAL WELFARE AGENCIES

THE FAMILY THEATER

1:34 P.M. EDT

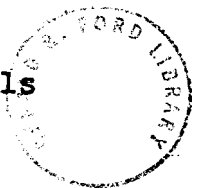
Thank you very, very much for the opportunity of joining you here on a Tuesday morning at the White House. Bill Baroody and Ted Marrs have for a period since January of this year undertaken this program to have people come to the White House to discuss a wide variety of subject matters from the crime message to almost anything that has been before the Executive Branch or the Legislative Branch.

About 1500 citizens, such as yourselves, have been here and met with people like you did this morning, with Cap Weinberger, Bill Kolberg, Dick Velde, General Chapman. This opportunity, I hope, is beneficial and fruitful to all of you.

As I was looking over the individuals and the organizations that you represent, it brought back to my memory a good bit of the time that I spent before I got into politics working with various voluntary organizations. I was on the Board of Directors of the Family Service Organization, the local Boy Scouts, the Red Cross.

I worked in the United Funds and all of these activities gave to me an insight into local problems, into the needs and the difficulties that face individuals in the disadvantaged areas or to youth or to elderly or to a wide variety of our fellow citizens.

It has been my deep conviction from that personal experience that voluntary organizations such as those you represent have a very meaningful role in our society. I am sure that literally thousands of communities around the country are similar to my home, Grand Rapid, or my local county, Kent County.



We depend there, as I am sure people depend elsewhere, on the many organizations represented by you, and as I recall the figure, some 40,000 various units are represented here by the organization that you represent.

We do have some problems that I think face us as a Nation. I will speak only of the problems that face us domestically with. The one, of course, is that of how we can take our economy from the recession we have been in to an economy that is prosperous, that provides jobs and opportunities for people to work and to improve their lot.

We have gone through a tough time. The worst recession since the end of World War II, but I am convinced beyond any doubt whatsoever, that we have many good signs that indicate that we are at the bottom and starting up.

I believe with the American people responding, as I am sure they will, we will be able to provide in the months ahead for the economic security of our people. Now, that does not mean, even if we totally restore our economic strength, that there is no place for voluntary organization. Quite the contrary.

Because I can recall vividly in the period right after World War II when I was practicing law, that even though we were in a period of relative economic prosperity, there was a tremendous need for voluntary welfare organization or voluntary organization across the spectrum.

There was just as big a need for the Boy Scouts or the Salvation Army or the Family Service Organization or any one of the others. The requirement simply was different. The requirement then was quite different from the requirement you face today.

But, the organization had to be there in order to meet the needs for the youth, for the elderly, for the crippled or what other part of the spectrum people may be in, so I am a firm believer in the need and necessity for your organization and the literally thousands and thousands and thousands of people that work with you.



Page 3

You are an important, integral part of our society, both morally, spiritually, materially and otherwise. So, I thank you for the contributions that you have made and will make, and I hope and trust that your experience here today will make you feel that your Government wants to work with you because working together we can solve most of these problems.

Thank you very, very much.

END (AT 1:39 P.M. EDT)

THE WHITE HOUSE
WASHINGTON

Monday 7-14-75

Ron:

Do you know what the status is of the transcript made of the remarks by the President and HAK to the Congressional breakfast last week. We were going to send the scrubbed version to editorial writers around the country with a covering letter from you, I thought, or from HAK.

JWH

Forget it,
Scratched
RHW



THE WHITE HOUSE
WASHINGTON

7-8-75

Revised

Ron:

Attached are three copies of the transcript of the remarks made yesterday by the President and Secretary Kissinger at the Congressional breakfast. You said you wanted to send one to Don Rumsfeld and for his info. One is your copy. The third one is for you to send to Gen. Scowcroft to be cleared for possible mailing to editors and editorial writers around the country.

JWH

(I'll keep the original so that we can use parts of it for reproduction purposes, unless Brent rewrites the whole thing)



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