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CALIFORNIA

Presidential Inquiries

As President

1. Los Angeles - October 31, 1974 --- Fundraiser
2. San Clemente - November 1, 1974 --- Visit to President Nixon
3. Fresno - November 1, 1974 --- Airport Rally
- * 4. Bakersfield - March 29, 1975 --- airport landing, Meadows Field
5. Elk Hills - March ³¹~~29~~, 1975 --- Naval Petroleum Reserve
6. San Diego - April 3, 1975 --- Media Breakfast, Press Conference,
Western Gov. 's Working Luncheon,
WH Conference
7. San Francisco - April 4, 1975 --- Bay Area Council

* Presidential Visit to the West Coast (3/³¹~~29~~ - 4/7/75)
The President stayed in Palm Springs.

As President

8. Sacramento - Sept. 5, 1975 --- Sacramento Host Breakfast; Address to State Legislature.
9. Los Angeles - Sept. 20, 1975 --- Interview with local news media.
10. Malibu - Sept. 20, 1975 --- Pepperdine University.
11. Stanford - Sept. 21, 1975 --- Dedication of Stanford U. Law School; Q. & A. with law students.
12. Anaheim - Sept. 21, 1975 --- National Assoc. of Life Underwriters.
13. San Francisco - Sept. 22, 1975 --- AFL-CIO; World Affairs Council; Interview with local news media.
14. Los Angeles - October 29, 1975 --- GOP Fundraising Dinner; Interview with *October 30, 1975* - Metromedia.
15. San Francisco - October 30, 1975 --- GOP Fundraising Luncheon.



CALIFORNIA

Vice President's Trips to California

As Vice President

1. Palm Springs - April 15, 1974 --- Dedication of Senior Center
AND Dinner for Rep. Pettis
2. Monterey - April 18, 1974 --- Dinner for Rep. Talcott
3. Pebble Beach - April 18, 1974 --- VIP Reception
4. Fairgrounds - April 18, 1974 --- Reception at Monterey
5. San Jose - April 20, 1974 --- Meeting with California Congressmen
AND California State GOP Convention
6. San Diego - June 20, 1974 --- National Jaycees Convention
7. San Francisco - June 20, 1974 --- San Francisco Congressional
Boosters; Dinner at World Trade Center
8. Los Angeles - June 21, 1974 --- L. A. Congressional Boosters
(more)
9. Newport Beach - July 12, 1974 --- Boosters Reception.
10. Anaheim - July 12, 1974 --- Orange County "400 Club" Dinner.
11. Pomona - July 13, 1974 --- Fundraiser for Rep. Veysey.
12. San Francisco - July 29, 1974 --- Urban League Conference,
13. San Diego - July 30, 1974 --- GOP Reception.



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As Congressman

1. Monterey - May 4, 1962 --- A. F. S. C. Management Conference
2. Los Angeles - March 7, 1966 --- Jaycees (Speech on Govt. Balance)
3. San Diego - April 15, 1966 ---
4. Santa Rosa - April 15, 1966
5. Burbank - April 17, 1966
6. San Bernadino - May 16, 1966 --- Speech on Foreign Policy
7. Monterey - May 21, 1966 --- Speech on Inflation
8. Stockton - February 9, 1967 --- Lincoln Day Dinner
- (more)
9. Alameda - February 10, 1967 --- Lincoln Day Dinner
10. Santa Barbara - March 18, 1967 --- College Republican Convention
11. Pomona - June 3, 1967 --- Los Angeles County Fairgrounds
12. San Jose - December 5, 1967 --- GOP Dinner
13. Los Angeles - April 20, 1968 --- UCLA
14. Norwalk - September 17, 1968 --- for Rep. Clawson
15. Palm Springs - December 6, 1968 --- Republican Governors Association
16. Orange - February 16, 1969 --- Chapman College
17. Los Angeles - August 28, 1969 --- Zionist Organization of America

(more)



CALIFORNIA

As Congressman (continued)

18. Glendale - October 17, 1969 --- GOP Dinner
19. San Diego - April 1, 1970 --- San Diego Council, Navy League
20. Richmond - November 18, 1971 --- Business & Professional Association
(W. Contra Costa Co.)
21. Burlingame - November 19, 1971 --- Land Executives Association
22. Los Angeles - January 17, 1972 --- American Restaurant Association
23. Laguna Hills - April 5, 1972 --- Leisure World Republican Club
24. San Francisco - January 29, 1973 --- Potato Chip Institute
25. Newport Beach - April 26, 1973 --- GOP Dinner



consider a very superb coin
political hobgoblins on H—

I have seen some reports
candidates of the other party are laying claim to being
fiscal watchdogs. I have seen some reports that they are
even accusing the Republican Party for high spending.

Now, you and I know what causes inflation. It is not
the Republican Party. The facts are that it is largely
due to the Government spending more money than it
should. And I will tell you flatly and categorically the votes
to break the budget did not come from Wiley Mayne or
from those on his side of the political aisle.

Let's take a look at the record. Some great politicians
in the past have said, "Let's look at what the record
shows." And this is something I would like to call to your
particular attention, to many people in this audience
today. As I look around I see there are a number between
the ages of 20 and 42. This is an interesting fact often for-
gotten or not known. If you are in this age group, from 20
to 42, the Congress of the United States has been in control
of one political party 85 percent of the time in your
lifetime.

That means that 85 percent of your life has been lived
under the legislative control of a single political party, and
this is the party which has to be held accountable for so
many of the problems that we face in this country today,
including inflation—especially inflation, which is the big-
gest legacy of this period of monolithic Federal control.

Now, next Tuesday it is a day that we cannot forget. I
cannot believe there is voter apathy in the great State of
Iowa. I do not believe there is voter apathy in the other
49 States. The issues are critical. The problems are serious.
So let's all make up our minds that we do not go down the
same road again that has given us control by one party in
38 out of the last 42 years.

They have done a bad job and they ought to be
replaced.

Now, if you send Wiley Mayne—you send him back
to the House of Representatives, and you send Dave Stan-
ley to the United States Senate, and if you reelect Bob Ray,
your great Governor, then the ticket, the Republican
ticket, will be a great help in meeting the problems here in
Iowa and helping to meet the challenges of those problems
we face, both at home and abroad and the Nation's
Capital.

I repeat, I need Wiley and Dave—you need them in
Washington, you need Bob Ray in Des Moines. And if you
go out and do the job that you can do with your friends,
your neighbors, your relatives, Independents, Democrats,
and others, then I am confident that you will achieve
something good for yourself, your community, your State,
and our great Nation.

Thank you very, very much.

The President spoke at 3:25 p.m. at the Sioux City Mu-
sic Center, Sioux City, Iowa.
As noted above, this item follows the text of the White House
release.

Los Angeles, California

*The President's Remarks at a Dinner for Republican
Candidates. October 31, 1974*

It is really a great privilege and pleasure for me to be
introduced on this occasion by the next Governor of the
great State of California, Hugh Flournoy.

*Hugh, Governor Reagan, Bob Hope, my former col-
leagues in the Congress, distinguished guests, ladies and
gentlemen:*

It is really wonderful to be here, and I do want to thank
Hugh for his very fine introduction. Since I became Presi-
dent, I am usually introduced in a very stately and digni-
fied manner, such as Hugh did tonight in a very appropri-
ate way. But I would like to tell you about one dinner that
happened recently when I was introduced by a former
teammate of mine at the University of Michigan when I
was playing football back there when the ball was round.

I will never forget that introduction. He said something
like this: "Ladies and gentlemen: It might interest you to
know that I played football with Jerry Ford for 2 years,
and it made a lasting impression on me. I was a quarter-
back and Jerry was the center. And you might say it gave
me a completely different view of the President of the
United States."

But it is a particular pleasure to be in California again,
and I have been here a number of times over the last 25
years in political life. California—the State that puts to-
gether such great football teams as the UCLA Bruins and
the USC Trojans.

As a former football player for the Big Ten, I have
always been very, very grateful for those practice teams
that you have given us to play against. Well, we call it
practice—I think you call it the Rose Bowl.

The last time—this is the last time I am going to buy
a joke from Woody Hayes at Ohio State.

It is pretty obvious I enjoy being here in California, the
State that is governed by Ronnie Reagan, served by Hugh
Flournoy, and owned by Bob Hope.

It was very kind of Bob to mention my golf game, but
as he well knows, it is not worth mentioning. Bob vows
he will never carry me again as a partner on the golf
course, and it is reciprocal, Bob.

Frankly, I have the same problem with golf that George
Foreman had with Muhammad Ali. My swing is very
good; I just did not or don't connect often enough.

I appreciate, as Bob knows, his being here tonight, be-
cause at 10:00 tonight, the Dean Martin roast of Bob
Hope will be shown on television. Dean and Bob had in-
vited me to be on the show but unfortunately at almost
the last minute some special problems arose in the Oval
Office that precluded my participation. I think it is a
shame. Bob, because rarely, if there is anybody who knows
about roasts, it is me.



As a matter of fact Bob and I have a great deal in common. For the last 24 years Bob has been seen on television and for the last 25 years I have been in politics. So we both know how to live quite dangerously. At least by the ratings.

I will only conclude by saying that Bob has done very well.

But I do wish to express to Governor Reagan and to Hugh and to all of the others my appreciation for being invited to visit all of you in California. I think you have achieved something quite unique in politics in America. You elected a great Governor who was an actor-turned-politician. Back in Washington, we have the reverse problem—too many politicians who have turned actor.

Quite frankly, I am talking about some Congressmen and Senators who play the role of fiscal conservatives at home, and Diamond Jim Brady in Washington.

I think you might call them "method politicians." They will try any method to get elected and, if indeed you do elect them to the House or to the Senate, they are like the child you sent at one time to the grocery store—one of your own—sometimes they don't remember what you sent them for.

Today is Halloween, a warm, affectionate holiday, close to the hearts of all of us in America. But my message for tonight is this: Let's keep Halloween for the children. The last thing we need in Washington is a trick and treat Congress.

To be very blunt, I am talking about a Congress that hands out multi-billion dollar treats, and then the trick is how to pay for them without higher taxation or more inflation.

And it is my observation that one Halloween a year is enough. What we need the rest of the time in Washington, in Sacramento, in State capitals across the country, and in our county and local governments, are serious-minded, dedicated individuals, inflation fighters and energy savers.

I am told that Hugh Flournoy's opponent in the California gubernatorial race claims that one State alone cannot do much about inflation, that it is mainly a Federal problem.

Well, I for one consider California part of the Union, and a very important part of our Union. One out of every ten Americans lives in this great State. You have the largest of all delegations in the Congress and the largest number of eligible voters of any State in the Union. You excel in so many, many fields—in industry, agriculture, automobiles, advanced technologies, education, effective State and local government, the arts, recreation, conservation, natural resources.

You have all of these great attributes and resources. I even, in my conversations with many from California, use a lot of superlatives when you talk about the State. And I think for good reason. So I ask, in all sincerity,

this problem: California not involved in the inflation problem?

My answer is categorical: nonsense. You are not only one-tenth of the problem, you are also one-tenth of the solution.

This State has shown the rest of the country and the world there is nothing Californians can't do when they really put their shoulder to the wheel. California outstrips all but a handful of nations in wealth and productivity. Nothing California can do about inflation? I repeat, nonsense.

If inflation were only a problem for Washington, I would be staying in Washington trying to solve it. But the state of our economy is a national problem and to the extent that it is a problem of the Federal Government it is a political problem.

Frankly, that is why I am traveling here in California this evening and Fresno tomorrow and five or six other States this last weekend of this great campaign—to share at least my views on the 1974 political campaign and the issues that are involved.

And I am asking, as I and Hugh and the rest of the State ticket, including your Congressional candidates, campaign day and night literally, I am asking all Californians to do their full share.

You have 10 percent of the political clout in the Congress, and I am quite frank to say one of the ablest, as well as one of the largest, Republican delegations in the House of Representatives, and I see two or three of my former colleagues in that delegation here in this room.

You have had a great Republican Governor and a Republican administration in Sacramento which has practiced as well as preached a progressive but fiscally sound policy of good government, in political terms.

There used to be a saying that "As Maine goes, so goes the Nation." The fact is, during my lifetime, it is the polls in California that the Nation has turned to every election night, and it is becoming more so as you grow in population and power. This is the way it will be next Tuesday, because what happens in this great State next Tuesday will be a bellwether as to what might happen in 1976.

If it is true that there is great voter apathy across the Nation—and the polls seem to indicate—then, in my judgment, there is time to change it and we had better do it.

If only 42 percent of the eligible voters are going to turn out next Tuesday on the tremendous issues and the candidates that are involved, and this is what the experts are predicting or forecasting, that means that a slight fraction of over 21 percent of the eligible voters in this country can determine how this Nation will operate for the next 2 years in Washington, D.C.

Let me, in all sincerity, ask this question: Do you want that kind of minority rule in the United States of America? I do not think you do.



say to my friends in California—to Republicans, Democrats, and what President Eisenhower used to call "liberal" Democrats, and you have plenty of them here in California—let's prove that these pessimistic pollsters are totally wrong. Let's prove that you care what kind of government you have in Sacramento and in Washington, that you appreciate the kinds of leadership that you have had with Ron Reagan, John Harmer, Hugh Flournoy, Ev Younger, what they have given to you in California for the past 8 years and that you want an even stronger Congressional delegation to represent you in the Nation's Capital and to protect your paycheck and your savings in the Congress of the United States.

Very frankly, if you do just that, California will have won one-tenth of the battle against inflation and will once again set an example for the rest of the Nation.

As I indicated in the economic message that I submitted to the Congress and to the American people about a month or so ago, if we are to win against inflation, we must enlist the efforts of every individual American and every unit of government across this great country.

We need teamwork. We need cooperation between the Federal Government and the States like California. Cooperation between individuals, between individual States and their counties and their communities. If we are going to win the struggle against inflation, we must exercise some rigid fiscal control and responsibility and prudence at every level, from the housewife making better use of her budget to the Congress in Washington curbing its appetite for uncontrollable spending.

I think you are fortunate here in California in that you have already established a tradition of fiscal prudence in your State government. When my good friend, Ron Reagan, replaced the Democrat in Sacramento nearly 8 years ago, California was suffering from a deficit of about \$325 million. During the last Brown administration, I understand you could do real well in Sacramento selling red ink to the statehouse. It was not much, but it was very steady.

Fortunately, your great Governor cleaned up the mess that he inherited using modern management techniques that are now being copied by Governors from many, many States, both Democratic as well as Republican.

As a result of this technique or technology, he was able to get your State out of the financial grief that he inherited. When Ron leaves office I am told California will be enjoying a surplus of around \$400 million.

That kind of fiscal prudence can make a big dent in inflation. California, as I see it, cannot afford the risk of what he has done by electing a big round of new Democrats statewide or nationwide. Hugh Flournoy understands this: John Harmer, your outstanding Lieutenant Governor knows this. So does Bill Richardson, who will be your great Senator for your State. So does Evelle Younger, Brian Camp, Bill Boyley, John Kehoe. I have the privilege in several visits to California to meet

them, to compare them with the kinds of people that I see on the other side of the political aisle and in other States throughout the Union.

So, I think in California, you are fortunate, lucky to have this talent available to elect, to run your State for the next 4 years. And unlike Hugh's opponent, they also understand the concept of teamwork; teamwork in the fight against inflation and the benefits that can be derived from cooperation between the State and the Federal Government, and between the State and local units of government.

From Hugh Flournoy on down on the ballot, California has a Republican slate of experienced public servants—men of proven competence, integrity; men who have demonstrated that they know how to do the job and how to get it done.

It is my observation we need more teamwork in Washington, as well.

I first learned this concept, how important it was, some 25 years ago when I first took the oath of office in Washington, D.C. Earlier, a Republican Congress had worked very, very closely with a Democratic President, Harry Truman, to build a strong bipartisan foreign policy, one that was good for America and, fortunately, good for the rest of the free world.

And because the Congress, which was then Republican, and the Democratic President did work together, we succeeded in mounting the Marshall Plan, the Greek-Turkish aid program, and the programs that followed, that rebuilt Europe, NATO, and produced an alliance which protected the free world from the threat of aggression from those early post-war days.

Today, that bipartisanship in foreign policy which has carried this Nation through some of its very roughest times, some of its greatest challenges, is being eroded by the irresponsible actions of some Members of the Congress.

What really concerns me is this: If the ranks of the shortsighted are swelled by elections next Tuesday, not only that delicate bipartisanship which served this country so well for over a quarter of a century could be destroyed and our total foreign policy, which is one of maintaining and building the peace, would be undermined.

Now, at home, we have another threat, certainly the greatest we face domestically in this country—inflation. In its own way, this deadly domestic enemy is every bit as serious as the threat that we face from abroad.

Again, what concerns me, if the ranks of the big spenders in the Congress, House and Senate, are increased next Tuesday the inflation-fighting program that I have asked the Congress to approve will be swamped—overloaded with massive deficit spending.

What we need is not a veto-proof Congress, as some have proposed. But what we actually need is an inflation-proof Congress, and we can get it next Tuesday.

If I might, let me be quite precise about what I mean. I do not want anyone to misunderstand. I do not believe



that either of our great major political parties has a total monopoly on wisdom or on the solutions to the Nation's economic problems. We have Members on both sides of the aisle, and some of my former colleagues know who they are, who are indispensable to an inflation-proof Congress.

Unfortunately and very regrettably, some of the staunchest Democrats who stood up and fought to be cooperative and to be helpful are regrettably retiring voluntarily this year. And so, who they are replaced by is critical and crucial.

Now, I am sure that virtually every Member of the Congress has only the very best interests of our Nation at heart and it depends on how he or she sees it.

Generally, when we differ, it is not so much as to the goals, but the road by which you achieve it. The question we face right today—and it will be reemphasized and reiterated when Congress comes back on November 18—what is the best way to beat inflation? I have labeled it public enemy number one. A lot of different people have a lot of different views, and as I think most of you know, we had this summit meeting on the economy that was the result of 12 mini-summits that were held all over the United States where we had labor, management, economists, bankers, housewives, and others participating.

I, at least, had an open mind and was the beneficiary of the suggestions that were made by this broad-based cross section of America. There was one point, however, on which there was substantial, almost unanimous agreement on which a majority of Americans seemed to agree: that excess Government spending has been, and will continue to be, a root cause of inflation.

No government, no government that I have read about, studied about, participated in, can keep on spending more than it takes in without driving down the buying power of its currency and driving up the cost of living for its people.

In the short haul, it is very easy for government to yield to the temptation to give people what they want or what the politicians tell them that they ought to have, but keep this in mind: In the long haul, a government big enough to give us everything we want is a government big enough to take from us everything we have.

So, when you come right down to a very basic subject, we must curb Federal spending as far as the Federal Government, the Congress, the President, are concerned. In the economic message that I submitted to the Congress just before the recess, I proposed that we establish a spending ceiling this year of some \$300 billion, or some \$5.5 billion less than the budget as it was submitted last January. But the current Congress has not yet approved that spending ceiling. The House of Representatives did act, but the Senate did not.

There are some other proposals in that economic package which is aimed at tightening the screws on inflation and yet giving some help and assistance as far as the economy is concerned to strengthen it.

I hope when Congress reconvenes in the month or the weeks between November 18 and January 3, we will meet the challenge and act effectively on this. I think, sincerely-tuned proposal.

Now, I am not going to be so brash as to stand here and tell you that all of the big spenders belong to the opposition party, although the percentages tilt pretty far that way. But I would like to note—I would like you to note, and Governor Reagan mentioned it, others have said it, but I think it is good to reemphasize it—that the Democratic Party has controlled the United States Congress for 38 out of the last 42 years, and for the last 20 years consecutively.

During this period of time, Federal spending has shot up from roughly \$4.5 billion on an annual basis in 1934 to \$300-plus billion in the current fiscal year. It is a simple fact that no President and no Administration can spend a single dollar—and to be more precise, a single penny—that Congress has first not appropriated.

I cannot emphasize that enough. Congress appropriates every penny that is spent by any President or by any Administration. So when you look at it, if you are unhappy about the handling of our Nation's finances in the Capital over the past 20 years, if you think it is time for a change, remember next Tuesday who the big spenders are and throw the big spenders out. And if some of them are Republicans, so be it.

I think it is time for responsible men and women of all political persuasions—Republicans, Democrats, Independents—to come together, not in an effort for political advantage, but in a spirit of true American patriotism, to whip problems like inflation, energy, the environment, to strengthen our successful foreign policy by the restoration of bipartisanship. And it is also time for the American voter, whatever his views, to demonstrate by the ballot that he supports a responsible and responsive anti-inflation policy; that he opposes wasteful Government spending; that he demands a strong, secure national defense program; and most important, that he wants elected representatives who feel the same way.

And in Congress that does not mean a one-party monopoly. It does mean a Congress in which reasonable men of both parties can work together with an administration in a spirit of cooperation for the good of all of us.

I think this is the kind of Congress I have tried to campaign for in some 14 or 15 States in the last month, and with your help, it is the kind of a Congress that we can elect.

If we are successful next Tuesday, the average hard-working American citizen will be the beneficiary.

Just a few weeks ago, while I was out on the campaign trail, I met a lovely lady whose husband is now retired. After working very, very hard all their lives, they are living on Social Security and a small pension. They were beautiful people.



After I shook hands with her, she reached in her purse and handed me a little slip of paper. It was a supermarket receipt like the one I am holding in my hand.

She told me that she appreciated many of the suggestions I had made on television and individually on what an individual citizen or family might do to help in the battle against inflation. But she said both of them—she and her husband—already were doing most of those things, and were trying to do more. Yet the total each week of this little grocery slip kept going up and up and up.

She said, "Mr. President, can't you do something about this?"

I looked her in the eye. I said, "Yes, but I cannot do it all alone. I need a lot of help. I need the help of responsible people, like-minded individuals in the Senate, in the House of Representatives."

And she looked at me with a kindly smile, and said she understood and would do her part on election day.

In the final analysis, let me say to each and every one of you, that is what this great national election is all about—to make sure we have a responsive Congress for the next 2 years, responsible to the people and responsive to their needs.

As I close, let me make this suggestion to each of you. When you go into the voting booth next Tuesday, take with you your latest grocery slip, your check-out receipt, and before you vote, take a good hard look at the bottom line. Then vote for the candidates who will really make sure and certain that your paycheck buys as much on the day that you spend it as on the day that you earned it.

Thank you very much.

NOTE: The President spoke at 10:14 p.m. at the Century Plaza Hotel, Los Angeles, Calif.

As printed above, this item follows the text of the White House press release.

Visit With Former President Nixon

The President's Remarks to Reporters Following His Visit With the Former President at Long Beach Memorial Hospital in California.
November 1, 1974

I spent approximately 8 minutes with the President. Obviously he is a very, very sick man, but I think he is coming along very, very well.

He was very interested in discussions that I had with him concerning my prospective trip to Japan and to South Korea and to the Soviet Union. I gave him a quick rundown on Dr. Kissinger's trip to the Soviet Union, to India, to Pakistan, and the last message I had was Afghanistan, as he continues this trip.

The President was very alert. He was very interested. It was very obvious to me that he had been very, very

great deal of strength mentally and meeting this very serious challenge.

before I came here and indicated to him that she has asked me, as I told him, that all of our family were praying for his full and complete recovery.

Thank you very much.

NOTE: The President spoke at 10:33 a.m. outside Long Beach Memorial Hospital, Long Beach, Calif.

As printed above, this item follows the text of the White House press release.

Fresno, California

The President's Remarks at the Fresno Air Terminal.
November 1, 1974

Thank you very, very much Mayor Wills. I am deeply, very deeply grateful for this fine plaque or picture that makes me an honorary citizen of the great City of Fresno, and the 300-plus thousand people who are here.

Thank you, if not in person, in spirit. Thank you very, very much.

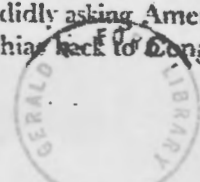
Thank you very, very much Bob Mathias, Congressman Chuck Wiggins, Carroll Harner, distinguished mayors, members of the State legislature, members of the Board of County Commissioners, the wonderful bands from—I still get a great thrill out of hearing the National Anthem played, as I am sure Bob Mathias did, both at London and Helsinki when he won, representing all of us in the decathlon. It is a great, great thrill.

It is nice to see all these wonderful young people and all of you from Fresno, Kings, and Tulare Counties. I thank you for a super enthusiastic, warm welcome. I am very, very, very grateful. Thank you very much.

I think you can tell from the reaction that it is a great experience for me to be in the central valley of California. And as I look around this big valley to fine people, I noticed that as I flew in this morning it is a big valley, and the big crops that it produces, the big yields that come from the soil, and the labor, the big livestock, to serve its people in Congress it produces big men, mentally and otherwise, in Bob Mathias. And, frankly, that is why I am here.

It is really no secret—I need Bob Mathias. I think you need Bob Mathias. I think the country needs Bob Mathias back in Washington, representing these three great counties of Fresno, Kings, and Tulare. And I am counting on your doing it.

I have been asked many times why I have traveled extensively in the last few weeks, candidly asking American voters to return men like Bob Mathias back to Congress.



People have asked why, and let me give you the answer. It is very simple. I am here because the issues are far, far too important. It is far, far too vital for me to sit on the sidelines.

I never have, and I don't intend to, when I feel strongly about people and about issues. The stakes are far too high to be a sideline sitter when we have got people like Bob Mathias out in the hustings.

And there is another answer, too. I do it because the people of Fresno, the 340,000 or 350,000 people in this Seventeenth Congressional District, in my judgment, deserve to see their President and deserve to see a President who believes with conviction and dedication in the issues and in the solutions that I think can make America a bigger, better, stronger, finer country for all of us—particularly these fine young people down here in the front rows.

Public service, public responsibility are far too important for me to sit in that beautiful Oval Office in a mystic seance in Washington, D.C., when I can come out here to Fresno in the Seventeenth Congressional District and have an opportunity to see the wonderful faces, the enthusiasm.

I enjoy being on the banks of the Potomac, but I get a big thrill and a big shot in the arm, coming to Fresno on an occasion like this.

I am out here—I am particularly here because there are some issues that, in my judgment, deserve to be talked about, to be discussed, so that the problems we have can be communicated to you with the solutions and the answers that we have.

We do have a serious problem of inflation. We have some other economic problems, but the answers can be gotten by all of you and by all of us in the executive, as well as in the legislative branch.

To solve those problems, I need people like Bob Mathias who, in my opinion, from his past record, can be extremely helpful. He is a big man, but he is a big man in action. He is not a big man of talk. He is a big man as a problem-solver, and that is what you want in the Seventeenth District representing you.

And let me give you, if I can very seriously, an extremely practical reason why I think Bob ought to be sent back next Tuesday, for you, for me, for the country. I could not help but notice as we flew in and saw the beautiful fields and the people working in them—Bob Mathias, when he is returned to Congress will be the second man on our side of the aisle on the great Committee on Agriculture and agriculture is important to all of you.

That is the committee that drafts the legislation. That is the committee that guides it through the House of Representatives. That is the committee that has a direct connection with the Department of Agriculture and with Bob Mathias in that high-ranking, number two position on the Committee on Agriculture, you will have a voice at the

top, a voice of experience instead of a person at the bottom with a big voice but no communication.

Let me tell you something else about Bob. When I was the minority leader in the House of Representatives, I had the opportunity of working intimately, very closely with Bob Mathias on a number of legislative matters. But what was important in that relationship to all of you was that when I wanted some straight answers, some sound suggestions about agriculture, one of the finest, most helpful voices, to me, was the observations, the recommendations, the advice from Bob Mathias.

He advised me then and he advises me on agriculture as the occupant of the White House, and I thank you, Bob, for your help then and your assistance now.

I have heard, Bob, about the hard campaign that you are running, working literally night and day to communicate your positions, your achievements, to the 400,000-plus people that live in the 17th Congressional District and I won't try to repeat all the things you can speak up about, what you have done, how you voted.

I do know—and let me mention very quickly—some areas that ought to be reemphasized. For example, you have introduced a number of important, very vital pieces of legislation that affect all the young people, as well as the old; legislation to protect our natural resources and our environment, preserving the beauty of our national parks—and I saw some of them as I flew from the Los Angeles area here this morning.

I think it is vitally important for everybody, the young as well as the others, to know that you have introduced and pushed legislation to provide new jobs for all of the people in the Central Valley.

I think people ought to know what you have done in the way of legislation to open the flow of energy resources to our people and if we are going to grow and prosper and to provide jobs and homes and opportunities for these young people particularly—and I am looking right at them and talking to them directly—we need energy. We need energy to make a better America.

And I know, Bob, of your personal interest in education. You are interested in health legislation so you have had not only great experience in the field of agriculture, but you have had an interest in environment, our ecology. You have had an interest in energy, you have had an interest in jobs and health and education. Yes, your experience in these areas has been invaluable to the people in this Congressional District.

But let me mention one other area that I hope and trust does have an impact on all of you, and I speak now of the field of foreign policy. Bob Mathias has another great committee responsibility, as a Member of the Committee on Foreign Affairs. That is the committee that puts together that legislation that helped to achieve the peace. It is the committee that puts together the legislation that will maintain the peace. It is the committee that will build a better America here so we can have peace abroad.



But let me speak if I might about the subject that I consider public enemy number one, domestically: inflation. Inflation, according to all polls, is the matter of primary interest, the highest-ranking matter of concern to the American people, some 83 percent. There is one way that all of us, and particularly those in the Congress, can do something about it, and that is to cut, to slice the fat off the Federal budget.

This can help us curb rampant inflation. Bob Mathias has a reputation in the Congress for being an inflation-fighter. I understand that his opponent is pretty well beholden to the people that want a veto-proof Congress.

Well, a veto-proof Congress, in my judgment, will do more to increase inflation than anything I can imagine. What we want is not a veto-proof Congress, but we want an inflation-proof Congress, and Bob Mathias can give us that.

As I heard the Star-Spangled Banner, or National Anthem, being played, I thought back in 1948 when I first ran for the Congress of the United States as an ex-athlete, and it goes back a long time. I was proud of the representation that Bob Mathias at the ripe old age of 17 was giving our country in the Olympics, a gold medal winner both in London as well as Helsinki. And I was proud of him then, and I am very proud of him and the contributions that he has made to our country today.

This kind of representation, as a young man and as a legislator, is good for our country.

I am informed that in this area, perhaps—maybe around the Nation—there is an apathy about this election. I hope and trust this is not true in Kings and Fresno and Tulare Counties. I hope it is not true in the great State of California. And I am going to do the maximum that I can to prevent it from being true in the rest of the country.

I don't believe people are discouraged, disillusioned, turned off. I don't believe we are going to have only 42 percent of the eligible voters in America participate in that great election in all 50 States next Tuesday.

Let me tell you why I think it would be tragic, why it would be catastrophic. If only 42 percent of the American people vote next Tuesday, it means that 21 percent of the eligible voters in America will make the decision for 100 percent.

Now we want not 21 percent of the people telling us how to run the Government. I think we want 100 percent of the people. And I say to all of you young people, those right in front of me, and those in the bands: I think you have a very special mission. You have more impact, you have more influence, you can do more to get your parents to go and cast that ballot than anybody else in the whole area of Fresno and the surrounding environs.

I hope you will make that a special mission, to grab Mom and Dad by the hand and ask them on Tuesday morning, "Are you going to vote?" You can, and you will.

And this is important for Democrats, Independents, and Republicans alike. If they do, I am confident that you

will send people like Bob Mathias back to Congress. You will send people like Hugh Flournoy to the statehouse in Sacramento. I think you will send a good team to help Hugh Flournoy in your great State capital of Sacramento.

Now it is just as important to attack the problem in Sacramento as it is in Washington. We want a creative Congress. We want a forward-looking occupant of your statehouse, your State capital in Sacramento. We want responsive, responsible government in all parts of our Government at the local, State, and national level.

I am told that Hugh Flournoy's opponent for the office of Governor in the State of California says inflation is not the problem of California.

I respectfully disagree with that very limited observation. California is one-tenth of the American people. It is the biggest State. It has got the biggest vision. It is a rapidly growing State and I am amazed that a candidate for the Governorship of California would have such a limited perspective of the problem.

It seems to me that a prospective or a candidate for Governor of California ought to recognize that with a State as big, as wealthy, as powerful, can have an impact on inflation. One out of every ten people in the United States live in California, and what you do, and what your delegation does in the Congress of the United States, will have an impact.

I respectfully say that California must be involved, and for any candidate for Governor to say that it is not, is purely nonsense.

We cannot fight inflation without the help of California and a Governor like Hugh Flournoy will help us fight inflation. And with that kind of help, we can do something about it.

Let me just make this final observation. My message to you here today is a very simple one, and I hope you will pass it on to your friends between now and Tuesday. If the big spenders get control of Congress, if the big spenders control your statehouse and your State capital, we cannot, in all honesty, do much about inflation, because excessive spending at the State level or at the Federal level is a major cause, a principal reason for inflation.

And so I ask you very strongly, but very simply, to send the kind of people back to Washington who you can trust, who will watch your tax dollars. I urge you to send people to Sacramento who will do a first class job in watching the money that you send to your State capital.

Actually, the key to the battle against inflation is within our honest, personal reach. All you have to do on November 5 is to go into the sanctity of that voting booth and pull the right lever. Good leadership is the answer. I am trying to do it in the White House. Bob Mathias has sought to do it in the Congress of the United States. Hugh Flournoy will do it for you in the State capital.

Leadership, whether it is in Washington or Sacramento, is vital, and what you do in the quiet, personal relationship



that you have in that voting booth is of great importance—yes, to you and to me, but more importantly to all of us.

And I urge you not for the sake of one political party, but for the sake of America, be a leader next Tuesday; be a leader in making the right decision. Let your vote and your voice re-elect and elect the kinds of men and women to public office who will bring out the best in our great country.

I am confident that you will, and that is why I am here to see all of you.

Good luck, Bob. Good luck to all of you who support him.

Let me express my very deep appreciation and gratitude. I am not going to get into a discussion whether your bands or your football team is the best, but let me say this: I like a mayor who thinks they have the best band and the best football team.

And may I add that I have got a 16-year-old son who is working as a ranch hand out in Lolo, Montana. He decided that he wanted to learn to be a rancher so he is out there, and I am going to see him tomorrow. And I am not going to tell him I have this great, great cowboy hat. I will tell him, maybe I cannot ride as well as he can, but I might look like a cowboy, if I cannot perform the function.

Thank you very, very much.

NOTE: The President spoke at 12:10 p.m. at the Fresno Air Terminal, Fresno, Calif.

As printed above, this item follows the text of the White House press release.

White House Conference on Domestic and Economic Affairs

The President's Remarks to the Conference in Portland, Oregon. November 1, 1974

Thank you very much. Thank you very, very much Governor McCall, Mr. Johnson, Mr. Killian, Secretary of the Treasury Simon, Secretary of HUD Jim Lynn, distinguished guests, ladies and gentlemen:

Let me express my deep gratitude for the very warm welcome that Tom McCall has extended on this occasion. If my memory is correct, Governor, you were the first Governor that I saw in the first State that I visited back about a year ago when I was nominated Vice President of the United States. The warmth of the reception then is only duplicated by the kindness that you have shown me on this occasion.

I am deeply grateful. I am especially pleased to be here to participate in one of Bill Baroody's programs, the White House Conference on Domestic and Economic Affairs,

where business, labor, consumer, environmental organizations have joined in sponsoring this meeting to improve the lines of communication between non-governmental organizations and the White House itself.

You can generate a new climate of confidence and understanding on national issues of greatest concern to us individually, as well as collectively.

This is my first participation in this nationwide series of meetings that can have, as I see it, a very vital impact on America's response to the state of our economy, housing, environment, and general domestic affairs. And the fact that the Secretary of the Treasury and the Secretary of HUD are here, I think, portrays vividly the importance that we consider meetings of this sort.

In this context, I would like to discuss the question of confidence in our political system and our ability as a nation to cope with this very serious issue.

The question of credibility is often raised. A mood of some cynicism exists in certain quarters. There are even those who say that my Administration's openness is just another coverup. The question is asked: Is everything phony? Is everything cynical in Government today?

I categorically reject any such conclusion. But I would like to offer some thoughts on why there is some doubt and, perhaps, some division.

Confidence in America's institutions have been deteriorating since the early 1960's. There were, unfortunately, assassinations, upheavals in great cities and in school systems throughout our country, riots and terrorism, crime, drug abuse, pollution, the Vietnam War, the Watergate affair with the first Presidential resignation in America's history, the energy shortage, rising inflation, and other almost unbelievable blows to America's self-image.

This chain of tragic events affected our institutions and actually our way of life. It did not start with the present inflationary problem nor with Watergate nor even the tragic murder of President Kennedy. America and the world are going through a hurricane of very rapid change—technological, economical, social, and political.

Americans put men on the Moon, but have yet to cope with the rapidly changing life on this globe. Other industrial nations are also, in varying degree—often without our resilience and our resources—going through precisely the same experience.

That explains my participation in this meeting today. I came to talk with you about how Americans can mobilize to regenerate our institutions, beginning with the economy.

I am speaking now to Republicans, Democrats, Independents, to labor, to management, and to every segment of our great society. We are all in this problem together, and that is why I consider it so very vital so very important to be in Portland on this occasion.

I offered approximately a month ago a comprehensive program to mobilize America against inflation. I con-



in signing this bill. I am keeping my promise to reach a compromise with the Congress and to provide a needed boost. I must say again, this is as far as I will go. In common sense and prudence, I am confident that the nation will retreat into history. As Congressmen and your Senators return from their recess with the knowledge of your deep concern and desire for caution and care in this difficult economic course, we will soon get back on the path of increasing productivity and prosperity for all our people. Good night and good evening.

NOTE: The President spoke at 7:31 p.m. in the Oval Office at the White House. His address was broadcast live on radio and television.

As enacted, the bill (H.R. 2166) is Public Law 94-12, approved March 29, 1975.

Bakersfield, California

The President's Remarks Upon Arrival at Meadows Field En Route to the Naval Petroleum Reserve No. 1 at Elk Hills, California. March 31, 1975

Let me express again my very deep appreciation to all of you, coming out on this beautiful day and welcoming me and the others here in Bakersfield.

I am particularly grateful that your Congressman, Bill Ketchum, your mayor, your State assemblyman, your head of the county commissioners—and I brought with me Congressman Al Bell—and the Attorney General, Evelle Younger, are here. Let me say that the warmth of the reception and the wonderful bands that are here—I understand there are some seven bands here—I appreciate very, very much.

I had planned to come to Bakersfield on at least two other occasions in the past. For one reason or another, it was not possible to get here, so I am particularly pleased to come and visit your community, your area, and see so many wonderful people, particularly the young people.

You have a great area of our great country. You have the finest in agriculture. You have the great potential of giving to this country added capability in the field of energy. You are hard-working, dedicated, loyal Americans who give me faith every time that I see faces like these and people such as yourselves.

We have some problems in America, problems both at home and abroad, but these are the kinds of problems that can be solved and will be solved with the true American spirit that has taken our country in some 200 years from 13 poor, struggling colonies on the east coast to a country of 213 million loyal, dedicated, visionary, imaginative Americans. And I say to you that America is just begin-

ning to be the country that our forefathers wanted it to be, and we are going to make it.

So, our third century, which begins in a few months, is a century that will make America both at home and abroad an America that can continue to give leadership and can continue to give to our people all of the blessings of our great country.

Thank you very, very much.

NOTE: The President spoke at 10:22 a.m. at Meadows Field, Bakersfield, Calif. Following his remarks, the President flew by helicopter to inspect the Naval Petroleum Reserve No. 1 at Elk Hills, Calif.

As printed above, this item follows the text of the White House press release.

Commission on CIA Activities Within the United States

Executive Order 11848. Dated March 29, 1975. Released April 1, 1975

EXTENDING THE REPORTING DATE FOR THE COMMISSION ON CIA ACTIVITIES WITHIN THE UNITED STATES

Section 6 of Executive Order No. 11828 entitled Establishing a Commission on CIA Activities Within the United States, dated January 4, 1975 is amended by deleting the words "three months from the date of this order," and substituting therefor "June 6, 1975."

GERALD R. FORD

The White House,
 March 29, 1975.

[Filed with the Office of the Federal Register, 2:49 p.m. April 1, 1975]

NOTE: The text of the Executive order was released at Palm Springs, Calif.



specific areas within the State
 ence, based upon Federal and
 onal Director of the Federal
 stration, HUD Region IV,
 leral Coordinating Officer to
 oviding Federal emergency
 Relief Act of 1974, Public

ment was released at San Francisco, Calif.

Secretary of the Interior

Announcement of Intention To Nominate Stanley K. Hathaway. April 4, 1975

The President today announced his intention to nominate Stanley K. Hathaway, of Torrington, Wyo., to be Secretary of the Interior. He will succeed Rogers C. B. Morton, who the President intends to nominate as Secretary of Commerce.

In January 1967, Governor Hathaway began serving as Governor of Wyoming, a post he held until January 1975. A lawyer, he served as Goshen County prosecuting attorney in Wyoming from 1954 to 1962.

As Governor of Wyoming, Mr. Hathaway served as a member of the executive committee of the National Governors' Conference from 1968 to 1969 and was chairman of the Committee on Natural Resources and Environmental Management from 1973 to 1974. He was vice chairman of the Western Governors' Conference from 1969 to 1970 and chairman from 1970 to 1971.

Governor Hathaway was born on July 19, 1924, in Osceola, Nebr. He received his B.A. degree in 1948 and his LL.B. degree in 1950 from the University of Nebraska. He served in the United States Army Air Force from 1943 to 1945.

Governor Hathaway is married to the former Roberta Harley, and they have two children.

NOTE: The announcement was released at San Francisco, Calif.

San Francisco Bay Area Council

The President's Remarks at the Council's Annual Dinner. April 4, 1975

Major Joe Alioto, distinguished guests, members of the Bay Area Council:

It is really a great privilege and a very high honor to have the opportunity of meeting so many of you tonight,

and particularly the opportunity to express a few views and say a few words to all of you this evening. For that I am deeply grateful.

I have done a little studying about the Area Council and I found that for the last 30 years you have been leaders in preserving the economic, social, civic, environmental integrity of this great area of the State of California. And the outstanding success of your efforts can be applauded by both resident and visitor alike, and as a visitor, I certainly do.

On behalf of all of you, I thank you most sincerely for the generation of achievement. Frankly, it never takes very much persuading to get me to come to the Bay Area, a region of infinite charm and boundless beauty.

If I might reminisce a bit about two experiences that I will never forget. Forty years ago, January 1, 1935, I was honored among a good many others to play the Shrine East-West football game out here in Kezar Stadium. As a matter of fact, I played 58 minutes because we did not have any other center. [Laughter]

But nevertheless, I will never forget coming in on the train from Chicago, getting ready for the game. And we pulled up on the dock over here—I guess it was Oakland or some place, I can't remember. [Laughter]

I was 21 years of age and had not been out of Michigan very much. We took the ferry boat across the bay, and now you have got a great Bay Area transportation system that, I suspect, the people who come out here in the future, as I did, won't have to take that ferry boat like I did.

But I think the experience of coming to a great metropolitan area for a young, very unsophisticated senior of Michigan left an indelible impression on me.

Then, in 1945—roughly 10 years later—I came back from overseas, as many in this audience did, in the Pacific, and I had the privilege of being in this area for roughly 3 months on the way to getting back to civilian life. And the experiences that I had, the friends that I made during that period of time, also wrote an indelible impression on me, and I thank all of you and those that preceded you for what you have done in trying to make, at least myself, a broader person. And I am deeply grateful.

Obviously, you can tell it is a delight for me to be in the San Francisco Bay Area. It is a city that glistens in sunlight and sparkles at night; where life has style and style has life. Even the commonplace becomes an adventure.

All I can say is, if Tony Bennett ever wants his heart back, I have got one to replace it. [Laughter]

When I was talking to Gene and Tom up here, and I am sure all of you, as well as they, know the Bay Area has experienced over history, great adversity. This month marks the 69th anniversary of the disastrous San Francisco earthquake. In 1906, San Francisco was challenged, and passed the ultimate test of its recuperative vitality. Local courage and local determination prevailed. The Bay Area

now offers the world an international center that represents the best of what Americans can do.

Your Council is typical of the genius and the energy that personify the state of mind that is San Francisco and the Bay Area. You are a consistent, constructive force in the nine counties in this great part of California. You act, as I understand it, not as self-interested individuals, but as a community seeking the improvement and the progress of a region. Your region is a great source of America's pride.

I commend you for this demonstration of Bay Area willpower and Bay Area know-how. I commend you for the success of decisionmaking processes on a local level. The magic of San Francisco and the Bay Area was not conjured up in the bureaus and agencies of the Federal Government. It developed spontaneously right here on the shores of the San Francisco Bay. It emerged from the people, from your optimism and your vision.

The Bay Area is a showcase of what can be achieved by returning the decisionmaking processes to the people. Our economy no longer can afford the waste, duplication, and misunderstandings that occur when a Federal Government tries to do for the local people what they can best achieve for themselves.

Only this morning, in spite of a small snowstorm, I had the privilege of visiting by helicopter the fascinating geothermal power development at the geysers. Fred Hartley and Sherm Sibley and others were my hosts, and I am deeply grateful to them. They explained how this natural steam from inside the earth already supplies a significant share of the Bay Area's energy needs, saving millions and millions of barrels of oil imported from foreign sources, millions of dollars of foreign payments.

Government's role in this promising new energy development, I was told—and I hate to admit it—has mostly been one of obstructing faster development. I, for myself, to the extent that I have any authority—I sometimes wonder—[laughter]—I promise to take care of the Federal Government's share of the redtape. I just came, a few hours ago, from a meeting with a number of Western Governors, where I asked Governor Brown to join me in cutting California's share of that redtape. I think I got a firm promise.

Geothermal power discoveries in other parts of the West could be a major breakthrough, whether it is in New Mexico, Nevada, or other places in our race for energy independence.

But let me turn, if I might, to a somewhat different subject. A criticism I made of the tax reduction bill, which I signed last Saturday, was that it failed to give adequate relief to the millions and millions of middle-income taxpayers who contribute the biggest share by far of Federal taxes.

Most people do not understand the significant portion of our total tax payments from individuals comes from the middle-income group—schoolteachers, firemen, po-

licemen, professional people, working people, construction, production line people in industry and government.

These are the people that pay the most in Federal personal income taxes. It was my fear then, and it is still true, that if we don't give some recognition to their contribution, that their initiative will be punished and the lack initiative rewarded.

If an emerging philosophy of taxation will develop known as income redistribution, will prevail, frankly, is my judgment if this does happen—penalizing the middle-income group and redistributing their initiative to those that are not in that category—it could very well take the freedom out of the free enterprise system.

What incentive, for example, will remain for upward bound people to improve their status if they are assessed an undue proportion of Federal taxes?

We must, of course, help those least able to help the selves. But I cannot conceive of an America in which half the Nation produces nothing and the other half expected to provide a free ride. Yet, that is the inevitable result by the year 2000—not too far away, just a quarter of a century—if we continue the present pace of escalating social spending. It is my strong conviction that we must put a curb on these transfer payments or what the technicians call income supplements. I think we have to do it now.

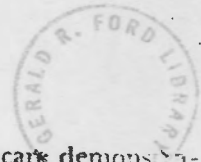
I will never forget, if I might digress a moment, the 25 years that I had the privilege of serving in the House of Representatives—and it was a great privilege of sitting and listening to the debate when strong, motivated Members of the House of Representatives would get up and argue effectively and convincingly certainly in the highest motivation for this social program or that social program. Pretty soon, we started to see this proliferation, and, believe me, it has proliferated in the process, we had more and more Federal employment and we had more and more Federal regulations.

I recall most vividly sitting there on many occasions and thinking to myself, don't they realize that a government big enough to give us everything we want is a government big enough to take from us everything we want. That is so true.

But in the process of trying to take a look at some Federal spending problems, I want to assure to you I am determined to stop the inflationary impact of our away spending.

But in the process of trying to achieve that result, I prefer conciliation with the Congress. But as I said Saturday in the remarks that I made to the American people, I must draw a line at a fiscal 1976 deficit of \$100 billion. That figure shocked me as I am sure it shocked you. But the alternative that is inevitable if we don't show restraint and good judgment is that it will be \$125 billion, \$150 billion, or \$175 billion. That is the choice.

Now, I was encouraged to hear the distinguished chairman of the Senate Budget Committee, Senator



warn that a deficit of \$100 billion might ensue if brakes are not applied by the Congress. I applaud him and others, regardless of political affiliation, who feel that we are facing a crisis. I think we are.

Fortunately, our system is flexible and strong enough to work under great stress. But the growth of some of these social assistance programs must remain in a context that we can manage and not enter a new dimension that manages us.

An example of how spending undermines a viable society can be seen in one of our great allies, Great Britain. They are striving to stop the momentum. But let me assure you, I don't want—and I am sure you don't want—to see the United States, at some future date, in the same situation.

Now, in the struggle to preserve a free economy, individuals, not special interest groups, will be the real allies. I refer to individual workers and individual professional people. And I am confident that American individualism, regardless of one's status in life, will rise to that challenge.

I happen to deeply believe in the concept of decentralization of government power in providing wider discretionary accountability to locally elected officials and their constituencies.

An example, of course, is the concept of what the good mayor and I know as general revenue sharing. He and his fellow mayors worked with Governors and us in the Congress to approve this legislation which, for the first time, gave to local units of government and to the States Federal funds taken from taxpayers at the local level—money to be used at the local level with the discretion of locally elected officials.

I am proud of the fact that the legislation was enacted—was it 1972, Joe—and to report to you that the payments to the San Francisco Bay Area from the inception of general revenue sharing, including checks now in the mail—Joe?—[laughter]—total well over one-quarter billion dollars.

The region, of course, to which I refer includes the county governments and local governing bodies in the nine-county Bay Area. The total taxes returned by Washington to the people of these counties is some \$271,615,000. Pretty precise, but I think it has been money well spent.

Fortunately, this money translates into a variety of community programs planned by local people to fill local needs—the city of San Francisco, for instance. General revenue sharing funds provided kitchens to feed school-children and rehabilitation of your playgrounds.

In Oakland, revenue sharing funds are used to pay the salaries of your city firemen.

Santa Clara County has put its share into a new public park. These are decisions by the locally elected officials, people you either elect or defeat.

The city of Santa Rosa buys gasoline to transport handicapped citizens to the doctor.

San Mateo County provides a health care demonstration project, a rehabilitation program for drug users, a treatment facility for alcoholics, a subsidy to hospital outpatients unable to pay medical costs.

Contra Costa County designated its revenue sharing funds to cover part of the costs of the Bay Area sewer services agency. And an extensive social service program is conducted by this money in Alameda County. It includes job training for welfare recipients, aid to the mentally retarded, vocational rehabilitation of ex-convicts, legal aid and emergency services to minority groups, suicide prevention activities, and other similar programs to help people help themselves.

The point that I think is important is you go through the nine counties and communities in the Bay Area, those decisions were predicated on what their locally elected officials thought was most important, whatever they were, for those particular governing units.

The list looks good to me, but at least it is a locally decided decision. I think that is the best way for this kind of Federal aid to be spent, rather than by rigidly controlled and dictated Federal categorical grant programs.

Now, as Americans everywhere are showing new determination to help themselves, I am glad to report that our economy is starting to show tentative signs that the worst may be behind us after too long a period of recession and inflation. This does not mean that all of our troubles are over. Obviously, a few flowers do not mean that spring has really come. Unemployment remains too high, and industrial production remains too sluggish.

Yet, this spring has brought some encouraging indications:

- There has been an easing in price increases suggesting quite specifically a lessening of inflationary tendencies;
- Interest rates have moved downward.

- Retail sales have held surprisingly well. Inventory liquidation has been moving very rapidly and beginning to show some leveling off. As this reduction progresses, production and employment will turn upward.

- My good friends in the automotive industry back in my home State, according to their production schedules, are looking a bit more optimistic. Thousands, in many areas of the country, of unemployed workers are beginning to be called back.

- People are showing a new confidence in the future, and the reports from some of the survey organizations show that consumer confidence is beginning to turn in the right direction. And I am optimistic that we will lick the problem of an economic recession and soon be on the road on an upward basis.

Now, last year I recommended to the Congress, and later signed into law, two new measures that were essential and absolutely mandatory to aid unemployed workers. One of these measures provided up to some 13 additional weeks of benefits for individuals who tragically, for reasons beyond their control, were part of the unemployment

compensation system. The second measure provided up to 26 weeks of special unemployment assistance to workers whose jobs had not been previously covered. Tragically, as we have moved through this very difficult economic period, people are beginning to exhaust benefits in both of these new programs.

Accordingly I will recommend to the Congress, as soon as it returns from its recess, the following actions. I think they are needed and necessary as we begin to move on the upward part of the curve.

First, an additional 13 weeks of benefits to be made available to those individuals who have exhausted their present entitlement under the new Federal supplemental benefits program. This would raise the overall entitlement of most workers in the unemployment compensation system to a maximum of 65 weeks.

For the benefit of those 12 million individuals who had not been previously protected by the unemployment compensation program, I am proposing that the present one-year, temporary program be extended until the end of '76.

Now, in the expectation that the economy will show improvement before the year is out, I will ask the Congress that these extended programs have a built-in procedure, which is vitally important, to reduce or to terminate the program when the unemployment rate decreases to a specified level. This triggering device is absolutely important if we are to get rid of a program that was necessary during a recession but is unneeded when the economy has recovered. This procedure will concentrate the limited resources in those areas experiencing the greatest unemployment.

Speaking of unemployment, unemployment and the growth of our economy are directly related with our international relations.

In recent weeks we have experienced serious setbacks in our quest for peace in the Middle East and more recently, and more tragically, in Southeast Asia. Even as I speak this evening, the dimensions of the human catastrophe in Southeast Asia increase. I, I am sure, like you, have frankly been moved and troubled by the developments in South Vietnam and Cambodia. I believe all Americans, regardless of how they may have viewed the situation in years past, are shocked and saddened.

I am especially distressed, as I am sure you are, by the death of so many little children, for example, in the crash of the United States Air Force mercy flight. And I wish to convey my heartfelt condolences to the prospective foster parents and to all relatives and friends of the children and the dedicated American military and civilian men and women who died in that crash.

Many of the children were orphans on their way to new homes and to a new life in the United States. But let me assure you that our mission of mercy is going to continue. The survivors and other orphans will be flown to this great country. Out of this tragedy must come new

hope for the living, and I am very, very confident that Americans will join to help these Vietnamese orphans in the best and the very fastest way. I can assure you that we are taking all possible humanitarian measures to help the innocent civilian refugees in South Vietnam. We are also providing for the safety of all Americans in the battle zone.

When I have the privilege of addressing the Congress upon its return from the Easter recess, I will ask the Congress, in a joint session, for a firm, American commitment to provide humanitarian aid to the helpless civilian refugees.

There is a special point I wish to emphasize tonight. Let no adversary or potential enemies of the United States imagine that America can be safely challenged, and as importantly, let no allies or friends fear that our commitments will not be honored.

We, as a great nation, today stand ready to defend ourselves and support our allies, as surely as we always have, and as we always will.

In this hour of sadness, and I am sure frustration, let us not dispel our energies with recrimination or assignments of blame. The facts, whatever they may be, speak for themselves, and historians will have plenty of time to judge later on.

What is now essential is that we maintain our balance as a Nation and as people and that we maintain our reputation as a powerful but peace-loving Nation.

While we have suffered setbacks, both at home and abroad, it is essential for Americans to retain their confidence and their perspective. And I, through you and others, appeal to all Americans to share my optimism for the future of the United States of America.

This, in my judgment, is a time to return to fundamentals, to mobilize our assets, and to believe in the capacities of America.

Let us not, in this time of travail, succumb to doubt and despondency. This obviously is not the time in history to dismantle our defenses nor can we adopt a naive view of the world that we cripple our vital intelligence agencies. I am convinced that America—*[pause]*—I am glad you feel that way—those of us who believe that a strong intelligence community in the Federal Government is essential to the proper implementation of foreign policy have not been too plentifully.

But let me assure you that Presidents in the past have made good decisions because we had a good intelligence community. And Presidents in the future, regardless of who that person might be, will make better decisions because we have a strong, wise, superior intelligence community.

Presidents have to have that information, and trust that you express yourselves to those Presidents.



seek to destroy this great asset, because it is important to a President to have that kind of help and assistance.

Now, I am convinced that Americans are determined to go on helping people in less fortunate lands to help themselves. We retain our religious heritage, our decency as human beings, and our own self-interest.

Of course, those are the fundamentals. We will assist the refugees of Vietnam in any appropriate way, and we will not turn our backs on any other peoples who are victims of comparable disasters.

There are some who see nothing but a grim future of depression at home and disintegration abroad. I, I am sure, like you, reject that scenario. My vision is one of growth and development worldwide through increasing interdependence of nations of the world, including the United States.

My vision is one of peace, and my vision of Americans is of a people who will retain their self-respect and self-defense so that this vision can emerge.

During the period of my Administration, Americans will neither resign from the world, nor abandon hope of peaceful and constructive relations with all people. That is the mission of America today and the one it must have for the future.

We will maintain credibility and constancy in all our policies at home, as well as abroad. Obviously, we live in a complicated and a tense moment in world history. Events are moving with shocking speed, but we will not withdraw inward, nor become paralyzed by a state of anxiety.

We have the world's greatest capacities, and we will mobilize them in the best American tradition. As I have said, I am an optimist. We can meet the test. It is not merely the latest test of our moral influence throughout the world. It is a test of our will to develop our own resources, to reduce bureaucratic waste, and to control nonessential spending with the same vigilance that we maintain the power of our defense forces.

This task can be met only by reducing vulnerability to weaknesses in our economy and energy capacities. An adequate security program is directly dependent upon sound economic and energy policies.

In 1906, San Francisco survived doomsday. In 1975, some people may quake, but the earth will remain solid under our feet. The basic strength of America is unshaken. San Francisco is a showcase of a city that endured a disaster, but returned to a greater glory. America has suffered nothing remotely comparable to the devastation that struck suddenly on April 18, 1906.

America has the will. America has the resources. America has the knowhow. Most importantly, America has the faith.

I share your belief in America. If you despaired of the Nation and its future, you would not be here today. Together we will build a new and a better America and a better world.

Thank you very much.

NOTE: The President spoke at 9:10 p.m. in the Grand Ballroom at the St. Francis Hotel, San Francisco, Calif.

International Joint Commission, United States and Canada

*Announcement of Appointment of Henry P. Smith III
as a United States Commissioner. April 5, 1975*

The President today announced the appointment of Henry P. Smith III, former United States Representative from the State of New York, as a Commissioner on the part of the United States on the International Joint Commission, United States and Canada, to succeed Christian A. Herter, Jr., who has resigned.

From 1936 to 1941, he was engaged in the private practice of law in Ithaca, N.Y., and from 1941 to 1964, he practiced law in North Tonawanda, N.Y. From 1965 to 1972, he was a partner in the law firm of Smith and Messing, North Tonawanda, N.Y.

He was mayor of North Tonawanda, N.Y., from 1962 to 1963, and from 1963 to 1964 he served as Niagara County judge, surrogate, and family court judge, Lockport, N.Y. In 1964, he was elected United States Representative from the State of New York to the 89th Congress and reelected through the 93d Congress.

Mr. Smith was born in North Tonawanda, N.Y., on September 29, 1911. He received his A.B. from Dartmouth College in 1933 and his LL.B. from Cornell University in 1936.

He is married to the former Helen Elliott Belding, and they have three daughters.

The Commission, created by the Boundary Waters Treaty of 1909, is the institutional means of studying and resolving the wide range of problems which naturally crop up on the 4,000 mile U.S.-Canadian border. Consisting of three members from each country, the Commission serves as a neutral forum for the consideration of such problems as water quality, navigation, hydroelectric development, fisheries, and air pollution.

NOTE: The announcement was released at Palm Springs, Calif.



9-5-75

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PR TENTIAL DOCUMENTS

Week Ending Friday, September 12, 1975

Sacramento, California

The President's Remarks to the 49th Annual Sacramento Host Breakfast. September 5, 1975

Thank you very much, Mr. Reed, Governor Brown, Lieutenant Governor Dymally, Stuart Davis, members of the Host Committee, ladies and gentlemen:

This has been a week that I will long remember with great satisfaction, a week that found Dr. Kissinger returning to Washington with some important answers to a very critical situation in the Middle East.

I believe, and believe very, very strongly, that all Americans can take pride in his—and our Nation's—continued and now successful efforts to bring peace to an area of the world that has known so little of it in the last quarter century.

But Dr. Kissinger's ability to come up with good answers comes as no surprise to me. In July, when we were in Europe, I visited one of our military bases in Germany. And during the tour of this military installation, I picked up a copy of Stars and Stripes, the service newspaper that some of you may have read while you were in the service or touring in any of our installations on a worldwide basis.

Well, the next morning, I was looking through it as I was having breakfast and saw a column about contestants in the Miss Universe contest. On a questionnaire, they were asked, these beautiful gals, to name the greatest person in the world today, and 50 percent of the Miss Universe contestants who answered said Henry Kissinger. [Laughter]

Then I looked very carefully through the rest of the story and couldn't see my name mentioned at all. [Laughter]

So, I circled the story and asked a staff member to take it down the hall where we were staying to Secretary Kissinger and to ask Henry—one of my most astute advisers—why 50 percent of the most beautiful women in

the world had voted for him and I didn't get a slight mention.

Well, the aide walked down the hall, showed the story to Henry, who was eating breakfast, and repeated my question. For a long while Henry didn't say anything. He just sort of kept looking at the story and smiling somewhat self-contented to himself. [Laughter]

So, my aide, who had been waiting for Dr. Kissinger's answer, cleared his throat and said, "What should I tell the President?" Henry said, "Tell him to just eat his heart out." [Laughter]

This morning, I have come to California to raise some questions that are facing this Nation, and I hope you will find some of the answers I will give a bit more responsive.

An organization such as your own that meets once a year has the tremendous advantage of perspective. You tend to focus on the long-range sweep, the sweep of events that are, I believe, fortunate—the long-range sweep rather than the blur of the moment. Your crystal ball, therefore, is likely to be less clouded.

For example, I recently scanned an issue of the Sacramento Union, dated September 6, 1974, and it was concerned with last year's Host Breakfast. The mood was an uncertain one. Feelings about the economy ran all the way from cautious optimism to alarmed pessimism.

It was said that California and the West seemed to be doing better than the rest of the Nation, but for how long no one was sure. Interest rates were rising. So was the rate of inflation and, even worse, the rate of unemployment. The American economy was about to take a roller coaster dip into the future.

Since that meeting, America and, to a large extent, the rest of the world, has made that economic dip. Most of the industrial nations of the world have mutually experienced an unnerving drop in gross national product and in levels of prosperity. The descent was sudden and at times almost frightening. But our vehicle, the American free enterprise system, has once again proven sound. A year later finds our economy on the straightaway and beginning to climb.

I was particularly interested in a comment made by Mr. Davis—the disappointing results of production



America. The statistics just released a day or two ago indicate that we have made for the first time in some months a rather significant improvement and increase in productivity in America, and I wholeheartedly agree with him that this is an area where we must maintain an uphill climb in the increase of productivity.

Today, 85 million Americans are at work in jobs that offer more pay, more fringe benefits, greater security, more generous pension plans, and safer working conditions than ever before.

From March through July of this year alone, more than 1,200,000 Americans have found jobs and are gainfully employed. And the figures for August, released this morning in Washington, add another 275,000 jobs to this total. So we are making progress.

This is an increase in jobs that would have strained an economist's imagination just a few decades ago. We have problems, but a true sense of perspective allows us to see our accomplishments as well.

But the problems must be met and solutions must be found. There is a phrase in the jargon of economics that has always irritated me. The phrase is, and I quote, "an acceptable rate of unemployment." I know of no acceptable rate of unemployment as long as there is any American who wants a job and cannot find one.

There is nothing theoretical about unemployment. The graphs, the charts, the percentages often tend to obscure the human tragedy of involuntary unemployment.

How can cold statistics ever adequately portray the trauma of lost jobs, lost savings, and lost pride? America's greatest national resource is her people, and I intend to see that that resource is not endangered.

One of the prime goals of my Administration is to get America out of neutral and moving ahead in a pattern of sustained growth. A working American is a buying American, an investing American, a saving American. Unemployment checks are to maintain life. Paychecks are to enrich life. No American can successfully engage in the pursuit of happiness until the needs of adequate food, clothing, shelter, education, and employment are met.

If we are to meet the employment requirements of our expanding population, by the year 1980 we must create over 11 million new jobs—11 million new jobs to build the houses, harvest the fields, manufacture the products, and earn the salaries that pay for it all; 11 million new jobs to show the rest of the world that the American dream functions best when we are wide awake. How can we do it? Well, first let me tell you how it can't be done.

In recent years a disproportionate percentage of new jobs has come from the public sector rather than the private. The result has been the creation of a bureaucracy that contributes very little to America's prosperity and productivity. It simply shares it.

Therefore, if the United States is to grow in a substantial, meaningful way, the future has to come from the private sector. Jobs are the symbol of a healthy free enterprise system. Jobs, particularly in the private sector, are the fuel that makes our economy run.

Obviously, to achieve the full economic potential of America and Americans, we must make it possible for our industry to maintain its competitive edge in world as well as domestic trade.

We emerged from World War II with an industrial capacity and productivity that was without challenge. Today that lead has narrowed very significantly. Friend and former foe alike have used the last three decades to rebuild their war-ravaged economies. Their industrial plants embodying the newest and most sophisticated techniques and technologies now compete with American products often produced by older, less efficient methods. We are still Number One, but throughout the world we have a lot of Number Twos who are trying much, much harder.

We have no choice but to compete, and I say with emphasis, to excel. Personally, I have no doubt that we can do it, if the private sector is given the opportunity to modernize, expand, and to secure the tools and the technologies that a first-class economic machine requires. It won't be easy. Some estimates have placed America's total investment requirement in the coming years at the astonishing figure of \$4 trillion. Even the figure is imposing. It is four—followed by 12 zeroes!

I consider this a \$4 trillion vote of confidence in the future of the United States industry, business, and agriculture. Economists call it "capital formation," but I prefer a much more basic term. To me this means "job creation." It is the wherewithal that creates the plants, the factories, and the machinery that in turn requires the skill and the efforts of an American labor force second to none. It is what we need, as I see it, to get all America back to work again.

The reforms this Administration has already proposed to the Congress will establish the taxing policies which will help to bring about this capital formation and job creation. They will give United States business and industry some of the incentives of our economic expansion which is required. They will give job seekers a paycheck instead of a raincheck.

The time has come. Because of the recession, our plants, our factories are underutilized. But the signs are clear for all to see that America's economy is picking up speed. The wheels are beginning to turn. The order books are beginning to open. The muscles of our Nation's industries are beginning to flex, and we must make certain that they will be able to do their job.

Now is the time to eliminate the production bottlenecks and potential shortages that will surely occur unless we plan for the future before it is here. Four trillion dol-



lars by any standard is a lot of money. It won't be raised by the board of directors skipping lunches.

But capital formation and job creation are only two aspects of the multifaceted problem. There are other important ways to improve our Nation's business climate. We can help by getting Government out of the way of business when all that the Government contributes is added cost, contradiction, and confusion.

And confusion there is. The Consumer Product Safety Commission recently bought 80,000 lapel buttons with a message promoting toy safety. But it developed that a lead paint had been used on the buttons. There was the danger of lead poisoning if they were licked by children. So, the Consumer Product Safety Commission had to ban its own buttons. [Laughter]

It is stories like that that are enough to make you lose your buttons. [Laughter]

Competition and the desire and the economic necessity to build a better mousetrap is what made our country the envy of the world. If you doubt it, the next time you travel to parts of the world where the free enterprise system does not exist, go into one of their department stores. Look at the variety of goods, the quality of the workmanship, the imagination of design and packaging. But above all, look at the price. Then, consider this price in terms of what an average worker in that country earns. Such a visit will only take a very few minutes, but it will be the best lesson in instant economics and the productive genius of the American industry that you could ever sign up for.

The free marketplace and the free enterprise system is the American consumer's best insurance that what he or she buys will work, will last, and will be at the best competitive price—with the possible exception of when big government tries to help.

The Federal Government has only been in the regulatory business about 90 years, but it has more than made up for this relatively late start. [Laughter]

Starting from point zero about a century ago, the Federal Government now employs over 100,000 people whose sole responsibility is writing, reviewing, and enforcing some type of regulation—100,000 people whose principal job is telling you how to do your job. It's a bureaucrat's dream of heaven, but it's a nightmare for those who have to bear the heavy burden.

Just to list all of the rules and regulations established last year required 45,000 pages of very small type in the Federal Register. I mourn for the trees that were felled in America's forests to make this exercise in Governmental nagging possible.

Federal regulation began with the loftiest motives, but the nature of regulatory bodies is to regulate even when prudence and changing circumstances would indicate that their job is over.

In many industries—transportation, energy, communication—Federal regulatory commissions have virtually

ruled out competition. What was begun as a protection for consumers now guarantees that in many, many cases they will pay higher prices than in a free market would allow for.

Even worse, the Mulligan stew of Government rules and regulations—often one conflicting with another—has created a nightmare of red-tape, paper shuffling, and new heights of counterproductivity. I am determined that our Nation's consumers and businessmen be relieved of this gratuitous burden.

But remember, these regulations and the regulatory bodies are the creation of the Congress over a long period of time. They are mandated by law. As President, I can propose, I can urge, I can even needle a bit, but it is only the Congress in the final analysis that can act.

The regulatory reform legislation I propose will seek to eliminate the obsolete, the unnecessary, the impractical and, yes, the impossible. Let's retain what is truly helpful and required in Federal regulations—it is a minimum amount. Let's get rid of the rest, and the sooner the better.

If I had to capsulize my views on government, it would simply be this: Bigger is not necessarily better. Indeed bigger is often the reason it isn't better.

In my 26 years in Washington, I have seen firsthand the astonishing growth of the Federal Government's involvement in our lives in America. I have seen experimental programs started for a few million dollars that are now institutionalized and whose existence is unquestioned as their budgets climb into the billions. Yes, I have seen many, many Federal programs and agencies and departments begin. I have seen very few ended.

There is a spirit here in California that has its roots in the character of the pioneers who first settled here. It is a spirit of fierce independence and self-reliance. It is a zeal for innovation and imagination. It is essentially the spirit of America—the spirit of 1776, 1876, 1976, and the years beyond.

Americans who have overcome the towering obstacle of the past need fear no problems, no problems in the future if we are free to utilize our potential. We can get the American economy off the roller coaster of boom and bust cycles and into a sustained and substantial pattern of growth.

We can create jobs for all who want them and income for all who need them. We can live the future of our forefathers as they dreamed it.

Help me, help your Representatives in the Congress, help your Governor, help your State Legislature, help all to free the free American enterprise system. Give America the means and the Americans will find the way.

Thank you very much.

NOTE: The President spoke at 8:50 a.m. at the Conservative Convention Center. The annual breakfast is sponsored by the Heritage Foundation in conjunction with the California Chamber of Commerce. The President was accompanied by California Governor Jerry Brown, California Speaker of the Assembly, and California leaders in California government, business, finance, education, agriculture, and labor.



Sacramento, California

Remarks to Reporters by Press Secretary Ron Nessen. September 5, 1975

From what we have been able to establish in the relatively short time we have had, as the President was walking from the Senator Hotel to the State Capitol through the park along the walkway, there was a crowd gathered along the walkway to the President's left. Secret Service Agent Larry Buendorf was walking directly behind the President.

He saw the hand of a woman come up between two people in the crowd, and she was pushing her way through the crowd. She had a gun in her hand which appeared, to Agent Buendorf, a .45 caliber automatic. The gun was about 2 feet from the President.

Agent Buendorf reached and grabbed the gun with his right hand, grabbed her arm with his left hand, twisted, forced her arm down, and twisted the gun out of her hand, and he took possession of the gun. At the same time, he turned her away from the President and forced her back into the crowd and forced her to the ground.

In the process of this, Agent Buendorf sustained a slight cut on his right hand between his thumb and his first finger. He cut this on the gun. He is not sure exactly how he cut it. He is not sure whether it was cut on the firing hammer, which would have prevented the gun from firing.

At that point a police officer of the Sacramento City Police Department named Gaylin Peterson—Patrolman

Gaylin Peterson—came to the assistance of Agent Buendorf with handcuffs. Also, Secret Service Agent Thomas McCarter came to the assistance of Agent Buendorf.

The city policeman gave his handcuffs to Agent Buendorf, who handcuffed the woman. Agent Buendorf turned over the woman to Agent McCarter and then returned to his duties of protecting the President.

Later, it was established that the gun was a .45 and was loaded. Agent Buendorf was treated by the President's physician, Dr. William Lukash. The only treatment required was a band-aid on the cut.

The woman was identified by the Sacramento City Police Department as Lynette Alice Fromme, 26 years of age. I don't have an address.

She was taken from here to the Sacramento City Police Station, located at 813 6th Street in Sacramento. Two Secret Service agents also went there, and the investigation is continuing. She is described as 5 foot 3, 120 pounds, with red hair.

The President was aware of the incident, was not hurt in any way, and nobody else was hurt in any way except the slight cut to Agent Buendorf's right hand.

The President has essentially had no comment on the episode. The necessary officials in Washington were notified. Secret Service Agent Richard Keiser, the head of the White House Protective Detail, will be informing Mrs. Ford and the rest of the family of these facts that I have related to you.

NOTE: Mr. Nessen made the remarks at a news conference at 10:40 a.m. at the State Capitol. They were not issued in the form of a White House press release.

CALIFORNIA STATE LEGISLATURE

The President's Remarks Before a Joint Session of the Legislature in Sacramento. September 5, 1975

Thank you very, very much, Governor Brown, Mr. Speaker, Mr. President, members of the State Legislature, distinguished guests, ladies and gentlemen:

It is indeed an honor to come before the California Legislature. You represent more Americans than any other legislative body except the Congress of the United States with which I have had some acquaintance over a good many years.

Almost half of California's delegation in the current Congress are alumni of this legislature. I cannot take time to salute all of them by name, but from veterans like the able majority whip, John McFall, to respected newcomers like Bob Lagomarsino, they are really an outstanding group.

In 25 years that I served in the Congress, I made many friendships with former State senators and assemblymen from Sacramento whose constituents have consistently sent them back to Washington. Although they represent a wide spectrum of political persuasions and interests, they were, almost without exception, able, hard-working legislators who quickly



reached positions of great importance and great influence in the House of Representatives, where they could make California's voice heard. And believe me, they did.

As a delegation that is now the largest in the Congress, Californians were often able to temporarily put partisanship aside on matters of great concern to your State as well as to our Nation. This, after all, is the way our two-party system works at its very best. I long ago came to admire California legislators from afar. And I thank you very, very sincerely for this opportunity to meet in this historic chamber.

Since California is almost a model of the whole United States, in its diversity of industry and agriculture, its urban and rural interests, its internal and international trade and commerce, its steady growth and the attendant challenges in transportation, education, employment and human needs, almost any national problem would be an appropriate one to discuss in California context. Any subject that is of major importance to Californians is also of deep concern to all Americans.

In the 13 months that I have served as President of all of the people, my priority goals have been set by the circumstances which confronted our Nation and still do: to work steadily and prudently toward peace and the reduction of conflicts which threaten peace globally or regionally, without weakening either our defense or our resolve; to reverse the current recession and to revive our free economic system without reigniting the inflationary forces and through such Federal stimulants and incentives as will create productivity and permanent private jobs and genuine economic growth; to develop a comprehensive short- and long-term program to end our growing dependence on foreign sources of energy and provide the abundant and sure energy supply that is essential both for jobs and to competitive production for the future; and finally, but certainly not least, to encourage among all Americans a greater spirit of conciliation, cooperation, and confidence in the future of this great country and the institutions of self-government which for 200 years have served to create a more perfect Union.

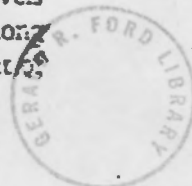
Today, I could devote my time to any one of these goals because all are of concern in Sacramento as well as in Washington.

California has a very vital stake in peace and the important breakthrough we have just made in defusing the time-bomb that has been ticking away ominously in the Middle East.

California is blessed above many, many States when it comes to energy resources. But by the same token, Californians are exceptionally aware of the importance of power to make things move, to make things grow.

I have decided, however, to discuss with you today another subject high on my agenda, one that affects every American and every Californian, one in which the role and the responsibility of State officials is even greater than that of the Federal Establishment, that is, the truly alarming increase in violent crime throughout this country.

Crime is a threat so dangerous and so stubborn that I am convinced it can be brought under control only by the best concerted efforts of all levels of government, Federal, State and local, by the closest cooperation among executive, legislative, and judicial branches and, by the abandonment of



partisanship on a scale comparable to closing the ranks in wartime against an external enemy.

I come to California not only to plead for this kind of Federal, State, and local citizen coalition against crime but to praise the progress you have already begun in California.

California has long been a leader in both law enforcement and criminal justice. The rate of increase in violent crimes here remains less than the national average. For the first quarter of this year, serious crime rose 18 percent for the Nation as a whole. It rose only 13 percent in California. But both figures, I am sure we agree, are far, far too high. The rate for forcible rape was down, but murder was up 22 percent in California and robbery up 23 percent.

What is more distressing, my good friend, Evelle Younger, tells me that nearly 4 out of every 10 persons convicted of using firearms to kill someone or to rob someone were given probation. Approximately 2,300 persons convicted of violent crimes involving firearms are returned to the streets of California each year without serving a prison sentence.

Clearly, the billions of dollars spent at all levels of government since 1960 have not done the job of stemming the rise in crime. The reported crime rate has doubled, and unreported crimes have probably multiplied even more.

As a former lawmaker among active lawmakers, let me put before you three simple propositions about crime.

First, a primary duty of government is to protect the law-abiding citizen in his peaceful pursuits of life, liberty, and happiness. The Preamble to our Constitution at the Federal level puts the obligation to ensure domestic tranquillity in the same category as providing for the common defense against foreign foes.

The American Revolution was unique in its devotion to the rule of law. We overthrew our rulers but cherished their rules. The Founding Fathers were dedicated to John Locke's dictum that "Where there is no law, there is no freedom." One of them, James Madison, added his own corollary, "If men were angels, no government would be necessary."

While it is true that not all men—nor all women—are angels, it is also true that the vast majority of Americans are law-abiding. In one study of 10,000 males born in 1945, it was shown that only 6 percent of them perpetrated two-thirds of all crimes committed by the entire sample.

As for serious crimes, most are committed by repeaters. Another study in a major metropolitan area showed that within a single year, more than 200 burglaries, 60 rapes, and 14 murders were the work of only 10 individual criminals.

This brings me to my second proposition: If a primary duty of government is to ensure the domestic tranquillity of the law-abiding majority, should we not put as much emphasis on the rights of the innocent victims as we do on the rights of the accused violators?

I am not suggesting that due process should be ignored or the legal rights of defendants be reduced. I am not urging a vindictive attitude toward convicted offenders. I am saying that, as a matter of public policy, the time has come to give equal weight on the scale of justice to the rights of the innocent victims of crimes of terror and violence.



Victims are my primary concern, and I am sure that is your primary concern. They should be the concern of all of us who have a role in making or executing or enforcing or interpreting the criminal law—Federal, State, or local. The vast majority of victims of violent crime in this country are the poor, the old, the very young, the disadvantaged minorities, the people who crowd our urban centers, the most defenseless of our fellow citizens.

Government should deal equally with all citizens. But if it must tilt a little to protect any element more than any other, surely it should be those who cannot afford to be robbed of a day's food money, those who lack the strength to resist, those who even fear the consequences of complaining.

My third proposition is this: If most serious crimes are committed by repeaters, most violent crimes by criminals carrying guns, if the tiny minority of habitual lawbreakers can be identified by modern datakeeping methods, then is it not mandatory that such offenders, duly tried and convicted, be removed from society for a definite period of time rather than returning to the streets to continue to prey on the innocent and the law-abiding majority?

Although only a very limited number of violent crimes fall under Federal jurisdiction, I have urged the Congress to set an example by providing for mandatory prison terms for convicted offenders in such extraordinarily serious crimes as aircraft hijacking, kidnaping, and trafficking in hard drugs. I also advocate mandatory sentences for persons found guilty of crimes involving use of dangerous weapons and for repeat offenders, with or without a weapon, whose crimes show a potential or actual cause of physical injury. There will, of course, be sensible exceptions, but they must be minimal.

I hope all 50 States will follow suit. Far too many violent and repetitive criminals never spend a day in prison after conviction. Mandatory sentences need not be severe. It is the certainty of confinement that is presently lacking. We will never deter crime nor reduce its growth if potential lawbreakers feel they have favorable odds of escaping punishment. The more experienced in crime they get, the better their odds of not suffering the consequences. That is wrong, and it must be reversed, and the quicker, the better.

The temptation to politicians—and I trust we are all politicians here and proud of it—I am—is to call for a massive crackdown on crime and to advocate throwing every convicted felon in jail and throwing the key away.

We have heard such cries for years, and crime continues to gain on us. The problem is infinitely more complex than any updated vigilante mentality can cope with. We have to confess, you and I, that we do not know all of the answers. But as with other stubborn national problems, my philosophy is that we must take one sure step at a time. It is simply intolerable to stand still or slip backwards. It is simply impossible to devise a swift cure-all or a quick fix.

In a talk to my alma mater and to yours, Mr. Governor, the Yale Law School, last April, and again in a detailed message to the Congress in June, I outlined the first steps which I believe must be taken to get a handle on the rising crime rates. I will not rehash these points today, except to thank the California Legislature for moving somewhat faster than



Congress has on some of my recommendations, such as mandatory prison sentences for crimes involving firearms and hard drug pushing.

I told the Congress, not as a cop-out, but as a constitutional fact of life, that the Federal effort in the fight against crime really depends on the massive support from the States, which quite properly have sole jurisdiction in the exercise of most police powers.

I said the Federal Government could, however, set an example through reform of the Federal Criminal Code, which is progressing, and through the Law Enforcement Assistance Administration and other programs including general revenue sharing.

I want to give it to you straight about these programs. They were pushed by the minority in the Congress during the Johnson Administration. And I am somewhat proud of my association with these innovative Federal measures and the proof that if an idea is good enough, it can prevail even if the minority espouses it.

I have asked the Congress to extend general revenue sharing, which expires at the end of next year. Under it, California has received about 10 percent of the total Federal funds turned back to the States and to the subdivisions. California's share now adds up to more than \$2 billion and will be closer to \$3 billion by the expiration date. This is money that you in California are relatively free to use where you think California needs it most.

Frankly, the Congress isn't too happy about such liberty on your part and would rather tell you how they want it spent. I leave it to your good judgment to help us continue this program for another 5 years. I have recommended that it be extended for a 5-year period and with added money on an annual basis.

I should say, and, in fact, warn you, there are many enemies in the Congress who don't want it extended, and the consequence is there is an unfortunate delay. And I detect that there is a feeling of complacency on the part of Governors, State legislators, mayors, and county officials. I warn you, all of those who have received these funds and used them effectively—and I think you have—get moving, because the enemies are working and I don't detect the proponents are pushing. Don't get caught napping when that expiration date comes up much more quickly than you suspect it might.

As for LEAA, I must say candidly that it hasn't done as much to help curb the rising crime statistics as we had hoped. But it has encouraged experimentation and pilot projects in law enforcement and criminal justice which, if they work, can be adopted by other States. Some of the outstanding ones have been funded for California's own Department of Justice dealing with organized crime and criminal intelligence and to Sacramento and San Diego Counties for programs on juvenile delinquency, white collar crime, fraud, drugs, and career criminals.

The drug problem in America could make several speeches by itself. Here again we have a very small number of deliberate criminals who destroy the domestic tranquillity of millions and millions of decent citizens. What is particularly outrageous is the tragedy they bring to young people who should be learning to face life, not run from it.

Here in California, according to the latest figures I have seen, less than one out of every five convicted hard drug pushers ever served time in



prison. One way to keep a convicted murderer from killing anybody else, and one way to keep a hard drug pusher from ruining any more lives, is to lock them up for a reasonable but certain term of imprisonment.

Loss of liberty is both a deterrent to crime and a prevention of repeated crime, at least while the offender is behind bars. Prisoners should be treated humanely, and we cannot expect judges, Mr. Chief Justice, and juries to convict and sentence the guilty to places of confinement that are cruel and degrading.

But I consider it essential that we reduce delay in bringing arrested persons to trial, sharply limit the prevailing practice of plea bargaining caused by congested prosecutor and court calendars, and significantly increase the proportion of those convicted of violent crimes and repeated crimes who actually serve time in prison.

I commend the State of California for its ongoing efforts in these areas as well as for your program—or programs to prevent juvenile crime and to rehabilitate youthful first-time offenders.

One of the worst aspects of the current rise in crime rates has been that almost half of all arrests are persons under 18 years of age. While imprisonment is clearly the way to put hardened criminals out of business for a period of time, it is obviously not the best way to deal with the very young. Yet, simply sending them home has not proved a very satisfactory solution, either.

We do not have all the answers, but we must spare no effort to find them quickly. The Federal Department of Justice has embarked on an urgent pilot program to divert first offenders and, in appropriate cases, prevent them acquiring the lifelong stigma of a criminal record.

Another aspect of the crime program that I have submitted—I asked the Congress to write into the revised Federal Criminal Code the stronger provisions to allow Federal action against organized crime wherever it rears its ugly head. The leaders of organized crime do not recognize State or, for that matter, national boundaries. It will take all of our law enforcement resources to fight this giant conspiracy against domestic tranquillity and prevent its spread.

Like other vexing problems facing California and the Nation, we will not conquer crime with a single roll call or a stroke of the Governor's or President's pen. But we must do what we can, and we must work together here and now for the sake of our children and our grandchildren.

It was really for this reason that I wanted to discuss crime today and the common front that we must create against it. Peace in our neighborhoods and places of business is almost as important as peace in the world.

Keeping the peace is as heroic and essential on the part of those policemen and policewomen who work the night shift as it is on the part of our military personnel and civilian technicians standing watch around the world. The courage and devotion of some, for the safety and survival of all, has brought us through 200 years as a nation, and it will carry us forward to an even brighter future.

Nowhere is the community of interest and the necessity of close collaboration between the Federal Government and the States of the Union more obvious than in the field of crime control. There is no more universal longing among our people than to be free of fear and safe in their homes and in their livelihoods.



There is no issue—even in a spirited campaign year already beginning—in which we who seek to serve the people can work harder without partisanship or without demagoguery to bring about visible progress.

I have not brought along any patent medicine that cures all human ills to peddle here in California. I have come simply to pledge to you my unrelenting efforts to reduce crime in cooperation and consultation with you and with all who have America at heart.

In moving against crime, with compassion for the victims and evenhanded justice for the violator, California can be the pacesetter for the Nation, as you have been in so many other challenges.

The genius of California has enriched all America beyond the wildest expectation of our goal-seeking ancestors. But I am not here to sing, "I love you, California," either. I will save that for future visits, and I hope there will be many, because I love your people. For today, it is enough to ask your help on this complex but fundamental problem that confronts us all.

If we fail to ensure domestic tranquillity, any other successes we may have as public officials will be forgotten. Peace on 10th Street in Sacramento is as important to the people who walk and work there as peace in the Sinai Desert. One man or woman or child becomes just as dead from a switchblade slash as from a nuclear missile blast. We must prevent both.

Thank you very much.

NOTE: The President spoke at 11:33 a.m. in the Assembly Chamber at the State Capitol. 3.14

Sacramento, California

*The President's Remarks to Reporters.
September 5, 1975*

THE PRESIDENT. Let me say very emphatically that I think the Secret Service and the other law enforcement agencies that were on the job were doing a superb job, and I want to thank them for everything they did in this unfortunate incident.

I also wish to express to the people of California my gratitude for the very, very warm welcome that they have given me in the State of California. I would not, under any circumstances, feel that one individual in any way represented the attitude on the part of the people of California. I just thank the Californians for being so friendly and so hospitable.

Let me add, with great emphasis: This incident under no circumstances will prevent me or preclude me from contacting the American people as I travel from one State to another and from one community to another.

In my judgment, it is vitally important for a President to see the American people, and I am going to continue to have that personal contact and relationship with the American people. I think it is vital, and I intend to carry it out.

Q. Mr. President, can you give us any idea what you saw or felt personally at the time?

THE PRESIDENT. I am not sure that I ought to describe what I saw beyond the fact that I saw a hand coming up behind several others in the front row, and, obviously, there was a gun in that hand. I then saw almost instantaneously very quick and very effective action by the Secret Service in taking care of the matter.

Q. Your own thoughts, sir?

THE PRESIDENT. Well, I was very thankful. I was very thankful to the Secret Service for doing a superb job. But once I saw that they had done it, I thought I'd better get on with the rest of the day's schedule.

Thank you very much.

NOTE: The President spoke at 12:46 p.m. at the Senator Hotel.

Return to the White House

*The President's Remarks Upon Arrival on the
South Lawn. September 5, 1975*

It is nice to be home and especially real good to see Betty and Steve and Jack and to see all of you.

We had a great trip—just a fraction of a second or two of that disturbed things, but everything else was superb. I am most grateful that you all came out here. I don't know why all the bother. [Laughter]



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the party per se, to help get the party strengthened in the
responsibility it has for organization as well as fundraising.
There is nothing in this trip that relates to my candidacy
as such.

Q. Mr. President, is there any question in your mind that
if you went head-to-head in the primary in New Hamp-
shire, Florida, and other places, that you could beat
him?

THE PRESIDENT. I don't like to forecast what I will do
in the political race. I am confident the policies we have
for the country, the policies that we are trying to imple-
ment domestically and foreign policy-wise put us in a
pretty good position against any competition within and
without the party.

Q. In the event Governor Reagan should defeat you in
New Hampshire and Florida, how serious a blow would
that be to your efforts to get the nomination?

THE PRESIDENT. I don't speculate about defeat. I look
at it affirmatively, that we will do well in any of the pri-
maries, whether New Hampshire, Florida, or otherwise,
just as I feel the policies we are trying to implement for the
country will be favorable and, therefore, we don't analyze
what will happen if we don't do well.

NEW HAMPSHIRE SENATE ELECTION

Q. How do you see the result of the Senatorial race in
New Hampshire? A lot of people will say it was a rebuke
to your policies.

THE PRESIDENT. I don't feel it was necessarily. The
opposition was extremely well-organized up there. They
got out roughly 30,000 more votes for Durkin than they
got in 1974 in November. Strangely enough, Louis
Wyman got about three or four thousand more votes than
he got in November. So, it was really an organizational
effort rather than the ideology of the Administration being
repudiated.

Q. Both you and Governor Reagan campaigned there,
though. That is about as heavy an artillery as your party
could have brought in.

THE PRESIDENT. Yes, and I got a very favorable re-
sponse from the people of New Hampshire, for which I
am very grateful. I don't think that response or the result
really entered into that election as such, and the techni-
cal adviser to the Democratic Party, Dick Scammon, dis-
counted any impact on a national level from that particu-
lar election.

GOVERNOR REAGAN

Q. Mr. President, one more Reagan question. Your
friend, indeed your host for part of this weekend, the
U.S. Ambassador to Belgium, has said he doesn't think
Ronald Reagan is qualified to be President. What do you
think? Is he qualified?

THE PRESIDENT. I don't think I ought to pass judgment
on that. He was a very good Governor for the State

Los Angeles, California

*The President's Interview With Bob Abernethy,
Jess Marlow, and Warren Olney of KNBC-TV.
September 20, 1975*

MR. ABERNETHY. Good evening and welcome. I am Bob
Abernethy, KNBC News. To question the President are
KNBC News reporters Jess Marlow and Warren Olney.
Mr. President, welcome.

QUESTIONS

RONALD REAGAN

A prominent California Republican said the other day
that he thinks it would be healthy for the Republican
Party if Ronald Reagan were to try to get the GOP nom-
ination for the Presidency. Do you agree with that?

THE PRESIDENT. I don't see any serious problems in
that regard. I have always thought that competition in the
political arena was healthy for the candidates and for
the party. I certainly feel that former Governor Reagan
and myself are close enough personal friends that we can
have any competition without having a divisive impact
on the party. So, competition being good for candidates
and the party, I think, under our system, I see no serious
harm in that regard.

Q. More and more people are saying they think it is in-
evitable that Governor Reagan will run. Do you share
that view?

THE PRESIDENT. I really should not pass judgment on
what he will or won't do. So, since that is a judgment on
my part, I think we ought to wait and see.

Q. Mr. President, you suggest the competition would
be healthy. Indeed are we not seeing some of that com-
petition right now with your concentrated schedule in
California?

THE PRESIDENT. My efforts here, as part of the respon-
sibility of the President that I have to talk to groups in the
labor field, the labor field, and other areas—and I
feel that is a part of my responsibility on this trip to help



California, and I don't think I should enter into those discussions.

THE MIDDLE EAST

Q. Mr. President, you expressed confidence that your policies would get you past any primary competition, indeed in the general election, too, and you particularly noted foreign policy. I would like to ask you a couple of questions about foreign policy, particularly about the recent Middle East agreements. First of all, is there an agreement to supply Pershing missiles to Israel?

THE PRESIDENT. The documents carefully spell out that we will study with Israel their request for Pershing missiles. It is carefully phrased, and it goes only to the commitment to study the need and necessity for Pershing missiles for Israel.

Q. Senator Howard Baker said here yesterday he believes—and he emphasized it is only his belief—that Israel has nuclear weapons now. Could you comment on that?

THE PRESIDENT. I do not know categorically whether they do or do not. Therefore, I don't think I should speculate.

Q. Another missile question. The Hawk missile for Jordan—did you insist that we be assured that those could only be used defensively?

THE PRESIDENT. Certainly, the intent is that those Hawk missiles should be used for defense purposes. It is important for Jordan to have that defensive capability, and the intent—and I think the agreement itself—is aimed at that direction.

Q. Did Jordan regard it as an insult that we suggested it only be defensive? Is that the only business that was made public?

THE PRESIDENT. It is a very technical dispute, and it is my opinion that those differences have been resolved—and I think constructively so—for the Middle East as a whole.

Q. Mr. President, another concern regarding the Middle East is those 200 American civilians who may go into the Sinai, concern that they may become targets or hostages and that may cause us to make a larger movement of men. Can you promise that if 200 civilians are sent to the Sinai now, more Americans will not have to go in the future?

THE PRESIDENT. There is certainly no intention that that technical contribution be enlarged. I see no reason why it should. As a matter of fact, it is fully understood by the parties that it will not be enlarged.

To compare that to the situation in Vietnam is not an accurate comparison. In Vietnam, there were two parties at war, and the American initial contribution back in 1961 was at the request of one party and in opposition to the other party.

In this case, both Israel and Egypt requested our contribution. So, it is a totally different situation, and there is no intent on our part to enlarge it. There is no request by either party to enlarge it. So, I see no possibility of that happening.

Q. Supposing there was some kind of an attack on those people by the Palestinian Liberation Organization? What would this country's response be?

THE PRESIDENT. Of course, our effort would be to bring those American technicians out of the area in case of any forecast of trouble arising in the area. They are there, will be there in the U.N. buffer zone along with the 7,000 or 8,000 U.N. forces, and I think they are thoroughly protected.

I think it is an area, in my opinion at least, that it is safe for those Americans. I think it is well to point out that we have now, I think it is, 15 or 20 Americans there with the U.N. forces at the present time. So, this is a very technical contribution in a protected area, the U.N. buffer zone. So, I don't think that problem is going to arise.

THE FEDERAL DEFICIT

Q. Mr. President, the Congressional Budget Office reported this week if the Federal Government would increase the deficit by another \$25 billion—would put a million people back to work who wouldn't otherwise be put back to work, by the end of 1977, with a very tiny increase in inflation. If that is true, why don't you do it?

THE PRESIDENT. An extra \$25 billion to a \$61 billion deficit would have serious ramifications.

Q. Is that study wrong, that Congressional Budget Office study wrong?

THE PRESIDENT. I respectfully disagree. I think there is a better way of approaching the problem. Of course, their recommendations came out prior to the announcement on Friday that we have made very significant progress in the battle against inflation, and I think it is important to point out that in the last 8 months the cost of living has gone up 4.8 percent on an annual basis compared to a figure for the previous comparable period of an inflation rate of 8.3 or 8.4, so the Congressional Budget recommendation for a \$25 billion increase in the deficit, taking it up to \$85 or \$86 billion is the wrong approach, predicated on the facts that were revealed by the Department of Labor on Friday.

U.S. ECONOMIC GROWTH RATE

Q. The Governor of California, among others, thinks that the growing costs of energy and raw materials, demands from the poor nations for more of what we have—all this means that our days of significant economic growth are over. Do you agree?



THE PRESIDENT. I am an optimist, and I respectfully disagree with the Governor that we should predicate our future on a less well-off society than we have had in the past. We will have certain periods of time where we will pay more for energy or there will be some energy scarcity, but it doesn't mean that the United States should expect a period of dismal progress.

I think the United States, if we adopt the right policy, can expect continued growth in a substantial and constructive way. If we approach it from the pessimistic point of view, I think we are adopting the wrong attitude.

Q. You say if we adopt the right policies. Does that suggest that we have not yet adopted it?

THE PRESIDENT. Let's take the energy problem. If the Congress doesn't act for a constructive approach to the energy problem, yes, we will have difficulty. We have been prodding the Congress, pushing the Congress, cooperating with the Congress, and yet they have done literally nothing.

Fortunately, we may be coming out of it on the right side, even if the Congress doesn't do something, but I would rather do it on a phased decontrol basis rather than an abrupt end of controls.

Q. Congressman Roybal said yesterday that he did not think you had cooperated sufficiently or compromised, I think, is the way he put it.

THE PRESIDENT. Let me just cite some figures that I did yesterday in Oklahoma. Since January, when I submitted a program, an energy program, I have personally consulted with 51 out of 100 United States Senators. I personally consulted with 305 or 310 of the 435 Members of the House of Representatives.

I have recommended two phased decontrol programs. They have rejected both of them. I have gone more than halfway. And I regret—and I think it is unfortunate—that the Congress has not responded.

I still think that there is a chance they could at least do something, but if they don't do something, then I think we also are in a position where we will come out of it in good shape.

THE NATION'S GOALS

Q. Mr. President, in times past and in times of national problems, other Presidents have called on the American people to serve the country in various ways. It seems to me that if people are willing, even eager, to do the same now, but they aren't sure exactly how. What would you ask the American people to do?

THE PRESIDENT. I am not pessimistic at all that the American people will not respond. As a matter of fact, throughout the country I find the American people cooperating. They can do it in a number of ways. The first is to impress upon their representatives

in the Congress. Senators and Congressmen, that we have to move ahead, whether it is in energy, or the economy, or national security. I note a slight change in the attitude of the Congress because I think the American people are having an impact.

Q. Indeed that is what you are trying to do.

THE PRESIDENT. That is exactly what we are trying to do, and I note some slight improvements in the attitude of the Congress in trying to cooperate with me, and I certainly am going to bend over backwards, and I think I have in that area.

INTELLIGENCE-GATHERING ACTIVITIES

Q. During the past week we have heard that the intelligence apparatus in this country deliberately defied the press, the people, and the Congress about the size of the enemy during the Tet offensive in the Vietnam war. What do you think about those remarks that were made, and how do you feel as a former Member of Congress about having been intentionally defied?

THE PRESIDENT. If it is a fact, and I think the committee ought to get others to testify who might have a different view—

Q. Are you making an independent effort to find out if it is right?

THE PRESIDENT. That is one person's testimony, a former employee. To get a balanced appraisal, I honestly think the committee ought to call other witnesses. And that brings up a basic decision that I have made. Under no circumstances will we in the executive branch hold back any more that might involve a criminal activity or a mistake that was made. As a matter of fact, I have ordered the people who have the immediate jurisdiction to make any and all information available. I think it is important that the record be laid out, with this exception: We should not in the process of making this information available reveal sources of intelligence information either by individuals or by mechanical means.

Yes, if people made mistakes, the public ought to know about it. Yes, if there is any criminal activity involved, that ought to be made available and action ought to be taken. But I do not think we should just throw open our intelligence sources. That is a serious problem.

CENTRAL INTELLIGENCE AGENCY

Q. Mr. President, public confidence is established in people and in institutions. We are told public confidence was established in you by your firm handling of the *Mayaguez* affair. I think we can suggest in recent days public confidence has been reestablished in the FBI by the capture of Patty Hearst. What is it going to take to reestablish public confidence in the Central Intelligence Agency, or are they such a secret agency they can never boast about their victories?



THE PRESIDENT. I think your last comment is one of the problems. The committee investigations in the House and Senate, if conducted properly, can, I believe, illustrate that mistakes were made, but overall some great accomplishments were achieved.

I have the benefit of the Rockefeller Commission recommendations and the Murphy Commission recommendations, and in a relatively short period of time I will make some administrative decisions that will improve the working operations of the intelligence community, including the CIA, and I will propose to the Congress some legislative recommendations which will likewise, in my opinion, improve our intelligence gathering communities. But you are never going to have the intelligence community where it will have the opportunity to brag about its accomplishments because it is so important that we not involve sources, and, therefore, they have a tough PR problem.

SCHOOL BUSING

Q. Mr. President, you have said that State courts in their effort to integrate the schools have ignored less drastic alternatives than busing. What specifically do you mean—which less drastic alternatives?

THE PRESIDENT. The Congress in 1974 approved what was labeled the Esch amendment—laid out six or seven specific guidelines for the courts to follow. The last of the recommendations to achieve what the courts should do was busing—court-ordered forced busing to achieve racial integration. Those steps—and I was in the Congress part of that time and I signed the bill that became law—those steps include a magnet school, utilization of the neighborhood school concept, the improvements of facilities, et cetera. I hope that in the future, as some course in the past, recent past, will utilize those guidelines rather than plunging into court-ordered forced busing as the only option for the settlement of the segregation problem in the school.

Q. The whole option to busing tends to get confused with racism, and there are a lot of racial epithets and whatnot being thrown about on the protest line. Do you have anything to say about that? You are opposed to busing, but how do you make the distinction?

THE PRESIDENT. I don't think opposition to busing really has any relationship to racism on the part of most people. I think the best illustration, one of the rising young columnists in the country, Bill Raspberry, a black, has been most forceful and most constructive, I think, in opposing the court approach in many cases.

I have been opposed to busing as a means of achieving quality education from its inception. My record in the Congress in voting for civil rights legislation is a good one. So I believe that the real issue is quality education.

It can be achieved better for disadvantaged and minorities, by other means.

I have sought, through the support of the Esch amendment, through adequate funding, to help Boston and other communities where this problem exists to upgrade their school system rather than to have this very controversial approach of forced busing.

Q. Do you think it will be an issue in next year's campaign?

THE PRESIDENT. I hope it won't.

FORMER PRESIDENT NIXON

Q. Mr. President, during your visit here, have you made any plans to telephone or visit former President Nixon?

THE PRESIDENT. I haven't made any specific plan, no.

Q. Do you intend to?

THE PRESIDENT. I may.

Q. Do you see any role for him in national life in the future?

THE PRESIDENT. I think that is a judgment he has to make, and I really can't tell you whether he will or he won't, but that is a personal judgment on his part.

Q. You say you may contact him. What is it that you want to say to him?

THE PRESIDENT. Well, he is an old friend, and I have known him and worked with him in the past. What has happened in the past, or recent past, I don't think should destroy a personal friendship.

PRESIDENTIAL CLEMENCY BOARD

Q. Mr. President, there has been a minority report from your amnesty panel being very critical of Charles Goodell saying that he misinterpreted and he violated the spirit of the amnesty program in granting amnesty or seeking amnesty for felons. Would you comment on that?

THE PRESIDENT. That was a very controversial area, as I am sure you recognize.

Q. Mr. President, our time is almost up.

THE PRESIDENT. I felt I had to do something, and I can understand, with the strong people on that board, that there might be controversy.

Q. Mr. President, gentlemen, I am sorry, our time is now up.

Our warm thanks to the President of the United States for joining us here in Los Angeles. "News Conference" will be back next Saturday at the same time when our guest will be Senator Howard Baker, Republican of Tennessee.

I am Bob Abernethy, KNBC News, with Jess Marlow and Warren Olney.

NOTE: The interview began at 8:57 a.m. at the Century Plaza Hotel. It was taped for broadcast that evening.

As printed above, this item follows the text of the White House press release.



Malibu, California

The President's Remarks at the Dedication of Brock House at Pepperdine University. September 20, 1975

Bill, Margaret, and all of you who have so generously come with your time and your enthusiasm and your dedication to this wonderful day here at Pepperdine, I thank you as well as Betty.

I have known Margaret a good many years. I have known her many, many efforts in a broad spectrum. Of course, those of us who are Republicans knew that she has been a loyal, generous, dedicated Republican and she is sort of known by those of us outside of California as Mrs. Republican, and we thank you very, very much for that, Margaret.

But as Bill has said and all of you I am sure know, her interests are far broader than that in civic and community affairs. Her generosity is extremely well known. As she indicated, she has a very deep commitment not only to Pepperdine as an institution but to the students here at Pepperdine. And that covers, again, many, many things that she does that are not too well known. She has a little special fund that helps deserving and needy and fine students.

I am told that Margaret, on many occasions—to a civic function, to a community activity, wherever people come in from the outside—she will support it and make sure that the younger people participate. The emphasis on youth, I think, has helped to keep Margaret just as youthful and attractive as she is today.

This beautiful house is a great tribute to her real deep interest in Pepperdine and I can't imagine a nicer couple and family than Bill and Gay and their four fine sons being the first occupants and establishing a great precedent as a family.

And may I just close because I am going to talk a little later and I don't want to preempt here what I might say down there.

But I have, of course, had an opportunity to look into what Pepperdine stands for. It stands for excellence in education and anything that is related to excellence—whether it is in the arts or in athletics, in business, professions, I wholeheartedly support—and Pepperdine, in the field of education, does represent that high standard.

And the 8,000-some students who attend here, some at this campus and some at the other campuses, are likewise getting the benefit of not only excellence but great leadership.

I thank you all very, very much for coming, and it is a pleasure to participate, Margaret, in these dedication ceremonies. And both Betty and I are delighted to see

you again, and we thank you for your help to this great school.

Thank you very, very much.

NOTE: The President spoke at 11:07 a.m. In his remarks, the President referred to William S. Banowsky, president of Pepperdine University, and Margaret Martin Brock, for whom the university president's new residence is named.

As printed above, this item follows the text of the White House press release.

Malibu, California

The President's Remarks at the Dedication of the Firestone Fieldhouse at Pepperdine University. September 20, 1975

Dr. Bill Banowsky, Ambassador and Mrs. Firestone, distinguished academic delegates, special guests and ladies and gentlemen:

Today, you conferred upon me the honorary degree of doctor of laws and granted me the status of an honorary alumnus of Pepperdine University. Obviously, these honors are very deeply appreciated, and I am equally grateful for the especially warm welcome here in southern California.

Actually, I have been looking forward to visiting the campus here at Malibu. Some of you may know I like skiing and swimming, and here in Malibu one of the big things is surfing, which combines a little of both—skiing when you do it right and swimming when you do it wrong. [Laughter]

But I never realized how popular surfing really is until just before the program when I asked President Bill Banowsky how many minutes he wanted me to speak, and Bill just said, "Mr. President, hang ten." [Laughter]

Last May, when my wife Betty returned from her trip to this beautiful State, she gave me a very enthusiastic report on her visit to Pepperdine's inner city Los Angeles campus. And Pepperdine's rapid growth from a small college in southwest Los Angeles to a multipurpose university has been a success story in the best Hollywood tradition.

I am impressed with your distinguished faculty, with your fine academic student body, and with your balanced budget of \$35 million. [Laughter] Then again, coming from Washington, I am impressed with a balanced budget of any size. [Laughter]

Let me also add a very special word of praise for your president, Dr. Bill Banowsky. Bill's great, great cap-



for leadership has been a guiding force in Pepperdine's phenomenal progress in the pursuit of excellence. He is the man most responsible for this "Malibu miracle" campus which represents a testament to his skills and diligence, and I congratulate you personally, Bill.

Today, we gather to dedicate this most impressive structure, the Firestone Fieldhouse, made possible by the generosity and commitment of two of my very good friends, Leonard and Nicki Firestone. I join with all of you in saluting these two outstanding Americans, in admiring this proud building, their fine gift to Pepperdine University.

As Dr. Bill Banowsky was reeling off all of the athletic accomplishments of Pepperdine's times on the competitive field of athletics, I thought to myself there wasn't one single sport where I could qualify for the first time, even 50 years ago. [Laughter]

So, I thank you for the opportunity to participate in this ceremony because of my personal interest in competitive athletics, but also because Firestone Fieldhouse stands as a splendid centerpiece for this superb campus. It symbolizes the vitality, the exuberance, and the strength of Pepperdine students, indeed the students throughout this country.

Pepperdine University is a symbol itself. It is an outstanding example of those voluntarily supported institutions which have contributed so much to America's greatness and to our country's progress. Such great universities as Paris, Oxford, and Padua—dating back to the Middle Ages—have a rich heritage as institutions of independent education. America proudly celebrates its 200th birthday next year, and we would have to reach back still another century to mark the founding of Harvard College, Massachusetts Bay Colony, or William and Mary in Virginia, or St. John's College in Maryland. Twelve other great American universities were founded before the American Revolution, and all share in the distinguished traditions of private higher education.

Independent schools in the United States exemplify the commitment of their benefactors to the American free enterprise system and, in a sense, to freedom itself.

You know and I know that it is the vitality and the competition of free enterprise that made America great. It is the wealth of the free enterprise that has done so much to help underdeveloped nations throughout the world. And it is free enterprise that in the long run will do the most for the underdeveloped nations of the world and the disadvantaged people throughout this great world.

It is the strength of the free enterprise that has given the greatest challenge to communism and statism and every other dogma which would crush individual freedom.

The independent colleges and universities have played a very major role in America's history. They represent a sound investment in America's future. Thanks to the vision and dedication and commitment of private citizens and organizations, there are now more than 1,500 inde-

pendent colleges and universities in America, with a combined enrollment of more than two million fortunate students.

Today, as in the past, these institutions serve as a great reservoir of national leadership in the arts, in the sciences in law, medicine, religion, and in business, as well as in the government.

Twenty-four Presidents of the United States were educated in private colleges and universities in our country, as were 287 Members of the Congress—Senators, Representatives—serving in the present Congress today.

More than 40 percent of the board chairmen and presidents of the Nation's 100 largest corporations today were educated at independent institutions. The number of outstanding writers, musicians, judges, teachers, physicians, scientists, ministers, and scholars produced by these institutions is almost beyond counting.

My own background, as Dr. Banowsky indicated, included two experiences in higher education: one at the University of Michigan, the other at Yale University Law School; one public, the other private.

I value what I learned from both, and I am all for an open marketplace for ideas and learning experiences. Private institutions both complement on the one hand, and compete on the other, with public education in America. Millions of Americans have enjoyed the diversity of benefits this dual system has produced.

I believe that every American who has a desire to learn should be given the chance to learn. Today, California's independent 4-year colleges and universities have an outstanding record of providing such great opportunities.

They have enrolled, for example, a higher percentage of black students than any public sector of higher education in this State. Further, independent 4-year colleges rank very high in the percentage of Mexican-Americans enrolled, and they provide more students with more scholarships than any public segment of California education.

They have proven this point, which we should emphasize: They have proven by their own example that the road to quality higher education need not be a narrow one traveled only by a select few.

As Aristotle said centuries ago, "All who have meditated on the art of governing mankind have been convinced that the fate of political communities depends on the education of youth."

But today one segment of America's educational capacity is in serious trouble. The institutions of private education in the United States are being battered and buffeted in ways that may ultimately jeopardize their survival.

We should remember and never forget that the term private education is misleading because those institutions, though privately endowed, serve important public functions, and at a great savings to the American taxpayer.



We should remember that this is something that is too often forgotten. California, for example, now counts about 100 independent colleges and universities within its great borders. It is estimated that these institutions carry 30 percent of the State's post-secondary education workload. Each year they provide, with almost no cost to the taxpayer, more than \$1 billion in educational research and related services in California alone.

In return, these institutions and their students received less than 3 percent of the total State funds spent for higher education in California. It is through the support of alumni and friends such as Leonard Firestone, Margaret Martin Brock, Frank Seaver, and so many others who have helped Pepperdine build this magnificent campus, that independent education survives and grows in California and throughout the United States. And we thank them all for it.

California's independent schools have amassed \$2½ billion in capital assets and in dollars. Each year they attract an additional \$400 million from private non-governmental sources. If these institutions should suddenly close, shifting the burden from private donors to public taxpayers, the tax load would be heavy indeed. American taxpayers and America as a whole would suffer the consequences. We must not allow this to happen.

In recent years the Congress has considered a number of proposals which would discourage private charitable contributions to these institutions. Fortunately, most have been rejected thus far. But there is a certain persistence in these proposals which must be constantly monitored and rebuffed. Today, let me repeat what I have said to many educators who have visited me in Washington: I approve, support, and encourage the principle of volunteer giving to help finance higher education. And I will oppose any legislative proposals which discourage such support, including those which would limit charitable tax deductions, disallow the full value of appreciated assets, or exclude the State tax deductions.

Firestone Fieldhouse and literally thousands of other facilities which grace independent college campuses across America testify vividly and in concrete ways to the wisdom of those existing tax policies. These facilities will be built either with private capital or with taxpayers' money, but they must and they will be built, and I will do all that I can on a personal basis to encourage the use of private funds for the public good.

Finally, we have all been a part of a proud and fulfilling achievement in Pepperdine's history. Students, faculty, and community have all joined together in this achievement. It is a good feeling and a good feeling should be experienced as often as possible.

Is there a good suggestion? [Laughter]
In circumstances also it is considered very in to be somewhat disdainful of the basic motivations

that have inspired and sustained mankind throughout the centuries. A love of family, a love of country, a love of labor, a love of learning, a love of God—these values are not outdated. And from the spirit that I feel is here today, I am sure that all of you agree most wholeheartedly.

I know from my many conversations with Bill Banowsky and others that this is the spirit of Pepperdine University, its founder, its faculty, and its students. It is a wonderful, worthy spirit—a spirit to which Daniel Webster gave expression when he wrote: "If we work upon marble, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble into dust. But if we work upon men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellow-men, we engrave on those tablets something which no time can efface, and which will brighten to all eternity."

Thank you for letting me share this thought with you.

NOTE: The President spoke at 12:03 p.m. after receiving an honorary doctor of laws degree from William S. Banowsky, president of Pepperdine University.

As printed above, this item follows the text of the White House press release.

Veterans Day Observance

Statement by the President on Signing S. 331 Which Redesignates November 11 of Each Year as Veterans Day. September 20, 1975

I have signed into law today S. 331, a bill which will return the annual observance of Veterans Day from the fourth Monday in October to its original date of November 11, beginning in 1978. This action supports the expressed will of the overwhelming majority of our State legislatures, all major veterans service organizations, and many individuals.

Under a law enacted in 1968, the fourth Monday in October was designated for the observance of Veterans Day. Since that law took effect, it has become apparent that the commemoration of this day on November 11 is a matter of historic and patriotic significance to a great number of our citizens. It is a practice deeply and firmly rooted in our customs and traditions. Americans have appreciated and wish to retain the historic significance of November 11 as the day set aside each year by a grateful nation to remember and honor those, living and dead, who fought to win and preserve our freedom.

I believe restoration of the observance of Veterans Day to November 11 will help preserve in the hearts and lives of all Americans the spirit of patriotism, the love of country, and the willingness to serve and sacrifice for the common good symbolized by this very special day.

NOTE: As enacted, the bill (S. 331) is Public Law 94-97, approved September 18, 1975.

The statement was released at San Francisco, Calif.



Smithsonian Institution

Statement by the President on Signing Authorizing the Smithsonian To Plan Support Facilities. September 20, 1975

I have signed into law today S. 907, ar the Smithsonian Institution to plan n facilities.

The new law, approved by Congress earlier this month without dissent, will enable the Smithsonian to undertake the development of facilities for the most effective care and conservation of the collections it holds in trust for the Nation.

These collections, which include nearly 75 million items, among them the Kitty Hawk Flyer, George Catlin's remarkable paintings of North American Indians, and three million botanical specimens, record our historic, scientific, material, and cultural development as a people and as a nation.

The proposed facilities will permit increased public access to the rich and diverse heritage represented in the collections. They will also allow the Institution's Mall museums to be used to the fullest extent possible for the education and enjoyment of the millions of citizens who visit them each year.

On the eve of America's Bicentennial, I believe it is appropriate to make this commitment to this heritage of our past to better guide us on the path of our third century.

NOTE: As enacted, the bill (S. 907) is Public Law 94-98, approved September 19, 1975.

The statement was released at San Francisco, Calif.

National Hunting and Fishing Day, 1975

Proclamation 4395. Dated September 18, 1975. Released September 20, 1975

By the President of the United States of America a Proclamation

The great natural resources which belong to America meant survival to our forefathers. The abundance of fish and wildlife enabled the early settlers to withstand the first winters. Later this abundance helped pioneers to make their way across the continent.

Today, our outdoor sportsmen help to assure the survival of our natural resources. Hunters and fishermen contribute to the preservation and protection of America's fish and wildlife through their voluntary conservation efforts and by providing millions of dollars for restora-

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men, to dramatize the continued
... and boat safety and to promote the conserva-
tion of our resources, the Congress, by Senate Joint Res-
olution 34, has requested the President to declare the
fourth Saturday of September 1975 as National Hunting
and Fishing Day.

NOW, THEREFORE, I, GERALD R. FORD, President of
the United States of America, do hereby designate Satur-
day, September 27, 1975, as National Hunting and Fish-
ing Day.

IN WITNESS WHEREOF, I have hereunto set my hand
this eighteenth day of September, in the year of our Lord
nineteen hundred seventy-five, and of the Independence
of the United States of America the two hundredth.

GERALD R. FORD

[Filed with the Office of the Federal Register, 11:53 a.m.,
September 22, 1975]

NOTE: The text of the proclamation was released at San Francisco,
Calif.

Stanford University School of Law

*The President's Remarks at the Dedication of the
School of Law at Stanford, California.
September 21, 1975*

*President Lyman, Dean Ehrlich, Waller Taylor, distin-
guished members of the board of trustees, and faculty,
students, alumni, and friends of Stanford University:*

I am indeed honored to be here and to thank my good
friend, Waller Taylor, for his excellent arrangements as
chairman of the Law School's board of visitors. I know
that I am not the first visitor to this beautiful campus who
happened to be President or past President or a future
President.

Former President Benjamin Harrison was one of your
first professors of law. Future President Herbert Hoover
to whom this university owes so very much, was one of
your very first students.

One of my first acts as President this year was to sig-
into law a bill authorizing Federal matching funds for the
expansion of the Hoover Institution in honor of the 100-
anniversary of the birth of this great American and great
humanitarian.

I understand that former President William Howard
Taft and future President John F. Kennedy also enjoy
brief associations with The Farm.

I hope I haven't overlooked anybody, but if so, I w-
blame the dedicated Stanford men and women who ser-



in my Cabinet and as my counsellors in the White House.

The contributions of the Stanford alumni in all branches of our Government in Washington are tremendous. I hope we have many, many more in the future, and I say that as a Yale and a Michigander.

It is a tremendous pleasure to be here at the Law School today, to be a part of this very special dedication. The students and faculty of Stanford have always demonstrated an outstanding devotion to the concepts of truth, justice, and equality under the law. And yesterday you did it once again. When it comes to equality, you can't be any more equal than that game with Michigan—19 to 19! Well, what better place than a law school to celebrate a hung jury. [Laughter]

Today's dedication of this impressive new home for the Law School is certainly no tie; it is one more victory in Stanford's unbroken record of educational excellence. The dream of Senator and Mrs. Stanford that children of California should be their children, with the help of many who followed their generous example, has broadened to the benefit of its young men and young women of all America and the world.

Back in 1968 when plans for this Law School complex were completed, there was a serious question in many sober minds whether the rule of law in this country was breaking down. Assassins gunned down a candidate for the Presidential nomination and one of our most eloquent civil rights leaders. In one week, riots, arson, and looting swept 125 cities in our country, including the Capital of our Nation. Violent disorders, demonstrations, and defiance engulfed many, many of our communities.

In the midst of this environment, I was to make the 275th commencement address at the College of William and Mary, which produced such giants of constitutional history as Thomas Jefferson and John Marshall.

As a result, I got an early start on my Bicentennial re-reading of our Nation's beginnings. And I asked myself what were the most precious possessions the first settlers of American wilderness brought with them across the Atlantic? What was nurtured here in the New World to be carried across the mountains, across the plains, across the deserts, and over the High Sierra to the Golden Gate of California? What made us the unique Nation and people that we are today?

For the most part, the first American immigrants were outcasts, they were persecuted, they were outcasted, they were dissenters, and they were rebels against the Old World Establishment. They brought little more than what was on their backs and in their heads except their minds and a few tools and a few books. But what they brought was very precious to them.

They brought, even as they protested its capriciousness, an abiding respect for the rule of law. They built systems of self-government even before they had their houses. Generations later, when our Found-

ing Fathers met in Philadelphia to declare their independence, they formally stated their reasons in terms of basic moral and legal rights which the distant King and Parliament had denied them as colonists. Our American Revolution was unique in that we rejected our rulers but we revered their rules.

There were more colleges and universities in the Thirteen Colonies before the American Revolution than in all of England, Scotland, and Ireland put together. As Americans moved westward, they set aside lands for the higher training of teachers, engineers, agriculturalists, scientists, doctors, lawyers, and other professions. They encouraged the support of both private and public institutions of learning in State and Federal tax policies. No nation, at any time, has put a higher priority on education for all its citizens.

Finally, the long march of the Americans halfway around the world, from Jamestown and Plymouth Rock to the westernmost tip of Alaska and the far Pacific Islands, carried with it a common commitment to the future. The material progress of the United States of America has been premised on the half-humanist, half-theological idea of the perfectibility of society, the enlargement of human freedom, and the innate worth of the individual.

Stanford University, where the winds of freedom still circulate through the pleasant quadrangles of old and new, was built and still stands on the solid triad of law, learning, and liberty. The fears of seven summers ago were unfounded. The rule of law in America has survived. Our constitutional instincts have proven sound. The commitment of Americans to law, learning, and liberty continues in this very court this afternoon.

But the contradictions and dilemmas remain in our society in abundance. They will always exist in a democratic nation where the delicate balances between freedom and order, between private right and public interest, between the safety of the state and the security of the individual all require constant review and resolution.

This is the role of government at all levels and the mission both of those who make the law and who practice and respect it. There is an old saying that those who love the law and those who are fond of sausage should never examine too closely how either is actually made. [Laughter] I certainly don't intend to pick any quarrel with the sausage-makers. But as a former lawmaker and as a lawyer, I believe we need to examine much more closely how our Nation's laws are made in order to prevent perfectly laudable legislative intentions from having perfectly horrible consequences.

Literally hundreds of examples can be cited. Let me take one area that affects almost everybody, with which you as lawyers will surely have to deal. That is the area of the individual's right of privacy—the right to keep one's individual identity inviolate or, in plain talk, the right to do your own thing.

I can speak with some authority on this because as Vice President one of my chores was Chairman of the Domestic Council Committee on the Right of Privacy. I took that duty very seriously. Among the very first things we learned was that one of the worst offenders is the Federal Government itself. I don't mean improper or illegal invasion of people's privacy or constitutional rights by Federal agencies or individual officials, which nobody condones and which I will not tolerate as long as I am President of the United States.

Rather, I mean threats to privacy which have resulted from laws duly enacted by past Congresses for very laudable purposes having wide public support and appeal. Many of these laws, with today's technology, cumulatively threaten to strip the individual of his privacy or her privacy and reduce him to a faceless set of digits in a monstrous network of computers. He has not only no control over this process but often has absolutely no knowledge of its existence.

For example, in a simpler and earlier era, the government's principal interest in watching its citizens was to see that they obeyed the law, paid their relatively uncomplicated taxes, and, from time to time, came to their country's aid in an emergency.

But when the government expanded enormously and undertook vast social programs that established a direct link between the citizen and the bureaucracy, government logically became interested not only in monitoring criminal behavior but also a lot of other things about its citizens' lives, its citizens' habits.

To determine the eligibility of millions of individuals for receiving government benefits, for welfare or unemployment or social security or service pensions or other special assistance, government has to gather, record, and constantly update information.

Government acquired a legitimate reason to inquire also into the private lives of students seeking scholarships, professors seeking research grants, businessmen wanting government loans or requiring government licenses, professional persons doing business with the government or participating in subsidy programs. The list is literally endless.

Over the years, therefore, agencies of the government—State and local as well as Federal—gradually have amassed great amounts of information about almost every one of us. As technology advanced, it made administrative sense to combine and codify such information, especially when it was voluntarily given in expectation of benefits and beyond the special legal safeguards provided for Federal census and Internal Revenue data.

Here we face another dilemma of a democratic society in this new technological era where information is not only power, as it has always been, but also instantly retrievable by anyone trained to push the right button.

Certainly, we cannot scuttle worthwhile programs which provide essential help for the helpless and the deserving citizen. Yet we must protect every individual from excessive and unnecessary intrusions by a big brother bureaucracy.

Many of the recommendations of the Committee on Privacy, which I chaired as Vice President, were incorporated in the Privacy Act of 1974, which a cooperative Congress passed and I was pleased to sign as President. That law goes into effect next Saturday.

Briefly, the Privacy Act generally prohibits collection of information concerning exercise of an individual's first amendment rights. It requires that files on individuals be accurate, relevant, timely, and complete. It requires the Federal Government to reveal the existence and the whereabouts of all data systems containing identifiable personal information. It gives everyone the right to read his own file and to make corrections or to make amendments. It commands the Government to use the information only for the purpose for which it was collected. And it sets up an independent Privacy Commission with a 2-year mandate to monitor the operation of the law and investigate additional privacy rules.

It is, to be sure, extremely experimental. But it makes a long-overdue start in trying to restore to every individual some of his rights which have been eroded in the process of gaining other advantages.

I have said in Bicentennial speeches around the country—and I will continue to say—that the great achievement of the first century of American independence was to perfect political institutions strong enough to endure stress and responsible to the times and to the needs of all of our people.

The second century of our independence, now ending, saw the development of the world's strongest economic system in a free climate our political freedom fostered. Two hundred years of American independence have gained for all of us an unprecedented measure of political and economic stability and success.

But we should ask ourselves, what should be the goal of our third century as a nation? I prefer to look at our Bicentennial celebration through a telescope, not a rear view mirror. The great challenge of our next 100 years is the advancement of individual independence—of specific safeguards, that can be made available as to the identity of each and every American, from the pressures of conformity.

These pressures close in upon us from many, many quarters—massive government, massive management, massive labor, massive education, massive communication, and massive acquisition of information.

To meet this challenge, we still need a positive and passionate commitment to law, to learning, and to liberty.



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Without law, there is no liberty. Without liberty, there is no learning. Without learning, there is no law.

Here at Stanford you have all three—law, learning, and liberty. Make the most of them. Make them part of your lives. Make them your richest legacy as well as your most precious inheritance.

Thank you very, very much.

NOTE: The President spoke at 4:12 p.m. In his opening remarks, the President referred to Richard Lyman, president of Stanford University, Thomas Ehrlich, dean of the School of Law, and Waller Taylor II, chairman of the board of visitors to the School of Law. As printed above, this item follows the text of the White House press release.

Stanford, California

The President's Remarks in a Question-and-Answer Session with Students From the Stanford University School of Law. September 21, 1975

THE SUPREME COURT

Q. Quite likely you will have an opportunity to select someone under the Constitution for the Supreme Court. Of course, we have little guidance to go under on what type person you would select. We know and assume it would be someone highly competent. The only guidance we have is that in 1970 you suggested that Justice Douglas was advocating rebellion in the United States, as James Reston reported today.

My question is to describe the type criteria you would employ in selecting someone for the Supreme Court, but hopefully be more specific than just saying someone that was a strict constructionist.

Also, a follow-up question is, all of the things being equal, would you perhaps lean toward selecting a woman, considering that we haven't had a woman justice on the Court?

THE PRESIDENT. I think, of course, it is premature to make any decision or imply that I was actively seeking one, because all nine members of the Court, of course, are still serving. And from everything I understand, the intention is to continue.

But my feeling is that first you have to have a person who is very qualified in the law, as such. On the other hand, I don't think you can exclude certain classes of individuals, because they don't happen to be a practicing lawyer.

We have some very knowledgeable people in the law who might have other current occupations. So, they have a high competence, a very high competence in the law, but that doesn't mean they have to be restricted within a framework in a very limited sense.

They have to be a person of great integrity. I would like to see someone in a relatively middle-age group,

cause I think continuity on the Court, in certain matters, is important.

I wouldn't want to make any commitment as to ideology. I don't think that is necessarily something that you can tell precisely, and I wouldn't want to preempt anything in this area by any comment I make at this time.

EQUAL RIGHTS AMENDMENT

Q. Mr. President, do you think you can match your wife's ardent support of the equal rights amendment?

THE PRESIDENT. Well, I voted for it in the House of Representatives. I can't do any more than that.

Q. Would you do one more thing? Would you take this back to Betty Ford? A woman's place is in the world.

[Laughter]

THE PRESIDENT. She has been doing quite well lately—[laughter]—for which I am very proud of her.

CHILE

Q. Under Presidents Kennedy, Johnson, and Nixon, the United States attempted to help achieve the violent overthrow of the Governments of Cuba, the Dominican Republic, and Chile. We would like to know under what circumstances your Administration will participate in the violent overthrow of Latin American countries, and I would like to know why you have not spoken out against heinous abuses of human rights in Chile and sought to bring pressure to bear on those who do?

THE PRESIDENT. I wouldn't want to indicate that our Government is going to interfere with the internal operations of any government anywhere in the world. I think it is a matter that has to be carefully considered in the context of how it relates to our own national security. And to even imply that this country is going to get involved overtly or covertly, I think, is a mistake for the President of the United States.

I made a comment the other day—to show how sensitive the subject is. I was asked a question about the situation in India, and I said it was sad and added a qualifying phrase. It created, apparently, some great stir in India. So, it is a very sensitive subject, and I just don't think I should discuss it.

Q. Do you rule out the United States ever again participating in the overthrow of another country?

THE PRESIDENT. I would not want to rule it out or decide otherwise. It has been done apparently in some cases in the past but I don't think a President should—in this very sensitive area—make any commitment one way or another.

CHARTER ON ECONOMIC RIGHTS AND DUTIES OF STATES

Q. Mr. President, I was just wondering what your reaction was to the introduction of the economic charter by President Echeverria in the United Nations?



THE PRESIDENT. As I recall, Senator Chuck Percy, who is our representative at the United Nations, led a very determined fight against it—and I have great respect for Senator Percy—and Senator Percy, I know from personal conversations with him, was extremely well prepared in meeting the proposal that President Echeverría made, or was made on behalf of him at the United Nations. And as a result of Senator Percy's strong feelings and well-documented arguments, the United States was one of a limited number of nations that voted against it. He was acting for the United States. I was President, so I support him.

MIDDLE EAST

Q. Mr. President, my question relates to a commitment to Israel to, I guess, discuss the possibility of providing them with the Pershing missile. In this morning's paper, I guess, you are quoted as commenting from Los Angeles yesterday, I believe, that you don't presently know whether or not the Israelis possess the nuclear warheads that could be carried on these missiles. My question is that before we would make a commitment to give them these missiles, is this something that we would undertake to find out? And if it turns out they do presently have these warheads, would we still give them the missiles?

THE PRESIDENT. Well, the basic shopping list that was submitted by Israel is a very extensive one. They want substantial arms aid, including some very sophisticated weapons systems, and the Pershing missile and the F-16 are among those listed. In the case of the Pershing missile, the language, the precise language in the agreement simply says we will study whether or not Israel has a justification for the acquisition of that particular weapons system. I am certain that we will, in the process of studying this, cover the whole range of its deployment, its warheads, and everything else.

Q. Is there any justification now for giving the Israelis a nuclear capability?

THE PRESIDENT. We have no present intention of us giving to any Middle East nation any—

Q. Any means to develop?

THE PRESIDENT. We have no present intention of giving any Middle East nation a nuclear capability, and that would include, of course, any expertise for the development.

VIOLENCE IN AMERICA

Q. Mr. President, in your address you mentioned a very brief and violent period of American history not too long past now. The news media has recently focused our attention again on a very violent extreme political group. Why do you suppose it is a society such as ours fosters groups committed to violence in a political form?

THE PRESIDENT. I am bothered about that. I honestly don't have the answer. I would welcome any observations or recommendations from all of you as to why, in

a society I think by any other standard I have ever observed—and I have traveled in a good many countries—we should have violence, and in some of those far more oppressive societies don't seem to have any. If you have any solution to the problem, I would welcome such observations.

Q. Mr. President, on that subject, perhaps when people are less inclined to trust the legal system, they may think of looking elsewhere in making their own law, which perhaps is where the violence comes from.

OPPORTUNITIES IN THE LEGAL PROFESSION

On the subject of giving all the people of this country some kind of legal ability to get legal help, it seems that there is very little chance now, that people coming out of law schools who want to do public interest law, want to give legal aid and public defense, can find a way to do that. It is very difficult to get a job in the law now anyway, but especially in those fields, and I was wondering what your Administration proposes to do to expand those kind of—

THE PRESIDENT. I signed the basic legislation which set up the new legislation, and I have appointed, or nominated—have they been confirmed yet, the nominees—the organization that will, I think, give greater opportunities for young lawyers or other lawyers to participate. As a matter of fact, I recommended for the first year's budget about \$81 million, which is, as I recollect, a slight increase over the existing amount, or the previous amount that had been made available for the effort under the old setup.

I hesitate to refer to my own experience, but there was a great challenge when I got through Yale Law School. I had an opportunity to practice in several eastern cities but it was a greater challenge to me to go back and open up a law office with another young law school student—and we didn't have a client. We worked about 14 hours a day, and we actually made our expenses the first year. That was one of the great experiences of my lifetime. I think that is a great challenge. You ought to try it. [Laughter]

PROBLEMS OF THE CITIES

Q. My question concerns what has been termed the crisis of our large cities, and one of the manifestations of this crisis are the recent problems we are having in Boston and other cities with busing for quality education. It seems to me one of the problems behind quality education in our big cities is that the big cities lack the financial resources to provide that quality education.

Now, education is only one facet of this crisis. It goes into the other social systems—transportation, communications, recreation, within the cities. I don't recall hearing any programs recently by this Administration, the past Administration, about reversing this—wh—

would term a spiral downward of our big cities—to correct that problem. Because if we don't correct the problem in the near future, killing the cities will thereby lead to a worsening of life in the United States, if you want to use a broader term.

But with the exodus of people in cities going out to the suburbs, what you have is that the people in the cities just get worse, and the financial structure will deteriorate, the job structure will deteriorate. So do you have any present plans or any future plans to maybe reverse this trend?

THE PRESIDENT. First, I think I ought to set forth a record you may not be familiar with. In 1971 or 1972 the Congress passed—on the basis of the then Administration's recommendations—what we call general revenue sharing where \$5-plus billion a year goes directly to cities—two-thirds to cities and local units of government and one-third to the States—free without any strings or limitations.

That is a very substantial commitment and about 2 months ago I recommended its extension, with \$150 million a year added, so that in the first year of the second program—the second 5-year program—the annual amount will be about \$6,250 million a year that just goes to those cities, and to those local units of government, and to those States free of any limitations.

So, they did get a real shot in the arm for financial resources from the Federal Government to meet some of these local problems. Plus the field of transportation—last November, December, I signed an \$11.5 billion transportation act. And without getting into the details, I had a significant impact in getting the House and Senate to reconcile differences and to make that available. And this is primarily a mass transit act aimed at major metropolitan areas. There are other programs that I think have sought to help and assist major metropolitan areas, New York City included. And just in passing, New York City last year in all its Federal programs, all of them, got \$4,300 million from the Federal Government. We have not neglected New York City.

Q. Mr. President, I realize there are the various programs that you have just mentioned. But it seems in my view that the amount of resources that have been devoted to the cities require a much more substantial amount than the programs you have just outlined, because the cities are large, the problems are massive, and should be tackled, and must be tackled in a systematic, organized manner. I gather from what you are saying is that you think that the programs that you have outlined—and some others you haven't right now—are sufficient to tackle the problem at this current stage?

THE PRESIDENT. I think so. It has been my general feeling that just the massive piling on of more money to the cities doesn't necessarily solve the problems. The programs that have been well worked out, coordinated, and I think

there is a fair assumption, a fair assumption I would think, that the Federal Government ought not to try and determine how those cities meet their local problems. We can make substantial contributions financially, but the actual stimulation of new ideas to meet their problems ought to come from those communities.

With citizen participation in the Housing Act last year—where we went from an old housing program of about seven or eight categorical grant programs where we had urban renewal, model cities, a whole bunch of them—what we did was to eliminate the categorical grant programs, give them the same money. We had a hold harmless provision in that law so they got at least no less than they got before. And we said now you get this money, you have community hearings—and every city is required by law to have community hearings—so that the people make recommendations to their local authorities for the expenditure of this money.

Now, in the communities that I am personally familiar with, I think the expenditure of that money is far better today under that kind of a system than under the old categorical grant program, because each city is different, each city has problems that are unique to it, and the people give the recommendations to the locally elected officials—they spend the money. All we do is audit that it is honest. And we ought to have enough genius in each local city or local unit of government to come up with good programs. And I think we can, but it has only been in operation a year.

Q. Mr. President, it is time to head outside.

THE PRESIDENT. Can I take one more here?

Q. We would like to make sure you have this before you go, sir. It is a petition signed by over 200 students here.

THE PRESIDENT. Fine. I will read it, and let me take one more question.

SCHOOL BUSING

Q. You have expressed publicly your feeling that busing to achieve equal education is not the preferred way to achieve that goal. What suggestions do you have for attaining the goal of equal education for all children?

THE PRESIDENT. There are a number of Federal educational programs that are aimed at helping local communities in a very broad sense. But the one that is aimed specifically at meeting the problem of those communities that are under court order or under HEW administrative requirement for the current fiscal year—if my recollection is accurate—it is about \$250 million.

In the case of Boston precisely, in the last year, out of this fund, the Boston school system has been given something over \$4 million, to be aimed directly at trying to assist in upgrading the school system in Boston—meeting the challenge. And in addition, we have had the top person in the Federal Government—HEW—Dr. Goldberg, who has gone up to Boston to try and work with the



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unusual and difficult
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student opportunities, student facilities, organization,
et cetera.

I think a lot of things can be done, including the list of things that are set forth in the Education Act of 1974, called the Esch amendment, that are a better approach than the ones that have been used in a number of cases by the courts themselves.

Thank you very, very much.

NOTE: The President spoke at 4:40 p.m. in the Irvine Gallery at Stanford University.

As printed above, this item follows the text of the White House press release.

National Association of Life Underwriters

*The President's Remarks at the Association's Annual
Convention in Anaheim, California,
September 21, 1975*

President Levine, distinguished guests, ladies and gentlemen:

Let me thank President Norman Levine for that extremely generous and very kind introduction, and may I also, at this point, offer my personal congratulations to Mr. Lester Rosen, who obviously, by his fine record in your industry, by his total dedication to the betterment of society, not only in his hometown but throughout the country—my personal congratulations.

President Levine is a very rare and a very unique gentleman, and there is a story behind that compliment. A few years ago, I shared a head table at a dinner in New York City with Norman Levine. A few people were good enough to ask me to sign their programs, and in so doing, my pen ran out of ink. So, I borrowed Norm's. Well, a few years went by, and the next time I saw Norm was in March of this year, when he came to the Oval Office to ask if I would attend this dinner.

After the meeting was over, I asked Norm to accept a pair of cufflinks as a souvenir of his visit to the Oval Office. Norm was very gracious about it. He thanked me, he declined the offer, and said, if you don't mind, he would just like his pen back. [Laughter] So, I gave Norm a pen and that is why I say he is a very rare and unique gentleman. How often do you meet anyone who ever got something back from Washington? [Laughter]

It is really great to be here in Anaheim, with so many old friends. Carney Smith, your executive vice president.

was my neighbor in Alexandria, Virginia, until I moved into public housing on Pennsylvania Avenue. [Laughter]

I am also delighted to see Jack McDonald here, and former colleague in the House of Representatives.

In short, some of my very best friends are in the insurance business, and that is one reason why I am here today and to enjoy your hospitality and the friendship of your wonderful organization. Another is that I want to pay tribute to you who sell life insurance.

Altogether, I am advised that policies sold total more than \$2 trillion. That is an impressive figure—2 followed by 12 zeros. You typify the free enterprise system, the men and women who go out on your own, with your initiative, your energy, and talent working for you.

Obviously, from those I know and from the record of Lester Rosen, you are leaders of your communities. I commend your efforts as participants in public service, including the political arena.

You and your policyholders have a big stake in responsible government, and I urge you to continue and to expand this effort. And I can assure you from my personal experiences with him on a number of occasions, you should be honored by the fine job that Governor Jim Longley of Maine has been doing, and I am sure will continue to do. That should be a stimulant to all of you to broaden your effort for the public service in your community, in your State as well as in your Nation.

What you do obviously is very important to this country. When you talk insurance to people, you are getting them to think and to plan for their futures. And when they take out insurance, they are not only providing for their families, for their family's security, but for the country's future as well, because most of the premium money is reinvested by your companies in America.

Altogether, I am advised that these investments total more than \$278 billion, including \$88 billion in mortgages on homes and commercial buildings. I look upon this as an impressive vote of confidence by the insurance industry for the future of America, and that is what it is.

Some economists call it capital formation, but I prefer a much more basic term—job creation. This money helps to start new businesses. It modernizes and expands our industries. It finances homebuilding. It adds up to a big plus for America in the form of jobs. Savings, investment, jobs—those are the basic ingredients that make our economy strong and healthy. In turn, they lead to more savings, more investment, and more jobs.

There is a phrase in the jargon of economics which has always bothered me. The phrase is "an acceptable rate of unemployment." As far as I am concerned, there is no acceptable rate of unemployment. So long as there is an American who wants a job and cannot find one, the unemployment rate is too high.

The human tragedy of involuntary unemployment cannot be measured by the graphs, the charts, or the percentages which show up in government reports. How



could statistics ever adequately portray the trauma of lost jobs, lost savings, and, more importantly, lost pride? America's greatest natural resource is its people, and I intend to see that this resource is not endangered.

One of the prime goals of this Administration is to sustain the economic recovery now underway and to put out-of-work Americans back on the job. A working American is a buying American, an investing American, a saving American.

Unemployment checks are designed simply to maintain life. Paychecks are to enrich life, to provide not only its necessities but some of its luxuries. No American can successfully engage in the pursuit of happiness until the basic needs—food, clothing, shelter, education, and employment—are first met.

By the year 1980—not too far away—to meet the employment requirement of an expanding population, we must create over 11 million new jobs—11 million new jobs to build the houses, produce the products, harvest the fields, and earn the salaries that pay for it all—11 million new jobs to show the rest of the world that the American dream functions best when we are wide awake.

This Administration has already proposed to the Congress reforms which will establish taxing policies necessary to the development of new capital in the creation of new jobs. These reforms will give the United States business and industry some of the necessary incentives our economic expansion requires. More importantly, they will give job seekers a paycheck instead of a raincheck.

The time to act is right now. Because of the recession slowdown, our plants and factories are under-utilized. But the signs are clear for all to see that America's economy is picking up speed. Today there are 1,500,000 more people working than there were in March of 1975. The unemployment rate has dropped, not far enough, but the trend is downward.

Industrial production in the last 2 months has increased at an 11.3 percent annual rate; retail sales from March through August rose at a 20 percent annual rate; real disposable income rose in the second quarter at a 21 percent annual rate.

Now just 2 days ago I think we got some of the best information and news, and this is very significant. The Department of Labor reported that the cost of living rate in August rose only by $\frac{3}{8}$ of 1 percent, the smallest rate of increase in 3 years.

More importantly, this figure represents an annual inflation rate of only 2 percent instead of the 12 to 14 percent we were confronted with about a year ago. That is good news. But we must not allow the good news to obscure the fact that there is still a lot to do if we are to have a strong and healthy economy unfettered by runaway inflation. To make sure inflation doesn't get out of control, we must hold the line on a number of new Fed-

eral spending programs, programs which could well push up the deficit next year and reignite the fires of inflation.

Frankly, that is why I have been using the Presidential veto. Some have mistakenly called this negative action, but it is not. It is positive action, the constructive way to achieve better legislation. And let me take a moment to explain.

From my 25 years in the House of Representatives and the time that I have spent in the White House, I am convinced that the Founding Fathers put the veto power in the Constitution as a very vital part of our system of checks and balances in this great framework of government.

Recent history bears this out. President Truman exercised the veto 250 times and was overridden only 12. President Eisenhower used it 181 times; he was overridden only twice. But again and again the result of the initial veto was to bring the President and the Congress together to arrive at a reasonable middle ground, usually a sounder, more responsible measure than the original proposal that came from Capitol Hill to the Oval Office.

To put it very simply, a veto often compels first the reconsideration by the Congress of the previous action and then, undoubtedly, in most cases, a responsible compromise.

I can promise you if it is necessary to assure continued progress for this Nation on a sound, economic base, I will continue to use the authority granted in the Constitution to veto legislation I consider unsound as it comes from the Congress.

If we are to continue the momentum in the battle against inflation, your President cannot join forces with those who would spend, those who would squander the investments in the future of millions of America's small savers, including your policyholders.

The dynamic burst of productivity we call free enterprise has financed enormous social and economic gain. No one would argue that the human agenda of America is complete. We still have much to do, but let no one contend that our free enterprise system has failed us. It has succeeded beyond the wildest dreams of those who came before us.

Our task today is to get the mighty engine of free enterprise running at full throttle again. The quick solution, and the wrong one, would be to load a lot of new spending measures onto the taxpayer and unleash a flood of deficit dollars into the Nation's economic mainstream. That might make the economy leap up and shout hallelujah today, but the recovery would be very short-lived. Soon the patient would be flat on his back, worse off than ever.

I will not be a party to such irresponsible action. From hallelujah to heartbreak in one quick surge is not the responsible way to make our economy healthy in the future. Our task—yours and mine and that of millions of our fellow citizens—must be to smooth out the peaks and the



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... as a limited capacity to help our economy but an almost unlimited capacity to harm it.

I have great, tremendous faith in the ability of the American people to perceive what is in their long-range best interest and to act on that perception. That is the gamble and promise of democracy. It places faith on the increasing understanding of people. And if I might insert something I have said a number of times—but I think it is appropriate to this group—never forget that a government big enough to give you everything you want is a government big enough to take from you everything you have.

Democracy does not ask that people agree; it does ask that they think. It is here, not on Capitol Hill, not in the White House, that the essential process of democracy takes place. The real source of power under our system of government is you. As President, I am but the instrument of that power.

When we meet like this, a chemistry takes place. I give to you my sense of where we stand and where we must go. You give me the power of your reason and the strength of your understanding. Ours is a government by consent, not command. We would have it no other way. That is why I need you, your wisdom, your strength, your support. Without that, I can do nothing. Together we can move mountains.

President Theodore Roosevelt made this observation with eloquence and with brevity. He said, "The Government is us. We are the Government, you and I." I am ready, are you?

Thank you very much.

NOTE: The President spoke at 9:01 p.m. at the Association's John Newton Russell Memorial Award Dinner at the Disneyland Hotel Convention Center.

As printed above, this item follows the text of the White House press release.

AFL-CIO Building and Construction Trades Department

*The President's Remarks to the Department's
Annual Convention in San Francisco, California,
September 22, 1975*

President Georgine, distinguished guests, ladies and gentlemen:

Bob, let me thank you for your very generous invitation to be a part of this very great convention. It is always a pleasure to see so many old friends and some new

friends again and, in particular, to visit with my very good friend, Bob Georgine.

Bob is well-known as a man of outstanding accomplishments, a demonstrated leader, an exceptional administrator, concerned citizen, and a celebrated gin rummy player. [Laughter]

I say a celebrated gin rummy player, but perhaps I'd better explain that term. Bob doesn't celebrate, his opponents do. [Laughter]

As a friend I won't say how good a gin rummy player Bob Georgine is, but two more games and you could have a brand new name—the AFL-CIO-IOU. [Laughter]

Last January I went to a testimonial dinner in Washington honoring Bob Georgine. I asked Bob and the skilled construction trades to help America to achieve energy independence, and Bob has helped. I have just seen a copy of the September issue of the AFL-CIO "American Federationist" in which Bob Georgine again speaks out on the energy crisis. Bob, nothing could make me happier than your report that unions are still vigorously pressing for energy growth. I know that construction workers are among those suffering the heaviest impact of recession and the energy crisis. When you suffer, America suffers.

The mission of the skilled construction trades represented here is to build a better America. That is also my goal as your President. Two centuries of construction enabled America to achieve its special status among the nations of the world. And I salute you as representatives of the millions of men and women who have been a part of this great building process in our wonderful country.

As America completes 200 years of history, we face some very serious problems. But we—you and I together—will solve those problems.

If any nation or group of nations in this world in which we live—including those favored by nature with great oil resources—think America is finished and we no longer control our destiny and our finances, then there will be another think coming.

The four million skilled construction workers you represent and multitudes of other Americans will show the world that Uncle Sam is not about to say "Uncle."

You and I know we can produce our own energy. You and I know we can protect ourselves against arbitrary increases in price by foreign nations. You and I know we can provide more jobs. And you and I know we can bring an end to the intolerable situation in which America exports more than \$25 billion annually to pay for imported oil while plenty of energy is potentially available right here at home. The money we will pay out this year for foreign oil would pay the wages for one million more American workers.

When I talk about energy, I am talking about jobs—American jobs. Last year about three-fourths of all planned nuclear plants and over one-fourth of all other plants scheduled to be built in the next 10 years



postponed or canceled. Domestic oil production right here in the good old USA has fallen by 11 percent since early 1973. Natural gas production has declined so seriously that thousands of jobs are threatened this very winter.

Last year the average American home paid about \$360 for foreign oil compared with only \$45 in 1970. Oil-producing nations know that we are more dependent and more vulnerable than ever.

There is now a possibility that the OPEC nations' foreign cartel will once again raise prices. In fact, they are meeting this week for that purpose. We don't have to take this lying down—and we won't!

For starters, let's spend here at home for American jobs some of the billions we have been spending abroad for foreign oil and foreign payrolls. We can create construction jobs for workers, capital for industrial expansion, and new energy for all Americans. That is what independence is all about.

In response to those nations which would control our energy supply and prices and hence our future, I say to industry, to construction workers, and to all Americans: Let's go into business for ourselves. Let's produce American energy in America with American workers and do it as soon as possible.

Last January, I asked the Congress to act. The comprehensive program I then outlined was based upon my deep personal conviction in America. By 1985, I envisioned: 200 major nuclear powerplants, 250 new coal mines, 150 major coal-fired powerplants, 30 major new oil refineries, 20 major new synthetic fuel plants, the drilling of many thousands of new oil wells, the insulation of 18 million homes, and the manufacture and sale of millions of new automobiles, trucks, and buses that use much less fuel.

I happen to believe we can do it. In another crisis, the one in 1942, Franklin Delano Roosevelt, our then President, said this country would build 50,000 warplanes in a year. Our enemies scoffed. But by 1943 our production had reached 125,000 aircraft annually. We did it then. We can do it again right now.

Frankly, we cannot wait any longer for the Congress to act on my comprehensive energy program. Long-range security, jobs, and energy are inseparable. The time has come for action on energy independence.

Accordingly, I will ask very shortly the Congress to erase all doubt about the capacity of America to respond. I will propose an entirely new \$100 billion Government corporation to work, with private enterprise and labor, to gain energy independence for the United States in 10 years or less.

This new Energy Independence Authority will have the power to take any appropriate financial action—to bor-

row or to lend—in order to get energy action. It will serve as a catalyst and a stimulant working through, not in place of, American industry.

It can stimulate economic growth. It can create new jobs. It can give us control over our own destiny and can end runaway energy prices imposed by foreign nations. It can give foreign nations a new look at what Americans can do with our great resources when we stop talking and start acting. That is my answer to those who tell us Americans can no longer do what they set out to do.

I speak today to the great majority who believe in American capacities rather than in American incapacity. I speak to all Americans who know that this is the same nation that made up its mind during World War II to develop synthetic rubber; and who know that this is still the same nation that decided to harness the atom by the Manhattan Project and accomplished that objective; who know that this is the same nation that said it would put the first man on the moon, and did so. Perhaps, people said, all these projects were impossible, but Americans have done the impossible.

The proposed Energy Independence Authority would have a 10-year life and be self-liquidating. It is designed to achieve what many regard as impossible—energy independence by 1985. It is a program to secure our jobs, our standard of living, and the national interest of the United States.

This new Government corporation would be an independent Federal authority reporting directly to the President. This concept is bigger than partisanship. I am determined to appoint as directors Americans of stature without regard to politics.

The new Energy Independence Authority will seek new technologies to support or directly produce or transport American energy; technologies to support American nuclear development; and electrical power from American coal, nuclear, and geothermal sources.

The Energy Independence Authority will undertake only those projects which private business cannot undertake alone. It will not replace the private enterprise system. It will supplement it.

My vision is of dramatic action to produce oil and gas from coal, safe and clean nuclear and coal-generated electrical power, harness the energy of the sun and the natural heat within the earth, and build numerous other energy facilities throughout our great country. The Energy Independence Authority would act to finance those projects vitally needed for America's energy independence that will not be financed even by America's great private capital resources.

We will need over \$600 billion of energy investments over the next decade to finance American energy inde-



pendence. As always, most of that investment will come from private sources. But I am convinced that we cannot wait for our emerging technologies to become conventional technologies. We must act now to speed their development. We must also ensure that conventional projects with very large capital needs will have adequate access to investment resources.

The central defect of America's energy system is that it relies most on our least plentiful domestic energy resources—oil and natural gas—and relies least on our most abundant energy resources—coal and nuclear power.

My vision is of crash development—in harmony with environmental protection—of these abundant resources we have throughout our land. America's oil shale resources are more vast than all the oil reserves of the Middle East. America's coal resources are 10 times greater than our oil shale resources. America's ability to harness the atom is legendary—with the known potential of producing unlimited amounts of clean and safe energy.

Without this Energy Independence Authority, these vast treasures of America might never be developed or developed too late to keep America's leadership in the world. With an Energy Independence Authority, we will have the financial means to tap all of this energy during the crucial next 10 years.

The Energy Independence Authority will be an important new element, but only one element in our total national energy independence effort.

We need dramatic action to produce synthetic fuels, at least a million barrels a day, floating nuclear powerplants mounted on barges, new pipelines for oil and gas, and vast energy parks throughout America.

My vision of America is one of going back to work as a chain reaction of economic activity spreads throughout all 50 States. To build energy is to create energy and jobs in all sectors of our life in this country.

It has been estimated that for each job created directly in energy, the ripple effect throughout the economy creates at least another unrelated job. The total number of jobs generated will more than double the energy-related jobs.

Let me cite an example, if I may. Four hundred thousand man-years of labor are required to construct plants and manufacture equipment for 50 nuclear plants. This represents 650,000 man-years of labor in the time frame required.

I want to see millions of new jobs in the next 10 years with healthy, widening ripples of growth throughout the economy. We can do it. I am directing my energy and economic advisers to take all steps required, in the shortest possible time, to make this vision a reality. I am also counting on you, the construction workers who will do the job. We need your help, along with the help of literally millions of others throughout our Nation. You have the

skills, you have the courage, you have the dedication which has enabled America to defend itself in times of war and develop in times of peace.

I am confident of your ability and that of all Americans—labor and management, Democrats, Republicans and Independents, employed and unemployed, rich, poor, and struggling, old and young—to unite behind this bold new program that I have outlined.

As America's population grows and our economy expands, we must create 11 million more jobs by 1980. This is a big order. It cannot be filled by government alone or by industry alone or by unions or by politicians acting on their own. But the problem can and will be solved if we all work together, just as you in this hall today are united in building America.

As Bob Georgine said, the door to the White House will remain open, as it has been since I have been President, to those who champion the cause of America's working people. Nor will I ever close my heart to the millions of Americans who are now unable to find work.

I will not rest as long as any American who wants to work can't find work. Too many people remain without jobs. I have heard references to so-called "acceptable" rates of unemployment. I do not recognize the acceptability of any level of unemployment as long as people cannot find a job. I am determined to help create new jobs on a sound economic basis—good jobs, real jobs, and not make-work \$2-an-hour jobs.

When statistics are issued on the losses of jobs, there are some losses which are not published. I refer to the loss of hope among young people seeking their first real job, the loss of self-esteem among heads of households who are laid off, the loss of security and standard of living that people work for years to achieve, and, most important, the loss of faith in America's future.

These are tragic losses. They are losses that the United States of America cannot and will not permit.

The need for skilled construction workers to build new energy installations and new operators to run them will be enormous. By planning and working now, we can ensure the development is orderly and that progress is continuous.

As we enter our third century, Americans can look back with great pride upon our achievements in providing safe, healthful, stable, and productive jobs. But, obviously, we have much to do. Let's get going, and let's go to work together.

Thank you very much.

NOTE: The President spoke at 10:50 a.m. in the Plaza Square room at the Hyatt Hotel on Union Square, after being introduced by Robert A. Georgine, president of the AFL-CIO Building and Construction Trades Department.

As printed above, this item follows the text of the White House press release.



World Affairs Council

The President's Remarks and a Question-and-Answer Session With Participants in a Luncheon Meeting of the Council in San Francisco, California. September 22, 1975

THE PRESIDENT. *Mr. Mersman, Mrs. Feinstein, distinguished guests, particularly our guests from the People's Republic, ladies and gentlemen:*

It is a great privilege and a very high honor to have the opportunity of joining you on this occasion, and I thank all of you for the honorary membership in your organization, and I am deeply grateful also for being a transmittal belt for my long, overdue membership card in the Grand Rapids World Affairs Council.

This morning I had an opportunity to announce a very important proposal for a \$100 billion Government corporation to work through the private enterprise system to develop energy independence for the United States by 1985.

It is spelled out in a detailed bill which I will send to the Congress next week. It is my very deep conviction that the United States must not surrender its destiny to those foreign nations on which we now depend for oil. We must move very decisively to give foreign nations a new look at what Americans can do with their great resources when we set out to do it.

The program I envision would enhance America's future at both home and abroad. It would serve the national interest of the United States and would safeguard American jobs and the American economy. I envision a dramatic crash program to develop coal, nuclear, and other sources of energy, such as geothermal power, which I saw last spring on my visit here to this part of California, and including oil shale resources, which alone are more vast in their potential than all the oil resources of the Middle East. Without such an Energy Independence Authority, which would be a Government corporation, our vast natural energy resources may be developed too late to bolster America's leadership in the world for the rest of the 20th century.

As America completes its first 200 years as a nation, we must resolve to solve our energy problem. It is the key to our future.

At home and in our relations with the rest of the world, we have a conviction that energy independence is vital to our security against any arbitrary price increases or embargoes by foreign nations. It is the way to end the situation in which America's exports last year lost more than \$25 billion to pay for imported energy. If the energy is potentially available to us here

we now pay out to foreign oil in one year, we can bring a million more Americans back to work.

We must have the earliest possible action to expand our rapidly growing sums at home and to strengthen them domestically as well as internationally. With respect to questions, I will be glad to respond to questions.

QUESTIONS

FOREIGN AID

Q. Mr. President, my name is William Sumner, and I am not sure what Mr. Mersman meant by my association, but for your sake I am a registered Republican.

THE PRESIDENT. I appreciate that. We need more support from California. [Laughter]

Q. Well, I have worked on getting a tough question asked. Over the years, Mr. President, foreign aid programs have proved themselves quite long-lasting and very costly. Some have met with success, probably many others have met with obvious failure. Very clearly, the American electorate is disillusioned with foreign aid and both major parties have promised to cut it back as best they can.

However, every Administration has favored foreign aid at some time or another, frequently to buy itself out of a jam overseas. The recent Sinai accord can be said in part to follow this example, and I deliberately use the Sinai example to make the question as tough as possible. I do all hope it works, but, Mr. President, in balancing near-term practical usefulness against the huge cost and the growing unpopularity of foreign aid, do you think it is realistic for the American electorate to expect perhaps some cut in the foreign aid bill during the remainder of your five-year Administration?

THE PRESIDENT. Let me assure you that at the time that Secretary Kissinger and I had to make some very hard decisions on what we could do to help facilitate the negotiations between Israel and Egypt, we took into consideration the request by both countries for us to make available not more than 200 technicians in the U.S. buffer zone plus the prospects of substantial economic and military aid to the State of Israel, and to some extent the same to the State of Egypt.

Let me say that, as we analyze the alternatives—the alternatives were simply two—if we did not play a meaningful role in what we have recommended to the Congress, it would be my judgment that the stalemate in the Middle East would continue with all of the attendant volatility, increasing tensions, and the high likelihood of another military conflict. And each one seems to get bloodier and more costly. That was one alternative.

The other choice was to do what we have recommended to the Congress. I believe it is a good investment in momentum and a long-range possibility of an equilibrium and secure peace in the Middle East. I believe that it is the way in which we can participate in a fair and proper way to achieve the momentum and to hopefully avoid a military conflict. And in balancing the difficult choices, the

by myself, and with Secretary Kissinger, was that this is a better course of action.

And may I say that it is going to be costly, but the general figures used are somewhere between \$2 billion to \$2.3 billion for economic and military assistance for the State of Israel.

I only point out that earlier this year at the time that I was conducting the reassessment of our Mideast policy, I received a letter signed by 76 Senators asking me to make certain that I recommended \$2,600 million for Israel without any participation by Israel in the negotiations with Egypt.

So, going by what 76 Senators felt was a proposal of some magnitude in money, I believe the decision to work with Israel and Egypt to achieve peace—and I think it is a good, solid program—it is a better investment than more money being spent, as 76 Senators requested us to do, without any program for momentum of peace in the Middle East. I think it is a good gamble for peace.

The other would be a very difficult potential problem of a high likelihood of war. I think it is the right action, and I hope the Congress promptly and overwhelmingly approves, number one, the 200 technicians to serve in the U.N. buffer zone, and also the necessary amount, which, of course, the Congress can decide. But I think it is a good gamble for peace, and I hope the Congress responds.

THE PRESIDENT'S TRIP TO THE PEOPLE'S REPUBLIC OF CHINA

Q. My name is Robert Gomperts, and I am a member of the trustees of the World Affairs Council of Northern California. In a few months time you are scheduled to travel to Peking, and at the moment there is one overriding issue and I would say at least two major issues outstanding between ourselves and the PRC. The overriding issue is the question of recognition. The major issues are the frozen assets and an end to discriminatory tariffs on goods coming from the PRC. Do you feel that these issues will be solved during your trip to Peking, and, if not, do you feel that your trip to Peking is in the national interest, sir?

THE PRESIDENT. I wouldn't go if I didn't think it was in the national interest. [Laughter] The precise agenda for the visit by myself to the People's Republic has not been laid out. Preliminary work has been done, and it will probably be finalized in a prospective earlier trip by Secretary Kissinger to Peking.

There has been no final determination as to the items that will be on the agenda. Of course, all that has taken place since the reestablishment of a relationship has followed the Shanghai announcement, and I believe that we are proceeding—the two countries—within the confines of the Shanghai communique.

I would expect that the progress we have made will continue within those constraints, but I am not in a position at this time to give you the details of what the agenda

will be, except I expect—and I am sure that the People's Republic expects—headway and progress and the chance of better relations.

Yes, sir.

INVOLVEMENT IN OTHER COUNTRIES

Q. Mr. President, I am Alexander Dallin. I teach at Stanford University. Mr. President, you have been quoted as saying there may be circumstances under which it may be proper to intervene in the affairs of other countries.

THE PRESIDENT. Excuse me, I didn't hear that. Involve ourselves in what?

Q. In the affairs of other countries. Since the statement—if in fact you are quoted correctly—may provoke some controversy, I wonder whether you might care to specify some circumstances or principles involved that you have in mind?

THE PRESIDENT. It has been traditional in this country, certainly since prior to World War II, during World War II and subsequent to World War II, for the United States to, in one way or another, involve itself directly or indirectly in the affairs of other countries.

In each case, regardless of the individual who was President, it was determined by responsible people that such action involved our national interest. I know there has been controversy about what has been done in one or more countries, but it is my judgment that if properly handled, and with a correct and a very certain relationship to our national security, we should not rule out responsible action in this area.

But for me to write a prescription here with the great variety of circumstances that prevail, that have prevailed, and undoubtedly would prevail, I think it would be unwise.

This is a critical and crucial area where on some occasions what we have done, we have been very successful and it has been to the benefit of the United States, and unfortunately in some instances we have had some disappointments.

But to categorically rule it out or even to prescribe a specific limitation here I think would not be proper for the President of the United States. I am not ruling it out. I am not saying what we are going to do, except there have been some benefits, and if there are, related to our national security, I think we ought to do it.

Q. President Ford, my name is Neil Jocek. I have no formal affiliation. I would like to ask a question following up what you just said, I think. Do you plan to take positive steps to discourage those American allies that use torture as a means of political oppression?

THE PRESIDENT. I can't help but ask myself this question: What precise authority do I have as President: we as a nation to interfere directly with the internal or domestic actions of other nations? We have been criticized on many occasions for being too involved with the internal or domestic operations of one nation or another.

deplore it. I condemn it, but I hesitate to say that the United States should take an affirmative action every time torture, as we understand it, is inflicted upon a citizen or group of citizens of 140 other nations.

We don't like it. We hope it doesn't continue, but for us to be that precise a policeman in every one of 140 some nations of the world, I think would not be approved by a majority of the American people.

THE THIRD WORLD

Q. Mr. President, my name is Donald Davis. I am president of the Santa Clara Valley World Trade Club. You, in your opening remarks, have alluded to the problems concerning energy independence. Perhaps related to this issue of energy independence are the Sinai accords, and a much broader picture for the coming years is to attract the leadership role which the United States intends to assume vis-a-vis the Third World countries in connection with their aspirations for redistribution of the world's wealth.

I know that you have spoken at the United Nations and other places on this subject, but I would appreciate your personal comments, assuming that you were to continue in office, that what you believe our leadership role would be in attempting to meet the needs for redistribution of the world's wealth, assuming that there is some need, and to meet the aspirations of these countries?

THE PRESIDENT. I don't believe that we should, as a nation, participate in the redistribution of world resources. I don't think that ought to be our objective. Our attitude as a nation was submitted to the United Nations in their special get-together about 10 days ago by Secretary Kissinger. This was a practical answer to the Third World request for economic understanding, political understanding.

There appeared, prior to Secretary Kissinger's presentation, the distinct possibility that there would be a head-to-head confrontation between the United States and the other industrial nations of the world in the Third World, because the underdeveloped or Third World nations were complaining very bitterly about the fact that their natural resources, whether it is bauxite, tin, or coffee, or a multitude of other natural resources were not getting a fair shake in the world, at least from the industrial nations. What they wanted, really, was the establishment of a new world economic order. I don't believe the United States should commit itself to a new economic order.

I believe, as it was expressed in Secretary Kissinger's text, that we should take the individual resources of bauxite, or tin, or copper, et cetera, on a practical case-by-case example, try to find through negotiations a way for those nations to participate in the growing opportunity for a better life for all their people. And the result of the Secretary's presentation was that we avoided a head-to-head irreconcilable confrontation,

the attitude and the atmosphere of the United Nations was totally different.

And it is my opinion that that good feeling and better understanding will be productive in the subsequent meetings of the United Nations and that we ought to carry on as we said we would, working with those nations in some way to make sure they don't have the peaks and valleys of high prices and overabundance and that they can have a relatively stable return, not under the umbrella of a new world economic order, but under some practical negotiated agreements that will take care of the real problems in each instance.

INTERNATIONAL SALES OF U.S. AGRICULTURAL COMMODITIES

Q. Mr. President, my name is Barney Rocca, Jr. I am a member of the World Affairs Council, the Commonwealth Club, and a past president of the World Trade Association of the Greater San Francisco Bay Area. My question relates to the business in which I am personally engaged, which is foreign trade and agricultural commodities. There has been much discussion recently about the trade embargo on agricultural commodities. My question is, why should not our agricultural producers have free access to the world markets for their production, the same as other producers of nonstrategic materials? A second part to the question is, how do you construe the Congressional attitude on this issue?

THE PRESIDENT. I made a fairly complete speech out in Oklahoma—I guess it was Friday—[laughter]—on this precise subject. And let me summarize it for you. I believe that we should sell our agricultural abundance, not only domestically but internationally, in the free marketplace at fair prices for the farmer. The best way to ensure the utilization of full production for our farmers is to find assured markets.

We have a 3-year agreement which was just renewed with Japan for an agricultural purchase program by Japan. We have other such relationships with other foreign countries.

The big problem is that of the Soviet Union. If you go back to 1972-1973, you will find that the Soviet Union bought corn, wheat, et cetera, at a relatively low level. And then they went up to the 1972-1973 figure of roughly 13 billion metric tons, and then they went down in 1973-1974 to a figure—if I recall accurately—of around 3 billion metric tons. Then the next year they went up to another figure. This year they have already bought 2.3 billion metric tons of grain from the United States, and they want to buy some more.

These wide fluctuations are not healthy for the American agriculture. They are not healthy for the farmer because he ought to have some assurance, practical assurance, that what he produces is going to be purchased. So we are in the process now with a "temporary suspension of

sales to the Soviet Union"—temporary assuming we reach an agreement—to be based on the signing of a long-term agreement—5 years perhaps—with an assured, guaranteed, mandatory purchase by them with potentially an option to buy more. If we work this agreement out, I think you will find a far healthier relationship between our farmers and their markets, a far better relationship between our country and the Soviet Union, and an overall advancement of a better world.

This, I think, is the kind of utilization of our great abundance that we can say with pride is part of an affirmative, constructive relationship with not only one country but many others, to the benefit of the farmer and a healthier relationship the farmer has with the rest of us Americans.

So I hope within the next week perhaps or more, hopefully the sooner the better, we will sign an agreement. It looks optimistic, it looks encouraging, and if we do, I think both the producer and the consumer at home and abroad will be better off.

SOUTH AFRICA; THE MIDDLE EAST

Q. Mr. President, my name is Fudah Hayati. I am a member of the Northern California World Affairs Council, and I have a two-part question. This country was instrumental in bringing about détente in the Middle East with the Sinai accord between Egypt and Israel. Can you see this country playing a similar role in Southern Africa, specifically between Rhodesia and the liberation movement? The second part of the question is, in light of the reports of U.S. Marine maneuvers in the Mojave Desert carrying out desert warfare, is there a possibility that U.S. troops would become involved in the Middle East if détente did not hold?

THE PRESIDENT. I see no prospects of the United States military forces participating in the Middle East. I see no reason for that to take place. We are on a course of action which, if successful—and I believe it will be—that will preclude that.

The United States has been trying to work, not only in the United Nations but elsewhere, in the settlement of some of the very serious problems in Africa between Rhodesia and South Africa and the nations that are emerging in Africa.

Unfortunately, there are some very serious problems, but I can assure you that our best efforts will be utilized in that area as they have been in the Middle East.

HELSINKI SUMMIT MEETING AND DÉTENTE

Q. I am Paul Zinner, and I teach at the University of California at Davis. I am also a member of the World Affairs Council. Mr. President, I wonder if you would be able to give some insight into the policy considerations that led to a Helsinki summit in the middle of

the summer pretty much on Mr. Brezhnev's timetable, and I wonder if you could also give us a brief reading on the state of détente since Helsinki.

THE PRESIDENT. The timing of Helsinki was not important. The substance of Helsinki, both in the language and the spirit—those are the important things.

The meeting in Helsinki between 35 nations came about because of 2 or 3 years of very detailed negotiations between East and West, and the various amendments, the various compromises, in my opinion, have led or have the potential of leading to a better relationship between East and West, whether it is the confidence building provisions, whether it is the relationship of one nation to another and the freedom of information, the greater freedom of access between nations, and a multitude of things that were involved.

The language is all right, and, as I said in Helsinki, the language we approve of. What has to be certain is that the spirit coincides with the words, and there is to be a meeting in 2 years where there will be a review of all of the participants to see whether the language which was signed in Helsinki is carried out in the 24 months.

And the test is performance. I am optimistic and I believe that if we keep pressure on that we can say that Helsinki was a big plus. If the spirit doesn't exist, the words mean very little. But I am optimistic that world pressure will force all nations that participated to have the spirit coincide with the language.

Now, the status of détente. Détente was not initiated as a solution to every problem in the world or every problem bilaterally between the United States and the Soviet Union, but it has been extremely helpful in a number of instances as a line of communication, as a means of relaxing tensions, and as a vehicle for the solution of problems between the Soviet Union and the United States.

I believe that SALT I was a significant step forward. I believe very strongly that the agreement at Vladivostok where Mr. Brezhnev and myself agreed for a cap of 2,400 on launchers in strategic vehicles and a 1,320 limitation on MIRVing. SALT Two is now moving along at the technical stage, and there will have to be some very important decisions made between now and when the final agreement is achieved, if it is achieved, and I hope it will.

I think détente has been successful. It hasn't solved every problem, but we are a lot better off, in my honest judgment, than to go back to the old days of the cold war where we talked harshly to each other, we condemned each other, we threatened one another. I don't think the United States and the Soviet Union ought to go back to the cold war circumstances that prevailed. But I reiterate, we can't expect every problem that comes up to be solved by it.



All we can do is work at it. And I can pledge to you and to others we will do our utmost to make sure that the treaty is mutually beneficial to each country at no sacrifice of national security in either case and of tremendous, immense benefit to the world as a whole. We will do the very best we can.

CENTRAL INTELLIGENCE AGENCY

Q. Mr. President, my name is Bill Wainwright. I am a member of the World Affairs Council and also a registered Republican in the John Baldwin mode from Martinez, California. I have a question about the House select committee's investigation of the Central Intelligence Agency and their review having publicly demonstrated certain mistaken intelligence assessments on the likelihood of a breakout of war between the Arabs and Israel in 1967. I am wondering if you intend to facilitate this committee's further investigation along these lines.

THE PRESIDENT. Let me make several comments, and then I will try to answer the precise question.

In the first instance, you must understand that all of the intelligence agencies—the CIA and the others—have responded to the Pike committee's request for classified information. There has been no reluctance on our part to give to that committee all of the requested intelligence information, and I think they recognize that.

I can assure you of a second point—that under no circumstances will there be any action by me or people working with me to use the classification process to prevent the exposure of alleged or actual criminal action by any Federal authority.

Secondly, there will be no action by myself or my associates to classify so that we protect errors, mistakes that were made over the last 28 years since the CIA was established by law.

The real problem is not their having this classified information. The problem is how they have to use it for the legislative purpose for which the committee was established. Since they have all of the information, it is not automatically necessary that they make it public. They can examine it in committee, and they can determine from such an examination all of the information that is needed for the legislative purpose for which the committee was established.

I have no reluctance at all, if we could just put a circle around the United States, and give 214 million Americans access to the material as to sources of intelligence, techniques of intelligence, procedures of intelligence. I would have no reluctance whatsoever, if we could confine it to the American people. But I just don't think that is very wise.

[Laughter]

And this information is so sensitive that a few years ago the Congress passed a law saying that any communications intelligence—that is a very technical term, but it

is very significant—if divulged by an individual except to Congress—got it out of the law, and I am sure that they are violating the law—but that kind of intelligence, its source, its techniques, its procedures, was made a serious criminal offense by Congress itself, and it is the judgment of a number of the technically qualified people in the intelligence area that there was an error made in the release of some information out of the stacks of classified information we gave them because it probably had the impact of making available some communications intelligence information.

What we have to do is to sit down, not with one committee of the Congress, not one subcommittee, because there are 300 subcommittees and full committees of the Congress. If every one of them established different rules on how we were going to handle with them this highly classified information, I think you would probably have 300 different rules of declassification.

So, what we have to do—and I can assure you, as others—we have to find a way of getting a uniformity in the handling of classified information by the Congress and the 300 committees and subcommittees and the executive branch so that what is essential can be made public and what is so sensitive that it should not—if we can't do that, after 200 years of cooperation between the executive and the legislative branch, something is wrong.

I am an optimist, but it is a very serious matter. I am not going to be a participant in destroying the effectiveness of a good United States intelligence agency because that involves our national security, period.

One more, I guess.

Q. Mr. President, my name is Clark Maser. I am a member of the World Affairs Council and an elderly skier. [Laughter] What steps should the United States take if the State of Israel is expelled from the United Nations, which has been threatened by the so-called tyranny of the majority? Should we withdraw in that case all financial support to the United Nations or should we withdraw from the United Nations?

THE PRESIDENT. I, as well as Secretary Kissinger, have strongly spoken out against the threats that primarily came from the nonaligned nations. The attitude that we expressed toward the nonaligned underdeveloped nations has, to a substantial degree, softened some of the prospective actions that were anticipated in the United Nations. You don't find that pushing quite as hard today as it was 6 months ago or a year ago.

Now, we believe in the universality of the United Nations. And I don't believe nations should be kicked out because the majority have a grudge or an adverse point of view. You can't make the United Nations do its job, perform its function, if a simple majority in the General Assembly can just arbitrarily decide that that nation ought to be kicked out.

I totally disapprove of that procedure, and this country, as long as I am President, will strongly, vigorously fight

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I believe our firm stand, the efforts of Secretary Kissinger at the second session has pretty well diluted the prospective action concerning Israel in 1975. If there is any reaffirmation of what appeared to be an action, we will vigorously fight any action by the General Assembly, and we will take a strong stand, the strongest possible stand in the Security Council.

Thank you very, very much.

NOTE: The President spoke at 1:28 p.m. at the St. Francis Hotel. As printed above, this item follows the text of the White House press release.

San Francisco, California

The President's Interview With Sid Davis of the Westinghouse Broadcasting Company and Stan Borman, Belva Davis, Jenny Crimm, and Lynn Joiner of KPIX-TV. September 22, 1975

STRIKES BY MUNICIPAL WORKERS

Q. Mr. President, just recently this city went through a traumatic and somewhat extraordinary set of circumstances when the fire department and the police department all went out on strike at the same time. I am sure you were aware of that. This is somewhat of an indication of what possibly might happen in major cities across the country.

How do you, as the Chief Executive, feel about this, sir? Do you think that, number one, policemen should be allowed to go out on strike, and, number two, if you feel they shouldn't, do you think there should be a Federal law prohibiting strikes by all municipal workers?

THE PRESIDENT. Of course, the problem that you raise is 100 percent a local problem in that the Federal Government has no jurisdiction to enact legislation or to take Executive action to force a procedure or a method for resolving disputes between local employees and the responsible city officials.

The situation in San Francisco ought to be settled by the people of this community. It ought to be settled perhaps as some States have, by enacting State legislation. That is within the jurisdiction of the State, as well as the local community.

The only area where the Federal Government has any authority is that involving Federal employees, and when a few years ago, I think it was 1970, the Congress established a postal service system in contrast to the old Postal Department, the Congress approved a procedure for arbitration in case the Government and the employees couldn't get together. That does, in effect, provide, number one,

for a procedure for a firm determination, and it also includes a provision that prohibits a strike by postal service employees. I voted for that legislation.

GUN CONTROL

Q. Mr. Ford, on another topic, there are reports that a man was arrested and booked today here in San Francisco on suspicion of threatening you and, also, following your own close brush with death in Sacramento a couple of weeks, I wonder if this has convinced you at all that we need tough gun control legislation in this country or are public officials going to have to travel across the country with a bulletproof vest and a prayer?

THE PRESIDENT. I did recommend to the Congress earlier this year a rather comprehensive approach to crime control, a new proposal that would make it much more difficult for individuals to get what we call "Saturday night specials," which are the cheap handguns that are used extensively for illegal purposes.

In addition, I proposed to the Congress that we have much more severe penalties for a person using a gun in the commission of some other crime and for mandatory sentences in order to get people who use guns in the process of committing a crime or alleged crime.

It seems to me that that approach is far, far better than the approach of some people who recommend that gun owners should be registered and that handguns and long guns ought to be registered.

I prefer to go after the person who uses the gun for illegal or criminal purpose. That, to me, is a far better approach than the one where you require registration of the individual or the gun.

WEAPONS FOR ISRAEL

Q. Mr. President, yesterday Secretary of Defense Schlesinger said that any new weapons we introduce into the Middle East or Israel should not, to use his words, overawe Israel's neighbors. In the interim agreement we have signed with Israel, we are promising new weapons and there is the prospect of the Pershing missile, which has the range that could touch just about all of Israel's neighbors. Aren't we creating the prospects of the seeds for a monstrous new arms race in the Middle East?

THE PRESIDENT. Not if it is properly handled, Sid. The shopping list that the Government of Israel submitted to the United States Government included a very substantial number of weapons, most of which are defensive in nature.

The Pershing missile request we—the United States—only promised to study. We made no commitment that we would make that weapon available. And in the process of study, we will have some time to see how the peace efforts, the Sinai peace agreement proceeds along with potential other agreements in that area. But there is



commitment by us, except to study, for the delivery of a Pershing missile to the Middle East.

NUCLEAR POWERPLANTS

Q. Mr. President, today in a speech you said that you envision some 200 nuclear powerplants by the year 1985. Here in California, enough citizens are concerned about the safety and disposal problems of these plants to have put it in issue on the ballot in June to ban the construction of them. How do you feel about the safety problem and about the disposal problem?

THE PRESIDENT. The Nuclear Regulatory Commission, which was established by the Congress last year and which is now in operation, and the Energy Research and Development Organization, which was likewise established by the Congress, both are in the process of studying safety, nuclear power development, et cetera.

So far, I believe that the overwhelming preponderance of the evidence indicates, number one, that we have a safe nuclear power capability and furthermore that, if there are any serious questions, that the further research and development will result in even a higher degree of safety, better safeguards.

I think in light of our serious, almost critical energy shortage, that it is unwise for any State to ban the development and the utilization of nuclear power in the future.

We expect to build 250 nuclear powerplants, as I recall, in the next 10 years. If 49 other States do it, I can imagine there could be a serious, adverse economic impact on the State of California. It would potentially—I don't say certainly, but potentially—interfere with the economic development of the great State of California. It would mean the loss of potential jobs as we need more jobs for the young people, for others.

I think there is a better approach than an arbitrary ban because the safety record so far and the prognostications of responsible people indicate to me, at least, that the danger is not a serious one, and if there are any problems, they can be resolved.

THE PRESIDENT'S TRIPS TO CALIFORNIA

Q. Mr. President, we are very glad to see you back in California again, and I understand you will be returning again next month. The question is why three trips in less than a month and a half and if this California blitz—if you will pardon the expression—is really just to try to break Ronald Reagan's shadow campaign for the nomination in 1976?

THE PRESIDENT. Our plans to come to California 2 weeks ago and the plans for this current weekend were made many months ago. They were made because I had, or I have attended, a number of meetings with a variety of organizations.

I spoke at Pepperdine University on Saturday at Stanford University on Sunday. I spoke at the AFL-CIO building and construction workers conference this morning, or on Monday. I spoke to the World Affairs Council in San Francisco.

It is a whole list of very diverse organizations that give me an opportunity to get acquainted with their interests and to indicate my policies. California is a big, it is an important State. We want Californians to understand their President, and I want to get to know Californians. It has really no relevance as far as the political campaign is concerned.

I am coming back in October for a purely Republican Party function. That is a different type of activity, and I think it is important for me, as the head of the party, to participate.

FORMER PRESIDENT NIXON

Q. There is one other Californian you did speak to. You spoke to Richard Nixon yesterday. Why did the White House wait until today to report that, and will you accept Richard Nixon's help in your campaign in 1976?

THE PRESIDENT. My relationship with the former President is a personal one, a personal friendship that has existed for 26 years. I don't think it is necessary for us to volunteer when I call him or he should happen to call me.

It is my understanding that if Ron Nessen was asked, he would say yes, I called the President, I am in the State where he lives, within a relatively short distance of his home. I think it is a perfectly natural thing for longstanding friends to talk on the telephone. His participation in 1976 is a matter for him to decide, and we will wait and see what he does decide.

Q. If he decides, would you want his help?

THE PRESIDENT. I don't think you accept anything in the political arena. A person has to make a choice himself as to what he wants to do. We have no plans to ask him, but if a person decides, it is a free country. He can participate in any way that he wishes, but that is a personal choice for him.

Q. So by that answer, Mr. President, without trying to put words in your mouth, you would not reject his help or whatever support he would give you?

THE PRESIDENT. That is a matter of semantics. What he does is his decision. We are going to run my campaign, as I said several months ago, on my record and on our program for the future. If people want to help, I can't preclude it. It is up to them to decide.

CENTRAL INTELLIGENCE AGENCY

Q. I have a couple of questions, sir, about the Central Intelligence Agency which has been in the news as we all know, for the past year or so with mounting rapidity.



First off, are you frightened by the latest revelations of the CIA, namely, the Cobra venom stockpiled, the shellfish toxin stockpiled, the poison dart guns supposedly they have, and the latest story that broke over the weekend that alleges that E. Howard Hunt supposedly was supposed to kill columnist Jack Anderson. Do these allegations frighten you, sir?

THE PRESIDENT. I think you have to go back to the charter that President Truman recommended to the Congress and the Congress in 1947 wrote into law in the establishment of the Central Intelligence Agency. As I recall—I wasn't in the Congress at that time—that it was virtually unanimous that President Truman's proposed Central Intelligence Agency should be established by law, it was given a charter and given certain responsibilities. And the Central Intelligence Agency over this period of 27 or 28 years has carried out its responsibilities under the law.

Now, there may have been certain indiscretions or actions or programs that border on being outside of that charter, and that is what the Congress is in the process of examining. And I think it is a very proper responsibility for the Congress, in an oversight capacity, to examine such as they have in both the Church committee and the Pike committee, the operations of the Central Intelligence Agency.

Q. Mr. President, you mentioned former President Harry Truman, and it was published in the Washington Post on December 22, 1963, a column that was written by the former President. In that he said, "The role of the CIA should be limited to intelligence; there is something about the way the CIA has been functioning that is casting a shadow over our historic position in this country and I feel that we need to correct it." That was 12 years ago. Do you feel there should be some limitations on the power of the CIA, and if so, what limitations?

THE PRESIDENT. The basic limitations come from the law. The operation under the charter comes from the people who have the responsibility. It is, I think, very proper for Congress to conduct an oversight operation, as they are, and it is very probable that there ought to be a great control exercised through the executive branch over the operations of the CIA.

We have an organization, have had for a good many years, an intelligence advisory committee that has a relationship in a broad sense to the CIA and the intelligence community. There have been suggestions that this advisory group ought to be given more authority to actually supervise the operations of the Central Intelligence Agency and the others. There has been no decision by me as yet on whether that group or some other group or in some other way, we might have a closer control over the operations on a day-to-day basis of the Central Intelligence Agency and the Intelligence community. Those are possibilities.

Within the very near future, I expect to make administrative recommendations. I expect to make legislative proposals as far as the intelligence agencies are concerned.

I did not answer, Stan, one previous question you indicated concerning columnist Jack Anderson.

Q. Yes, sir.

THE PRESIDENT. As I read the newspapers—I haven't gotten any further information on that—that was not connected with the Central Intelligence Agency. That was an alleged arrangement or program between certain people in the White House in the 1970-1971 period. It did not involve the CIA. Therefore, I don't think the CIA should be connected or condemned with that allegation. They have enough troubles on their own.

WHEAT AND OIL

Q. Mr. Ford, to get on the topic of energy for a second it is obvious that Russia needs our wheat and we need oil. You have been quoted as saying that it is conceivable and quite possible that America would negotiate with the Soviets for oil in exchange for wheat. Getting out of the possible, the conceivable realm, is it going to become reality?

THE PRESIDENT. We have made very substantial, encouraging, optimistic progress in negotiation with the Soviet Union for the Soviet Union on a 3-year agreement to buy substantial amounts of American grain, a set amount as a minimum and potentially more on an option basis.

This would help to equalize the purchases over a period of time instead of the wide fluctuations where one year they buy very little, the next year they buy a tremendous amount.

We think that a firm, long-term wheat or grain agreement with the Soviet Union is good for the American agriculture, for the farmers, for the consumers. It also will increase the, I think, effectiveness of détente between the Soviet Union and the United States.

We hope to have an answer on this problem within the very near future, and, I might add that, if it is signed, we will also get an additional benefit and this is important here in the Bay Area, the west coast, in that we will get a better freight rate for American ships in the delivery or the shipment of American grain to Soviet ports, which would mean that about 35 American ships would come out of lay-up and go into the trade and provide more jobs for American seamen.

So, it is a complicated but very intriguing and, I think, important negotiation. I am optimistic that it will work out.

Q. Yes, but are you going to push for the oil since we need that so desperately? Are you going to push for it?

THE PRESIDENT. That is another aspect and there are discussions, and there are potential negotiations going on between the United States and the Soviet Union, like to some extent but not directly, grain and oil.*



This is a much more complicated subject. We have plans of oil today and an agreement with the Soviet Union for oil would be sort of a good insurance policy in case there was an oil embargo from the Middle East.

If Russia has oil that it wants to sell, and we need some, which I think would be good insurance, I think it makes sense to try and get both a grain deal and an oil deal.

GASOLINE PRICES

Q. Sir, on the subject of energy and oil, you fought long and hard for decontrol of domestic oil, indicating that the rise in price would somehow help us to conserve somewhat. How high are you willing to see the price of a gallon of gasoline go before reversing that procedure?

THE PRESIDENT. It is higher than I would like right now. [Laughter]

On the other hand, it has to some extent helped us to conserve; it has helped us to prevent the squandering of some of our energy sources.

I believe, however, that the price rise has gone sufficiently high, and if we can get an energy program on line, it is my opinion that any further price rise will be minimal.

As a matter of fact, if the Congress had approved my phased decontrol program over a 39-month period, in the first 12 months of that phased decontrol program, energy prices related to oil would have gone down.

Unfortunately, the Congress wasn't wise enough to understand it or to take action to approve it. So, now that they have rejected a phased decontrol program, we are pretty much faced with total decontrol, which is not the best alternative. But even with total decontrol, I don't think you are going to have any significant increases in fuel costs.

Q. Wouldn't that, though, if it did happen, really hit at the poor, the working class more than anybody else, because they would be the ones who could not afford to pay the prices?

THE PRESIDENT. It would affect everybody, but I urge you to go back to what I said in January when I offered a comprehensive energy program. I said, if there are any energy cost increases, we would rebate to the American people \$12 billion for added energy costs by a reduction in income tax payments. We would give \$80 a person to the poor who had no income to compensate them for the added energy costs.

Again Congress has not acted on the rebate program that I recommended. I wish they had. We wouldn't be faced with a problem of, to some extent, adding energy costs to the American people.

ENERGY INDEPENDENCE AUTHORITY

Q. Mr. President, in your travels around the country, you have persistently launched an attack against the Federal Government and big government and the Federal Reserve and at one point promised to get the Government off people's back and out of their pockets. Yet

today here in San Francisco, you are proposing a \$12 billion Government corporation to be established subject to the approval of Congress to help find ways to develop our energy resources. This would include massive amounts of Federal money.

How do you square that with your comments about less government? Are we admitting that we cannot solve our energy problems in the private sector?

THE PRESIDENT. Most of our energy problems can and will be solved in the private sector, but there are some programs where we are in the process of exotic research and development—solar energy for example—where once the scientists and technicians have developed the capability for expansion of that energy source, we do have to take the first step from research and development to an operational plan to prove that it will work.

That first plan, so to speak, has to be perhaps financed by this joint government private sector program. And that is what the energy resource corporation will be aimed at, not in a long range financing of energy sources, but aimed at primarily, not exclusively, but primarily taking the position from completion of research and development to the first use where there is a hesitancy on the part of investors, because of the uncertainty to invest.

This is where I think we have to act. We did in the case of the synthetic rubber plant in World War II. We did it in the Manhattan Project with the atomic bomb. We did it in our efforts to get to the Moon. We have done it with COMSAT. It is a procedure that has been used in the past, and I think it can be adequately used in the future.

THE 1976 ELECTIONS

Q. In doing so, you are leaving yourself open to a charge by probably your critics that you are going to have billions of dollars of Federal funding going to big oil and big business, and this leads me to the question: the public's perception of your Administration is one that is friendly to big business. I think in your relationship with labor leaders you would find that. And recently in a Gallup poll, Mr. Gallup said that of the adults who were questioned—and he addressed this nationwide—only 21 percent would own up to being Republicans. And then you have the results of New Hampshire. Would this indicate to you that you are in serious trouble in 1976 as a party and you as President?

THE PRESIDENT. I think any of the polls that have pitted me against a Democrat, with the exception of Ted Kennedy—and even there one month he is ahead, and the next month I am ahead—but pitting my own candidacy against any other Democrat, every poll that I have seen for the last 6 months shows that I would win.

We have 14 months to go before the election, and my Democratic friends have to pick a candidate first, and they are going to have a little trouble there. But I welcome whoever they pick. But I think it categorically inaccurate and unfair, and I don't think it is said by people who have



thought it out, that this Administration is predominantly interested in big business. That is totally inaccurate.

We have increased our funding, for example, in a wide spectrum—education, unemployment compensation, the whole area of human assistance. We have recommended in the budget for the current fiscal year more money than any Administration in the history of the United States for social programs.

ADVICE TO YOUNG PEOPLE

Q. Mr. Ford, I am sorry to cut off because I understand you probably want to go forth. We only have about 30 seconds left, and I wondered if you could in that time possibly sum up how you would talk to some of the young people of this country about their mounting fear of losing control of their country, what with the murder of a President, the murder of a candidate running for President, paralyzing of another, et cetera. It goes on and on, still even happening today with a threat against your life. What do you tell the young people of this country?

THE PRESIDENT. I tell them that, number one, we have a great country, they have a great stake in it. They can decide what course of action, what aims, what visions we should have in this country, and I find a great and good response from the young people across the board.

I am optimistic about what they will do with America. I think they will make it a better place for them and those that follow.

Q. Thank you, Mr. President.

NOTE: The interview began at 2:56 p.m. in the MacArthur Suite at the St. Francis Hotel. It was taped for broadcast at 9:30 p.m.

As printed above, this item follows the text of the White House press release.

Incident in San Francisco, California

*Statement by the White House Press Secretary,
September 22, 1975*

At the conclusion of a TV interview with KPIX-TV, in a suite on the sixth floor of the St. Francis Hotel in San Francisco, President Ford boarded an elevator and rode to the ground floor of the hotel on the Post Street side. The President greeted a small group of well-wishers in the lobby of the hotel.

The President stepped out on Post Street, where his car was parked at the curb. As he walked from the hotel door to the car, he waved briefly to a large crowd on the sidewalk of Post Street.

At that point there was a sound of a single gunshot. Secret Service agent Ron Pontius and Jack Merchant, an Assistant to the President Donald Rumsfeld pushed the President down toward the sidewalk shielding him from his car from the crowd. The President, agents Pontius and Merchant, and Donald Rumsfeld entered the

car, and he was not able to depart immediately for the San Francisco International Airport.

For the first several blocks after departing from the hotel, the President was stretched out on the floor of his car between the seats with agents Pontius and Merchant and Mr. Rumsfeld shielding his body. After the car was out of the area, the President sat in the middle of the rear seat with agents Pontius and Merchant on either side and Mr. Rumsfeld in the jump seat.

Mrs. Ford arrived at the San Francisco International Airport by U.S. Air Force C-9 aircraft from Monterey a moment or two after the President and boarded Air Force One.

She was told of the episode in the Presidential cabin. Mrs. Ford received the information calmly. The President can be described as serious following the episode and on the flight home to Washington.

The individual who fired the gun has been identified as Sara Moore, age 47. The weapon has been identified as a 5-shot .38 revolver.

During the flight home to Washington, the President told his staff aboard Air Force One that he felt that the U.S. Secret Service and the State and local law enforcement officials had performed their duties in an outstanding manner, and he asked that his thanks be expressed to all involved.

The President indicated to his staff that a circumstance, where the political leaders are forced into isolation from their constituents because of the threats of a few would be intolerable. The communication of ideas is fundamental in our system, and to allow it to be unduly restricted, warped, or inhibited would be to weaken, if not destroy it.

He believes it is vitally important for the leadership of our country to be free to communicate with the people they serve.

NOTE: The statement was released on board Air Force One during the flight from San Francisco to Washington, D.C.

Return to the White House

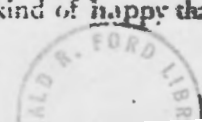
The President's Remarks to Reporters in the Diplomatic Reception Room. September 22, 1975

REPORTER. Mr. Ford, could you speak to us for just a moment please and tell us how you feel?

THE PRESIDENT. Can I have just a minute to look at all of you?

Q. Mr. President, what—

THE PRESIDENT. May I take just a minute. Obviously, Betty and I are delighted to be back here very safely, and we are most grateful that Mr. Vice President and Mr. Rockefeller have met us. We have talked to our four children, and I guess they are kind of happy that we are back here all right.



10-29-75

now ripe for some straight answers, some straight talk. And I am confident that we can solve the problem, and when we do it, and do it right, I think I will have a friend or two in New York City.

Mr. BROOM. Mr. President, we will get a chance for a reaction to that question next Wednesday when Mayor Beame speaks to this audience.

NOTE: The President spoke at 12:02 p.m. at the National Press Building, after being introduced by William W. Broom, president of the National Press Club.

Municipal Bankruptcy Legislation

The President's Letter to the Speaker of the House and to the President of the Senate Transmitting Proposed Legislation Concerning Indebtedness of Major Municipalities. October 29, 1975

Dear Mr. Speaker: (Dear Mr. President:)

Enclosed for your consideration and appropriate reference is a legislative proposal to amend the Bankruptcy Act to add a new Chapter XVI dealing with the adjustment of debts of major municipalities.

This legislative recommendation is submitted because of the inadequacies of Chapter IX of the current Bankruptcy Act in its application to the problems of major municipalities. The attached draft legislative proposal would provide a desirable alternative to Chapter IX of the Bankruptcy Act.

A major concern of all of us is the need for meaningful action to bring into balance the revenues and expenditures of a city which may need to seek relief under the Bankruptcy Act. The attached legislative proposal will provide the incentives needed to force such a city to make the hard decisions required to achieve this important objective. The draft legislation will accomplish this without improper intrusion into the internal governmental affairs of any State.

We do not wish for any city to have to undergo bankruptcy. However, recent events remind us we cannot ignore the fact that there must be relief legislation ready and available in the event insolvency forces resort to relief under the Bankruptcy Act. I can assure you that the Executive Branch would be prepared to work with the bankruptcy court in a proceeding under the proposed Act.

Administration witnesses will be pleased to consult with and advise the Committee to which this legislation is assigned. This legislation is urgently needed. I respectfully urge its early consideration by the Congress.

Sincerely,

GERALD R. FORD

For the President's remarks concerning the proposed legislation, see the preceding item.

endor
Nominate Mary S.

The President today announced his intention to nominate Mary S. Olmsted, of Signal Mountain, Tenn., to be Ambassador to Papua New Guinea. She will be the first United States Ambassador to Papua New Guinea.

Currently, Miss Olmsted is Chargé d'Affaires, ad interim, in Port Moresby, after serving as Consul General in Port Moresby during 1974-75. From 1972 to 1974, she was Deputy Director of Personnel for Policy, Classification, and Evaluation at the Department of State, after serving as Deputy Director for Personnel Management Services during 1971-72. She was detailed to the Office of Economic Opportunity from 1969 to 1971 and then served as a Supervisory Economic Officer at the department from 1966 to 1969. She attended a Senior Seminar in Foreign Policy at the Foreign Service Institute during 1965-66. From 1960 to 1965, she was an Economic Officer in New Delhi.

Miss Olmsted went to the Department of State in 1958 to serve as an International Economist until 1960. She was on detail to the Department of Commerce during 1957-58 and later became an Intelligence Research Specialist during 1956-57. She was an Economic Officer in Vienna, Austria, from 1951 to 1955. From 1949 to 1951, she was a Political Officer in Reykjavik, Iceland.

Miss Olmsted was born on September 28, 1919, in Duluth, Minn., and received her B.A. degree from Mount Holyoke College in 1941. She received her M.A. in 1945 from Columbia University. She was a statistician from 1941 to 1943 and later became a research assistant with the National Bureau of Economic Research in New York, N.Y., from 1943 to 1945. She entered the Foreign Service in 1945.

Los Angeles, California

The President's Remarks at a Republican Fundraising Dinner. October 29, 1975

Chuck, I can't express deeply enough—and as deeply appreciative that I am—of those more than generous words. Let me add, if I might, my great gratitude for the tremendous turnout here tonight that expresses a faith, a conviction, a dedication to the principles and the things that all of us believe in as Republicans in effectuating what we seek and desire at the local, the State, and the Federal level.



But, let me say first I am delighted that Andy Hinshaw and Don Clausen are here. Ev Younger, of course Paul [unclear], and your incomparable leaders in the State, Margaret Brock and Bill Banowsky.

I have had the opportunity in several meetings this afternoon and this evening to renew acquaintanceships with some of the members of the legislature that I have met and, of course, those local officials that are so essential and vitally important. And I had the privilege again of renewing acquaintanceships with individuals I served with in both the House, as well as the Senate. It is just nice to be here, and I can't express adequately my appreciation for the warm welcome.

You know, it is always a great enjoyment coming back to California, particularly when it is so close to October 31—[laughter] a very special time when we observe the mysterious and supernatural when people tell strange tales about big houses where rooms lay ghostly silent, where lights are never seen, where mortals never tread. In most places, it is called Halloween; in California, it is called the Governor's Mansion. [Laughter]

I deeply appreciate your kindness in tendering this Salute to the President's Dinner, but I would prefer to designate—and I say this most sincerely—this evening as a salute to all the men and women of the Republican Party of California and throughout the Nation who are working to prove that the elephant has not forgotten how to win elections or provide good government.

Ladies and gentlemen, our Republican elephant will neither be stampeded nor exterminated. We are full of energy. We are full of faith. We will prove the rumors of our political extinction have been greatly exaggerated and certainly have no foundation in this great State of California.

California and the Republican Party started going together with "Free Soil," "Free Speech," John C. Fremont in your great State of California. Unfortunately, in 1856, California had only four electoral votes, and Fremont didn't get them.

But, let me say this with emphasis, and reiteration, if I might: I can assure you, as Republicans, we are going to get a lot better deal in California and the rest of the Nation in 1976 than we did in 1856. But even more significantly and far more importantly, we will do much, much better than we did in 1974, here as well as elsewhere in this great Republic.

The reason I am confident—and I can say this from traveling the length and breadth of this country—is the hard spade work that you are doing right here in California that is being repeated throughout the country. You are regaining votes we would otherwise lose—the votes of the one million registered Republicans who did not go to the polls last November.

You can be proud—and I say this as a former precinct worker—of the dynamic job being done by Walt [unclear] and Alice Ogle. They, and many other California

stalwarts, have reregistered nearly 400,000 voters in this State alone.

Your voter registration drive is giving new life to the precincts and, as I said a moment ago, that is where I started, and I am proud of that heritage and that experience.

Your 1975 fundraising, including the great work of the Golden Circle Club, is having its best year yet. You are building the Republican Party on the local level, where it really counts. And every elected official in this hall this evening knows that to be true. There is no substitute for it.

We approach a year of decision, as I see it, for all Americans. It is the year to save the two-party system or abandon America to a one-party rule. It is a year to stop the annual growth of Federal budgets that already have amounted to more than we spent to win World War II. It is a year Republicans must stress our differences with Democrats rather than with other Republicans. It is a year to win elections instead of arguments. It is, above all, the year to build a platform big enough to hold all who care about America and believe in the principles of the Republican Party.

Two hundred years ago our forebears set out to build a new kind of a nation which would govern itself through the political mechanisms of self-correcting balance. The governmental balance of powers which they envisioned and which we have perfected over the years is not limited to the constitutional separation of legislative, judicial, and executive branches of the Federal Government, nor are the balanced scales of justice the property of the judiciary alone. Justice, as Hamilton and Jefferson for once agreed, is the goal of all government.

Balance is essential among the Congress and the President and the Federal courts, but so is balance among the States and the cities and the Federal establishment. So is balance among the conflicting claims of pressure groups and special interests within our complex society—and it is so complex—and if freedom is to endure, so is balance between our two great political parties.

And so is balance in our bookkeeping. If you don't believe it, just look what is happening to New York City. The only thing wrong with New York City—and I had a few words to say about that today—[laughter]—is that too many things have gotten out of balance, including far, far too many budgets. The only thing wrong with this country is that too many things have gotten out of balance, including too many budgets.

The balance has shifted against business and industry to the degree that both the freedom and the enterprise are being taxed and regulated right out of the free enterprise system. The balance on taxes has shifted to penalize hard-working, law-abiding Americans, and especially taxpayers in the middle income groups, and to reward able bodied adults who want benefits without work.

The balance has shifted against the disadvantaged, the poor, and the pensioners who live on fixed incomes as



... fires up inflation by voting benefits for many, why don't need them at the expense of those who balance has shifted against the States, counties, cities that practice sound fiscal management and in of those communities which spend beyond their and look to Washington for a bail out.

... balance on crime has shifted so heavily on con- for the rights of the criminals that the rights of their is are almost forgotten. I say this with emphasis, this stop.

... balance on national defense has shifted against our ed Forces to the point where many members of the gress would rather spend your money for controver- social experiments than for the essential insurance defense second to none. You and I know that Amer- strength is the only solid basis for peace in the world that weakness is the surest way, the surest path to

... the balance of world power must not be shifted against nd the free world because without freedom, nothing is of value. Freedom must always come first.

... ortunately, there is a way to correct all these imbal- es. We have weights with which to right every balance. do not call them weights, we call them ballots. For long many Americans have been putting their weights, ir votes, under the wrong side of the scales. Balance can restored to this country's affairs and I stand here to ask your help in this critical and crucial moment. With our weights put together, yes, our ballots, we will do job.

The job starts with the Congress. A Congress that uses to cut taxes and spending is drastically out of bal- ce and drastically out of touch with you and others who ll go to the polls in November of 1976.

America's vitality and prosperity is being sapped by the responsibility of the Congress, the irresponsibility of air spending; a Congress dominated two to one by Dem- rats; a Congress controlled by Democrats for 38 out of e last 42 years, and I might add for 33 of those 38 years ere have been substantial Federal deficits.

What have those deficits brought, or what have they ought to us. You are painfully aware of how a massive ureaucracy is running more and more of your individual aily life. You know how Democratic-controlled Con- gresses have discouraged your enterprise and your initia- ve, encouraged and endorsed the unfair redistribution f your efforts and your incomes to others.

For the last 20 years, Congress after Congress, all con- olled by Democrats, has spent and spent and elected and e. In 1962, let me illustrate if I might very quickly, e Federal budget for the first time in American history e- ed \$100 billion. I can recall that vividly. It was a dline. It startled us; it shocked us.

I had been in Congress roughly 13 years and I couldn't e. Democratic Congresses then doubled the bud- \$200 billion in only 8 more years. Unless we

bring sanity to the spending madness of the present Con- gress, the Federal budget in the coming fiscal year will more than double again to an estimated \$420 billion.

Where did these massive increases come from? That is a good, legitimate, honest question that ought to be asked by all people, Democrat, Republican or otherwise. Be- cause of the mountains of Federal debt incurred through soaring Congressional spending, annual interest—annual interest on the public debt almost tripled in the last 10 years, from \$11 billion in a period of one year, interest has grown to \$32 billion in 12 months.

Another example. Between 1965 and 1975, Demo- cratic-controlled Congresses increased spending for the Department of Health, Education, and Welfare by nearly 400 percent—400 percent. Ladies and gentlemen, how can this Democratic Congress now tell the American peo- ple—and listen, because this is the crux of the issue we are to be faced with in the months ahead—how can the Democratic Congress now tell the American people that it cannot hold down anticipated spending for fiscal 1977 by a mere 7 percent? They have no answer.

Just over 3 weeks ago, I made the Congress a perfectly reasonable proposition. The Congress wanted to cut in- come taxes again next year, but go right on spending to the tune of another \$60 billion deficit.

I said, okay, let's have a tax cut, an even bigger, more equitable, and permanent tax cut than you are consider- ing, a tax cut of \$28 billion. Americans do need more of their own paychecks to spend. But, along with a tax cut, let's have a comparable \$28 billion cut in the growth of Federal spending. They go hand-in-hand, partners, in trying to save America's fiscal situation now and in the future.

Let's set a spending ceiling of \$395 billion instead of the projected \$423 billion, and start right now to cut back our annual deficit so we can have a balanced budget, an honest one, a certain one within 3 years.

Did Members of the Congress say okay, we will try? You know the answer. They didn't. They howled, they cried, they said I was being political. Tell me—and this is a thoughtful distinction—tell me why is it political to want to cut spending along with taxes, but it is not politi- cal to cut taxes and go right on spending for politically popular programs?

Do you realize that under the laws Democratic Con- gresses have already written—they are in the statute books right now and have been for the last several years— without a single new appropriation or program, and de- spite everything I can do as President by vetoing further increases, our Federal expenditures will automatically in- crease next year by \$50 billion? No new programs, no changes in any laws, just the automatic increase because more people are eligible or their escalation clauses, or a wide variety of other reasons, an increase automatically of \$50 billion.



... billion dollars in spending growth—think of it in
... That is nearly five times the total annual spend-
... of the great State of California.

... majority in Congress—as Chuck Reed said—don't
... vetoes. If I could reiterate, those vetoes have al-
... saved the taxpayers some \$6½ billion, and I will
... vetoing unwise, unnecessary spending bills again
... and again.

The sole criteria will be, will it save you money and
... our country's future? Now, the Congress obviously
... doesn't like my combination of a tax cut and a spending
... proposal. Having served 25 years in the Congress, I un-
... derstand it. I know why. Without being seriously unkind
... to my former colleagues and some of their new Members,
... you know, some call this a spendthrift Congress.

I will say this: It is sure a lot more spend than thrift.
... but to be more emphatic and more deliberate and more
... specific, I call it a "Can't Do Congress." They can't pass
... an energy bill, they can't face up to one issue after an-
... other, but most of all, on the issue I am discussing, they
... say: "We can't cut the budget. They complain, they tell
... us we are to cut it, they ask, where do we start?"

Very well. Let me tell them. For a starter, Congress can
... begin by slashing the food stamp program. Every Con-
... gressman, Democratic as well as Republican, knows the
... abuses of the food stamp program are notorious. Congress
... has no excuse whatsoever not to begin the \$28 billion re-
... duction right here in this program. Congress can save
... taxpayers more than \$1 billion in 12 months by passing
... my proposed food stamp reform program.

This Democratic Congress knows as well as I do that
... approximately one—unbelievably—one out of every five
... Americans has now become eligible for food stamps. Con-
... gress knows that 57 percent of those eligible for food
... stamps are above the nationally defined poverty level—57
... percent.

The Secretary of the Treasury, Bill Simon, who was
... here just a few days ago, he and his department have cal-
... culated that 43,000 American families with annual in-
... comes above \$18,000 per year received food stamps last
... year—43,000 families. Why? You tell me why. Why
... does a family earning \$18,000 a year need food stamps?
... Better still, tell your Congressmen and your Sen-
... ators.

Since 1965, the cost of this experiment has increased
... from \$34 million annually to nearly \$6 billion for every
... 12 months. Twenty-one million people, 41 times more
... than recipients in 1965, are now getting food stamps. It
... is unbelievable.

My policy in food stamps is simple, fair. The Federal
... Government should, within the limits of its resources, help
... Americans in need who cannot help themselves. We
... should not give Federal assistance—and I emphasize we
... should not give Federal assistance—to able-bodied adults
... who are dependents who do not choose to work.

... simply don't understand the argu-
... controlled Congress. If every housewife can revise her
... budget and every businessman can cut the frills out of his
... office, or industrial activity on spending, why can't the
... free-spending Congressional Democrats do the same?

I say, in all sincerity, I will work with the Congress to
... ensure that those who deserve the help of our Nation will
... continue to get it. The elderly, the poor, the men and
... women who have borne our Nation's arms, the Federal
... Government must and will meet these legitimate obliga-
... tions. But we must not pay one more cent of tribute to in-
... terest groups with frills who can afford to work and we
... cannot afford to support.

I will also keep faith with those who innovate and in-
... vest, those who work, those who pay their taxes, those
... who obey the law and those who save for their children's
... future. I speak to you in these very frank and categorical
... terms tonight to underscore my deep conviction and
... greatest concern, that a government big enough to give
... us everything we want is a government big enough to
... take from us everything we have.

While serving in the Congress, I won five "Watchdog
... of the Treasury" awards. I am very proud of that. I am
... still a "Watchdog of the Treasury" in the White House
... now and in the future.

You know some of my friends told me I shouldn't come
... to California again. [Laughter] They say there is nothing
... a President can learn by leaving Washington and meet-
... ing Americans face-to-face. Apparently only Congress-
... men, columnists, and pollsters should talk to people. Well,
... I kind of prefer to get my information first-hand and
... speak to all of you face-to-face.

As President, I can advance programs, I can prod the
... Congress, but I need your voices, loud, clear, telling me
... where you stand and where you want to go individually
... and collectively.

- Tonight as I conclude, I will tell you where I stand.
- Your President will not cave in to the big spenders
... and the budget busters in the Congress.
 - Your President will not fling open the U.S. Treasury
... to every city with a hole in its pocket.
 - Your President will not let a massive bureaucracy
... dominate your State, your cities, your business, and, more
... importantly, your lives.
 - Your President will not play dead while the foreign
... oil cartel drains off \$25 billion plus a year from our
... economy.

—And your President will never stand idly by while
... the Congress downgrades America's defenses and dis-
... mantles America's intelligence-gathering capability.

I believe America wants a President who is a fighter,
... not a patsy. And as President, I will join with you in the
... fight for the enduring principles of the Republican Party,
... those principles for which we have always stood—fiscal
... responsibility in Government, local control over local af-



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of the free enterprise system, a national
more, and the realization of individual
and every one of us and 214 million

it, with your enthusiasm, with your help,
actively, with your dollars, we can make
l Republicans and independents, a year
ember fondly, constructively, and whole-
sincerely, and a year, the Democrats may never forget.

Thank you and good night.

NOTE: The President spoke at 9:55 p.m. at the Century Plaza Hotel.

Los Angeles, California

*The President's Interview With Herbert G. Klein,
Vice President of Metromedia, Inc., and Metromedia
Reporters Gabe Pressman, Alan Smith, Larry Moore,
Gilbert Amundson, and Kenneth Jones.
October, 30, 1975*

ANNOUNCER. America's largest city, New York, the "Big Apple," is on the verge of bankruptcy. Other cities also fight for survival. Traffic chokes the arteries, spewing fumes into the once clear skies, streets and sidewalks are turned into garbage dumps, crime is rampant. Frustrated by spiraling costs, public servants go on strike and march in picket lines. A desperate plea for help goes out to the President and Congress. Searching for answers, Metromedia News reporters from across the country have gathered in Los Angeles for an exclusive interview with President Gerald Ford about the crisis in the cities and other issues. Metromedia Vice President Herb Klein is the moderator.

MR. KLEIN. Good evening, ladies and gentlemen.

Mr. President, it is a pleasure to welcome you to this unique Metromedia news team presentation of an interview based on the problems of the cities and many other current issues facing the country at this time. It is a pleasure. Welcome, Mr. President.

THE PRESIDENT. Thank you very much, Herb. I am delighted to have an opportunity of seeing some old friends and making some new acquaintances, and I look forward to a very active discussion of some of the problems that I know are on the minds of these gentlemen as well as others.

MR. KLEIN. Thank you. Our first question will be from a man you know from New York, Mr. Gabe Pressman, from WNEW, Channel 5, New York City.

NEW YORK CITY'S FINANCIAL SITUATION

Q. Mr. President, the New York Daily News today carried the following headline bannered on its front page: "Ford to the City: Drop Dead." Is that what you were saying yesterday?

THE PRESIDENT. Gabe, not at all. I was saying to the city of New York that the best way is for we in the Federal Government to put pressure on the responsible officials at the State and in the city to do some things that had not been done that have been neglected, have not been done over a period of time, and indicate to the city that if responsible officials at the State and local level don't act, then there was a way in which the Federal Government, after default, could come in and participate in providing what we call essential services.

But the people in New York have been the victims of mismanagement by public officials, and the only way to get that situation straightened out is to put the pressure on those people to do what they should have done over the years. I have great sympathy for the people of New York, the eight million people who have been misled, who have not been given the leadership that they need.

Q. Mr. President, you made two speeches yesterday, one in Washington in which you said that our leaders in New York have to take the responsibility for past follies, what you have just said. You also made one here in Los Angeles to a Republican fundraising dinner in which you expressed great sympathy for the middle Americans, the middle-class Americans, and the pensioners, and the people who are really footing the bill and taking the punishment in this country. Isn't it a fact that default in New York City is going to affect tens of thousands of these people, both civil servants who will be laid off and people who work for private vendors that aren't going to be paid by the city of New York? So, is there an inconsistency between your attitude on default and your sympathy expressed for the little guy?

THE PRESIDENT. Not at all, Gabe. The principal investors in the securities, the long-term bonds and the short-term notes are the banks in New York City and throughout the country. They have made an investment in a free market. They took a gamble on a tax-free investment; they expected to get a good return. If the city officials of New York don't do something properly to correct the situation, these investors, yes, will have to defer the receipt of their interest and the repayments on principal. But they made an investment in a free market. They should have known that the circumstances weren't as good as they might have been told they were.

On the other hand, we have said to the fireman, to the policeman, to the nurse in the emergency ward, we will help and work with the court if default comes, and there is no need for it to come in the first place. But if it does, we will help that group of people to provide these essential services to the eight million people in the city of New York. I don't think there is any inconsistency at all.

Q. Granted what you just said, and I will just make a very short question, Mr. President. There are thousands of people, it is a fact, who are not big banks, who are in New York City bonds, including widows and orphans



little people who thought that this was a good way to spend much of their life savings in buying these bonds. What about them? Should they be punished for the sins of our politicians?

THE PRESIDENT. It is a relatively small proportion of the total amount owed by the city of New York. I think the city owes in the magnitude of about \$12 billion, short-term, long-term obligations. Those obligations can and will be paid.

There may be a temporary deferral in order to give the city an opportunity to straighten out its situation so that current bills can be paid. But if the city is properly led, those small investors will get their money, but there may be some slight delay.

MR. KLEIN. Mr. Alan Smith, WTTG, Channel 5, Washington.

Q. Mr. President, we have seen for some time now the long stalemate over an energy policy, an energy program. Now we have New York City, and we supposedly have a time element there of November 30. Now you have asked Congress to pass bankruptcy legislation. If Congress refuses to do that and you follow through on vetoing any legislation they may come up with for Federal loan guarantees, what happens to New York City after November 30?

THE PRESIDENT. Well, I think I made it extremely clear, Alan, that the eight or more proposals that have been floating around in the House and the Senate were totally inadequate. They wouldn't have been any answer or won't be any answer to the problem because they just delay, delay, they carry on, perpetuate the mismanagement we have really had in New York City.

I am not sure, to be honest with you, that any legislation can pass the Congress. I think the only legislation that will pass the Congress is the proposal that I made. So, it is not a choice of what others have recommended, eight or more bills and mine. That is not the choice.

I don't think there is a majority in the Congress to pass any one of those eight other bills—I know there aren't enough to override a veto—so, the real alternative, unless the city and the State do something affirmatively to avoid the problem in the first place, I think the only choice is my proposal.

MR. KLEIN. Mr. President, our next question will be from Larry Moore, KMBC, Kansas City.

Q. Mr. President, what can you tell the taxpayer in Kansas City or elsewhere in the country who is concerned about the situation in New York because he hears that if his public school district or if his city wants to build a new building, in order to get bonds, the district or the city would have to pay a higher interest rate, then he would have to pay higher taxes to finance the bond issue. What can you tell him with the New York crisis?

THE PRESIDENT. Larry, there is a very good answer to that. As Alan knows, the last week or so in the metropol-

itan area of the city of Washington, or the District of Columbia, two or three well-run local units of government sold bonds at a better price than they had ever gotten in recent years.

Those communities, those local units of government that are well-managed—people want to buy them. Investors want to invest because they are good securities. So, the message is really to local officials. "You run your city, your school board, or any other local unit of government well and you will have plenty of investors and you will not have to pay a high interest rate."

Q. If that situation would change, if there would become extreme fear even with well-managed units of government because of the situation in New York, if New York defaults, would you consider altering in any way your position of yesterday that you would veto any measure Congress would pass to bail out New York City?

THE PRESIDENT. I think you are approaching it in the question from the wrong end. We have to assume that locally elected officials will do a good job, and 99.9 percent of them do a good job. So, there is no need to worry.

I don't think we should be scared. And I don't think the American people should be frightened by the very small percentage of local officials who don't measure up and handle their affairs in a proper way.

The history of this country is that we have had good local government and we shouldn't be terrified by the mistakes of a limited few. I think Kansas City, Minneapolis, many other cities throughout the country are well-managed. And we should make sure that they have an open market where they can sell their securities at a fair price. And if they are well-managed, those markets will be available.

MR. KLEIN. Our next question will be from our Metro-media newsmen from WTCN, Channel 11, Minneapolis—St. Paul, Gil Amundson.

Q. Mr. President, critics of your stand on New York have said it is insensitive and punitive, and in reality it will cost the Nation more to default in New York rather than to prevent it. How do you respond to that?

THE PRESIDENT. I don't see how it possibly can cost more. The city of New York and the State of New York have ample resources. They can raise taxes. They can cut down expenditures. They can modify spending programs. If they do those corrective actions, which they failed to do for the last few years, there is no loss at all.

I think it is a warning to the public and every city in the whole United States—make doggone sure you have mayors and aldermen and councilmen who are going to manage your city properly.

Fortunately, that has been the case. And if it continues, there won't be any cost at all. In fact, it will be better. In the meantime, New York City has an opportunity to do



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something correctively, and it won't have any problems either.

MR. KLEIN. Mr. President, Mr. Ken Jones of KTTV-TV, Channel 11, Los Angeles.

Q. Mr. President, who specifically is to blame for New York's problems? Is it the former administration of Mayor John Lindsay, and did it carry to the Statehouse and Nelson Rockefeller—now the Vice President—or is it the current administration of Abraham Beame?

THE PRESIDENT. I don't like to point a finger, Ken, at any one individual. I think the record is very clear that the city of New York in the last 10 or 12 years has had an escalating budget. Their expenditures have risen at the rate of about 14 percent per annum, their income at the rate of about 4 to 5 percent per annum.

And the net result is they have had an escalating obligation, a debt they had to carry, about \$12 billion. The record shows who was in charge of the city, and as Al Smith used to say, "Let's look at the record," and we will see what the public reaction is.

Q. And your investigation—did it carry to the Statehouse under Governor Rockefeller?

THE PRESIDENT. Well, in this particular case, the city of New York itself, there is no history of the State being involved. In the recent months, of course, the State has gotten involved by what they call the "Big MAC." But the primary responsibility rests with the locally elected officials over a period of 10 or 12 years in the city of New York.

Q. One other question. Governor Carey said yesterday that you have said you did not want to make the State or the city a ward of the Federal Government. Yet he says your proposal does in fact do that. It puts the Federal keeper in and makes it a ward of the Federal Government.

THE PRESIDENT. There is a difference. Under the plan that I propose, the city of New York, for a temporary period of time, would come under the jurisdiction of a Federal court—not a politician, a judge. It can get out of that situation as quickly as it gets its finances in order. I think it is a much more responsible place for this problem to be resolved than to make the President of the United States mayor, on a temporary basis, for the city of New York.

A Federal judge who is under no political pressures can handle properly the readjustment of investments, the carrying on of essential services. That is something that can be done by a Federal judge in New York City, not by some elected or nonelected official in the city of Washington, D.C.

MR. KLEIN. Gabe Pressman.

Q. Following up on Ken's first question, Mr. President, you noted yesterday that in addition to the high salaries and the other burdens, there were fat pensions that were negotiated during those years. Now no pension in New York—no pension improvement could be made without

the approval of the Legislature and the Governor. And it is a historic fact that Lindsay started the pension improvements, but that it was Governor Nelson Rockefeller and the Legislature that put those fat pensions through. And many civic leaders agree with you, are part of the cause of the financial mess we are in. You say you blame those who misled the people. Do you blame your own Vice President?

THE PRESIDENT. I was not cognizant that the State Legislature and the Governor had to approve a particular pension program. If it is, it is unique in New York State. Those are usually negotiated between the mayor and/or his authorities and the representatives of the labor organizations. In no other State that I am familiar with does the Governor and the State Legislature have to have anything to do with the details of pensions—

Q. Well, I wouldn't presume to educate the President of the United States, but it is a fact that all messages involving basic changes in law, including pension bills, have to be approved by the State Legislature and the Governor, and as a reporter over the last 15 years, I observed both Lindsay and Rockefeller negotiating with the union leaders for these pension benefits that became staggering.

THE PRESIDENT. Well, those pension programs by any other standard, let's be frank and honest, are far more generous than in any other community. As I noted in my remarks yesterday, those pension programs are non-contributory. If the information given me is accurate, that is the only case in any major pension program throughout the United States for municipal employees. That is a very, very generous program. And I think it has contributed significantly, and those who participated have to be responsible.

Q. Including Mr. Rockefeller?

THE PRESIDENT. Anybody.

MR. KLEIN. Alan Smith.

Q. Mr. President, in response to Larry Moore's question a few moments ago, you said that New York must practice budget balancing, budget austerity, by raising taxes, cutting expenses, perhaps halting capital construction projects. You have said that before. However, there are those New Yorkers, and one, for example, Teachers Union President Albert Shanker, who says that cuts imposed already by the State Control Board would eliminate another 50,000 city jobs in New York, and that over a 2-year period several billions of dollars would be taken out of the New York spending economy which could be used to help New York right itself. In addition, he speaks of further cuts that you suggest, and he says this would be counterproductive. Mr. Shanker contends that it would be a vicious circle, that it would not bring New York out of its solvency, that New York does need Federal aid. What is your response to that?

THE PRESIDENT. In the first place, let me say the Federal Government does contribute significantly right now on an annual basis to New York. New York City's budget



on an annual basis is roughly \$12.2 billion a year. The Federal Government contributes approximately 25 percent of it. So, the Federal Government has been very generous with New York City. We have paid 25 percent of the costs of running New York City today.

Now that is pretty high. I happen to think that that generosity has been, in many cases, misapplied by the responsible public officials in the city of New York. A further bail-out is not essential, providing the local people do the things that are necessary.

Now, under the theory that was set forth by one or more of the gentlemen you mentioned, under that theory, the more you spend over the long run, that is the quickest way to get out of a problem. I have never known anybody in private business or any family or any church or any government that followed that theory that survived very well.

It sounds good, but in practicality each and every one of us know it never works. And the only way for New York City to straighten out its problems is to tighten its belt. And if they haven't done it enough, and if they do it right, New York City can get straightened out.

MR. KLEIN. Larry Moore.

SCHOOL BUSING

Q. Mr. President, school busing is a problem affecting Kansas City and many other cities in the country. You have not exactly endorsed school busing to achieve integration in the schools, but at the same time, you haven't exactly outlined an alternative. What hope can you hold out for cities like Kansas City that run the risk of losing millions of dollars in Federal aid in the not too distant future if they don't use school busing?

THE PRESIDENT. Really, I have spoken out consistently and for some time on this problem. I was one of the original Members of the House or the Senate that said that court-ordered forced busing to achieve racial balance was not the way to accomplish quality education.

That has been a consistent statement, view, policy of mine for a number of years. I believe if even more fervently today than I did before. So, we have to start out with the assumption that education, quality education, is what we are all seeking to accomplish.

Now some people say we ought to spend more money, and I think there are programs where you can spend more money at the local level to upgrade schools in disadvantaged areas. There are others who say the long-range and, even to a substantial degree, short-range is better distribution of housing, so we achieve integration in a different way and you can still rely on the neighborhood school system.

Dr. Coleman, who testified before the Senate Committee on Judiciary just a few days ago—he had some thoughts on it. And it is interesting that Dr. Coleman, who was an initial proponent of busing to achieve quality edu-

cation, has now—after studying the problem in a number of cities—come to the conclusion that it is not the answer. I don't think there is any other medicine that will give us the answer, but I think we ought to spend whatever money is necessary for what we call magnet schools—to upgrade teachers, to provide better facilities, to give greater freedom of choice—these are the kind of things that we ought to push hard.

ESTABLISHMENT OF A DEPARTMENT OF EDUCATION

Q. There are those who say, including Congressman Jerry Litton from Kansas City, that a separate Department of Education should be established, taking it away from HEW. Would you be in favor of establishing a separate Department of Education to handle the complex problems of public schools?

THE PRESIDENT. I don't think that in and of itself is a solution. That sounds good. Maybe it ought to be justified on other grounds, but I don't think it is necessarily the answer to this problem.

MR. KLEIN. Gentlemen, our time is limited. Gil Amundson.

CANADIAN OIL AND NATURAL GAS

Q. Mr. President, my cities—Minneapolis and St. Paul—much of that region face some serious economic pressures because of the impending cutoff of oil and natural gas from Canada. It means we will have to bring it in from more expensive sources. And the shortage of natural gas could even lead to higher unemployment. Has the Administration given this any attention?

THE PRESIDENT. We certainly have. Our Secretary of Interior has been working with the proper officials in the Government of Canada. I have talked to the former Natural Resources Minister Mr. Macdonald. We have groups working together.

As I understand it, Canada has agreed not—for the next 12 months—to have any significant change in the supplies, either crude oil or natural gas.

In the meantime, Congress has to pass an energy program so we can solve those problems in the upper tier, the Northern tier, including Minnesota, Michigan, North Dakota, et cetera.

If we can get a bill through Congress to provide more domestic sources of energy, making us less dependent on foreign oil cartels, the problems of Minnesota, Michigan, and others will be resolved.

MR. KLEIN. Ken Jones.

RONALD REAGAN

Q. There is a story in the Los Angeles Times this morning that your campaign committee has or is about to ask the Federal Election Committee to investigate former Governor Ronald Reagan, that he is an acting candi-



... that he is a candidate now. Do you believe he is a candidate?

THE PRESIDENT. As I understand it, Ken, technically it is not, no more so than Governor Wallace is. There are really two steps as the law has been written and as it has been implemented. Technically, I don't believe that Governor Reagan is a candidate, and I certainly will give him or any others in similar circumstances the benefit of the doubt. I don't think I ought to argue the details of that. That is something for the Federal Election Commission to decide, and I am sure they will.

MR. KLEIN. Gabe Pressman.

NEW YORK CITY'S WELFARE PROGRAM

Q. Mr. President, yesterday you noted that tens of millions of Americans have entered the "Golden Door" in search of liberty through New York. Since World War II, there has been a tremendous migration within this country of Puerto Ricans and of black Americans up to New York from the South. New York has a tremendous welfare bill, and while we get some help from the Federal Government, we foot an awful lot of that bill ourselves. Do you think it is time the Federal Government did more to help us in that regard?

THE PRESIDENT. Gabe, the Federal Government pays at least 50 percent of the welfare bill in the city of New York. We are very substantial contributors. The extra benefits over and above the Federal payment is a decision made itself by the city of New York or the State of New York.

We are in the process, quite frankly, Gabe, of reviewing the whole welfare program. There are so many pieces and parts of it, it is so uncoordinated, we either have to junk it all and come up with a new one or we have to find ways as an alternative to tighten up to give more to the people who deserve it and less or nothing to the people who don't. And this is the problem we are facing, and we hope to do something about it.

Q. Do you think the taxpayers of New York should be punished for their compassion to fellow Americans?

THE PRESIDENT. We all have to live within our income, Gabe, and if they have been overly generous over and above what the Federal Government contributes, I think they have to be faulted.

MR. KLEIN. Alan Smith.

THE MIDDLE EAST

Q. Mr. President, we don't have much time, and this program has been devoted primarily to the cities—that's it's billed. However, I would be remiss if I didn't mention another November 30 deadline, the end of the U.N. mandate in the Golan Heights. Inasmuch as President Sadat of Egypt is in this country now, might we expect an announcement from you or from Secretary Kissinger in the not-too-distant future about any potential for movement toward an accord between Syria and Israel?

THE PRESIDENT. I have said that the United States will not tolerate stagnation or stalemate in the Middle East. I meant it. We are hoping that the parties involved in that area of the world will participate in preliminary negotiations, discussions, because we do have to go from the Sinai step to another step, or to an overall. And they all understand it. We are anxious that it take place, but we are not in a position to tell them precisely where or when. We are going to keep the pressure on.

Q. We do have that November 30 Golan Heights date.

THE PRESIDENT. Well, that is a decision under UNDOF [United Nations Disengagement Observer Force] for Syria to make its decision. We hope, of course, that Syria will be responsive to an extension of it. We certainly will do our best to give assurances that there will be the right kind of movement in the diplomatic field to convince them that they ought to do it.

MR. KLEIN. We have less than a minute.

FBI DIRECTOR KELLEY

Q. Mr. President, crime is a problem in our cities, of course, and the news media reports in St. Louis are saying the top White House people do not like the job that Clarence Kelley is doing as head of the FBI. What is your assessment of Clarence Kelley as Director of the FBI?

THE PRESIDENT. I think he is a first-class Director of the FBI. And I read some of these rumor stories, and I sought to hit them hard and to reassure him that he has done and is doing a first-class job. Well, I am perfectly satisfied with the way he is running the FBI, and I have so told him.

MR. KLEIN. Time has gone rapidly, Mr. President. There are other topics we would like to have covered. We would like on behalf of Metromedia and our news audience to thank you very much for joining us tonight.

THE PRESIDENT. Thank you very much, Herb. Thank all of you.

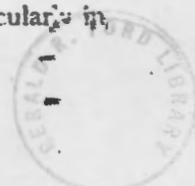
NOTE: The interview which was taped for broadcast that evening began at 7:44 a.m. in the Santa Monica Room at the Century Plaza Hotel.

Security Assistance Programs

The President's Message to the Congress Proposing Legislation To Authorize Funding for Fiscal Years 1976 and 1977 and the Transition Period July 1—September 30, 1976. October 30, 1975

To the Congress of the United States:

I sent to the Congress on May 15 draft legislation to authorize foreign assistance programs for fiscal years 1976 and 1977, and for the transition period July 1, 1976, through September 30, 1976. At that time, because of uncertainties caused by changing events, particularly in



Middle East and Indochina. I was unable to propose amounts for security assistance programs. I said I would return to the Congress with specific proposals for the program as soon as possible.

A review of security assistance programs now has been completed and my revisions to the draft legislation are being transmitted today. My initial legislative proposal was printed in the House of Representatives as House Document No. 94-158 and was introduced in the Senate as S. 1816. The revisions transmitted with this message will supersede sections 10, 11, 12, 15, 16, 17 and 18 of that proposal.

The world is different and far more complex than the world we knew in the 1950's. So are the problems confronting it. However, the United States Government still has a primary responsibility to take the lead in creating conditions which will insure justice, international cooperation and enduring peace. The program of security assistance I am transmitting today will contribute significantly toward meeting this responsibility.

PEACE IN THE MIDDLE EAST

Nothing so underscores how essential the American peacekeeping role is than our current efforts in the Middle East. Since the October 1973 War, our Middle East policy has been based on the following three principles.

- First, a firm resolution to work for a just and lasting settlement of the Arab-Israeli conflict taking into account the legitimate interests of all states and peoples in the area, including the Palestinians.
- Second, a commitment to the improvement of our relations with all the states of the Middle East on a bilateral basis, maintaining our support for Israel's security while strengthening our relations with the Arab countries.
- Third, continued dedication to avoiding great power confrontation in the Middle East.

The October 1973 War was the fourth, and most devastating, round of hostilities between Arab and Israeli forces. Moreover, the impact of this last collision between opposing forces was not confined to the Middle East. The spectre of armed confrontation between the United States and the Soviet Union hung over the crisis. Disruption of the economies of Western Europe, Japan and other nations was an important by-product of the conflict. In addition, the likelihood existed that the period immediately after October 1973 would merely represent a pause between the fourth and fifth rounds of conflict.

The quest for peace in the area was of the highest priority. Our most immediate objective was to encourage the disengagement of the contending military forces. Disengagement was accomplished in 1974. This year, we dedicated ourselves to the goal of withdrawal in the Sinai— an agreement was negotiated as a result of the efforts

by-step approach to negotiations offers the best prospects for establishing an enduring peace in the region. We expect to proceed on an incremental basis to the next stage of negotiation within the near future.

I believe the hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. A new era also is opening in our relations with Arabs and Israelis. This security assistance program will give substance to these new relationships and help preserve the momentum toward peace.

My proposals have three basic purposes:

- First, to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process.
- Second, to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace.
- Third, to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The Security Assistance Program I am transmitting to Congress is heavily weighted with requirements to sustain the peace in the Middle East. Fully 70 percent of the program for fiscal year 1976 is to be concentrated in this region.

It proposes:

- For Israel, \$740 million in security supporting assistance and \$1,500 million in military credits. Israel's ability to defend herself and to relieve some of the burdens of her defense reduces the prospect of new conflict in the Middle East.
- For Egypt, \$750 million in supporting assistance. Egypt has made the bold decision to move from confrontation to negotiation as a means of resolving the Arab-Israeli dispute. Its leaders also must cope with serious economic problems whose resolution the United States is in a position to assist.
- For Jordan, \$100 million in military assistance grants, \$78 million in security supporting assistance, and \$75 million in military credit sales. This assistance will strengthen Jordan's ability to hold to the course of moderation it has consistently followed.
- For Syria, \$90 million in security supporting assistance. This assistance will enable our development cooperation with Syria to go forward, furthering our efforts to re-establish more normal bilateral relations.
- In addition, I am recommending a Special Requirements Fund this fiscal year of \$50 million. The fund is to be used to reinforce the peace process in the area and, in particular, to defray the costs of stationing American civilian technicians in the Sinai area.



All of this aid will contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace.

EAST ASIA

The collapse of friendly governments in Indochina has necessitated a thorough review of the situation and of our policies and objectives throughout East Asia. The program I am proposing therefore recognizes the new realities as well as our enduring responsibilities as a leading participant in the affairs of the Asia Pacific region. For the first time, military sales credits exceed grants in our proposals for security assistance to Asian countries. These proposals include Foreign Military Sales credits in the amount of \$80 million for the Republic of China, \$126 million for Korea, and \$37 million for Thailand, with smaller but no less significant amounts for Indonesia, Malaysia, and the Philippines. Grant assistance programs include \$19 million for Indonesia, \$74 million for Korea, \$20 million for the Philippines, and \$28 million for Thailand. This funding pattern reflects the improved economic circumstances of several of our allies, their decreasing dependence on grant aid, and a greater ability to pay for defense purchases on a deferred basis.

EUROPE

The program that I am proposing for Europe is focussed primarily on two countries with whom the United States shares extraordinary mutual defense interests: Greece and Turkey. For Greece, I am proposing more than \$50 million in MAP and \$110 million in FMS credits. Over the same period, Turkey would receive \$75 million in MAP and \$130 million in FMS credits. These amounts take into consideration urgent needs for defense articles and services on the part of these two important NATO allies. Implementation of the respective programs would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis. In this traditional role, the United States can work more effectively to alleviate regional tensions and rectify recent misunderstandings which have had an adverse impact on the interests of all our European allies.

AFRICA AND LATIN AMERICA

In these two geographic areas where there were widespread special development problems, I am proposing security assistance programs with emphasis on training as a common denominator. While the training programs are not individually costly, the fact that they are distributed among many countries should contribute to the strengthening of our regional relations well beyond the military level. The only significant MAP proposal in either area is a \$12 million program for Ethiopia, where we are committed to an armed forces modernization

program of reasonable dimensions. No other grant aid funds are envisioned elsewhere in Africa. MAP proposals throughout Latin America are confined to small sums, mainly for vehicles, communications equipment and spare parts. FMS credits for Latin America are proposed in amounts commensurate with the relative sizes of the recipients' armed forces, their repayment ability and overall development needs. In Africa, the only significant FMS credit proposals are \$10 million for Ethiopia and \$19 million for Zaire.

SECURITY SUPPORTING ASSISTANCE

Aside from the special programs for the Middle East states which I have described previously, my proposals for security supporting assistance include \$35 million for Cyprus, including \$10 million for the United Nations Forces there, \$55 million for Portugal, \$65 million for Greece, and \$23 million for Zaire. Other small programs and administrative expenses will total \$33 million. In all instances, these programs reflect enlightened self-interest for the United States and a carefully documented need.

CONCLUSION

While the extraordinary recent developments in Indochina and the Middle East have necessitated a re-examination of our policies and changes in the focus of our security assistance programs, there can be no doubt that bilateral and multilateral cooperation in the defense sector remains a vital and necessary component of American foreign policy. The proposals that I am now able to make after this reappraisal are addressed specifically to a new global situation and to the extraordinary challenges and opportunities confronting us in the international sphere. Just as it would be a grievous mistake to base our current and future security assistance programs on the precepts of the past, it would be an even greater error to ignore our enduring responsibilities as a major world power by failing to exploit these opportunities. After twenty-five years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship. In East Asia, friends and allies are anxiously awaiting evidence that the United States intends to maintain its stabilizing role in Pacific affairs.

DEVELOPMENT ASSISTANCE

I am also pleased to note the progress made by the Congress on H.R. 9005, the International Development and Food Assistance Act of 1975, which authorizes funds for our development and disaster assistance programs. Although we have minor differences with the Congress



the formulation of this legislation, I expect these... in the legislative process. The 244-155 vote of the House clearly indicates that the Congress and the Executive Branch jointly endorse the current reorientation of our bilateral development assistance program focusing on basic human problems in the poor countries.

We must reaffirm our humanitarian commitment to some 800 million people in the Third and Fourth World, who live in poverty, facing the daily reality of hunger and malnutrition without access to adequate health and education services and with limited productive employment. Improving the quality of life for one-third of mankind living in conditions of despair has become a universal political demand, a technical possibility, and a moral imperative.

Our foreign assistance programs, both development and security, are essential for achieving world peace and for supporting an expanding international economy which benefits all nations. Our national security and economic well-being in a world more interdependent than ever before in the history of mankind warrant the fullest support of the American people and the Congress for our foreign assistance programs.

In regard to the impact of these proposals on overall federal budget levels, I fully recognize the proposed amounts are substantial. I should emphasize, however, that total fiscal year 1976 expenditures for all types of foreign aid including economic and military will still be roughly ten percent below the amounts originally contained in my January budget because of the withdrawal of the request for Indochina funding.

I am confident the Congress shares my desire to see the United States continue to manifest to all nations its determination to play a role in the search for a more secure international environment which is worthy of its greatness as a nation.

GERALD R. FORD

The White House,
October 30, 1975.

San Francisco, California

The President's Remarks at a Republican Fundraising Luncheon, October 30, 1975

Sen. Archbishop McGucken, my former colleagues in the House of Representatives, Don Clausen and Andy Hinshaw, my very good friends Ev Younger, Paul Haerle, Margaret Brock, ladies and gentlemen:

It is a great privilege and a very high honor to have the opportunity of participating in this really unbelievable luncheon.

10-31-75

Now that I have always enjoyed a, particularly when it is so close to a very special time when we observe the mysterious and supernatural. When people tell strange tales about big empty houses where rooms lay ghostly silent, where lights are never seen and where mortals never tread. In most places it is called Halloween. In California it is called the Governor's Mansion. [Laughter]

May I say most seriously that I can't thank Ben Biagini sufficiently for his chairmanship of this superlative luncheon. Ben, I am most grateful, and I say it on behalf of all of us who are on the firing line trying to achieve and accomplish what you and all of these fine people represent.

But may I express to all of you who are here, who contributed, who are not only here in your presence but with your contributions, we can do the job better with this kind of support, and I thank you very, very much.

I think it would be appropriate to make one observation. We have a lady in this audience this afternoon who has really reached a milestone in 1975—her 100th birthday anniversary, Mrs. Alma Walker, Table 25. We should give her a great big hand.

A visit to San Francisco never fails to bolster my optimism, and what I see here today verifies it without any question. When I returned from the Pacific in 1945 and saw the Golden Gate, I realized that I, too, had left my heart in San Francisco.

Next year marks the 70th anniversary of the San Francisco fire. San Francisco passed the ultimate test of the recuperative power of an American city. Local courage and local determination prevailed. The reconstruction of San Francisco was not a Federal bail-out; it was a local undertaking. [Laughter] It was the work of dedicated San Franciscans.

American cities which are now quaking from financial fears arising from faults in their own fiscal policies can today profit from the example set by San Francisco. California actually has shown the world what Americans can do. It has demonstrated the unique California spirit of "can do" and the unique Republican spirit of "can do." I have a full, full confidence in the capability of the American economic system to come back, just as San Francisco demonstrated that a city can come back. We have had a tough 14 months in this country, economic problems that would have discouraged many and caused expedient answers to problems that needed to be solved by sound solutions.

Last January, in my first State of the Union Message to the Congress, I reported, as Don and Andy know, that the state of our economy was not good. Today I can say that our economy is moving up, not down—forward and not back! And that is because of good policies and dedication and strength of the American people. And I thank 214 million Americans for standing steady in their great adversity.



Let me cite a few examples, if I might. Our gross national product for the third quarter increased in real terms to an annually adjusted rate of 11.2 percent. This is the greatest quarterly increase since 1955.

The industrial production index rose at an annual rate of 2.2 percent between June and September, and some recently released figures indicated that productivity in our society has really surged forward under the stimulant of a free enterprise system and the competition that we face from abroad, as well as with ourselves.

The total number of people employed went up between March and September of this year by 1,769,000. This is real progress. It means a paycheck and dignity to 1,769,000 individuals, to their families, and real strength to the entire American economy.

Unemployment dropped from 9.2 percent in May to 8.3 percent in September. Let me say categorically, emphatically, there is no rate of unemployment that I consider acceptable as long as any American wants to work and can't find a job. But unemployment is going down, and it will continue to go down with the kind of rate, solid policies, that we are pursuing in the Nation's Capital.

Inflation has been reduced from an annual rate of 12.2 percent in 1974 to 6.8 percent so far in 1975. We have reduced the rate of inflation by almost half. That is not good enough, but we are doing better than the experts predicted or forecast. And I will stick my neck out and say we will continue to do better and better and better. Every economic indicator suggests we have already been on the road to recovery for approximately 6 months.

But we must not allow a resurgence of the double-digit inflation which did so much damage to our economy in recent years.

Two consecutive Federal deficits of \$60 billion or more are bound to rekindle inflation in this great country. That is why I have insisted that the Congress reduce Federal spending by \$28 billion while at the same time reducing taxes by an equal amount—\$28 billion. Now if the Congress would cooperate by combining a tax cut and a reduction in the growth of Federal spending, we could simply cut the Federal deficit for the fiscal year 1977 while providing equitable and permanent tax reduction and relief in the right way.

I call upon the Congress to meet this challenge. It is right, it is right, it is good for America. When I hear the wails and screams and attitudes that we can't do it, the excuses of the House or the Senate won't permit it, or this use of that excuse, that is not acceptable when we have a good program that is good for the country.

I know that Don and Andy and our delegation in California understand, as I do, that it is "doable," it can be accomplished. I just hope that you communicate with them and say, "It can't be done." It can and must be done for the benefit of the country.

Now to keep the economy moving in the right direction, this tax cut is essential, especially for those in the broad middle-income area, those who have suffered the most with the inequitable tax policies we have had in this country for too long a time.

To make sure that a tax cut will not add to inflationary pressures, we must have this budget reduction. The combination is the key to it all.

Do you realize that if we don't change the law and if no other action is taken, in a period of 12 months there will be a \$50-billion increase in Federal spending, period.

I think we checked the figures, and that is five times the total expenditures for the great State of California on an annual basis. That is just the growth in Federal spending.

So, what we are trying to do is to combine equity in a tax reduction and a lid on the spending trends in the Federal Government.

Fortunately, aside from that, we have begun to see more and more good economic news. Coming from the State that I come from—but I understand you make more automobiles in California than we do in Michigan—[laughter]—I am delighted at the great upsurge in automobile buying and the popularity of new American cars that use less gas. The 1976 models average nearly 13 percent better in fuel economy than last year's cars. This is on top of an improvement of almost 14 percent from 1974 through 1975.

It is an interesting statistic, but I think it shows the ingenuity of the American businessman to meet a challenge. This increase in efficiency means that if every car in America operated with fuel efficiency of the average of the 1976 model, America would save 17 billion gallons of gasoline each year. Even more significant, American motorists would save nearly \$11 billion in the cost of gasoline each year.

We have also had a turnaround from the danger of large foreign trade deficits. We are now achieving \$1 billion a month U.S. trade surplus, and we have accomplished this change from a year ago for the last 8 consecutive months, an average of \$1-billion trade surplus for America.

We should be proud that we are competitive in the world, and this is the best indicator of America's products, America's ingenuity, and America's labor. But we are not only progressing at home but also advancing into a stronger position internationally.

Thirty years ago this month, the Charter of the United Nations, drafted here in San Francisco, went into effect. This charter pledged that the peoples of the United Nations were determined to reaffirm faith in the fundamental human rights, in the dignity and the worth of human persons, in the equal rights of men and women and the nations large and small.



The American people will firmly believe in these principles, and we have had great hopes for the United Nations in the generation since then. The United States has always acted in the U.N. to defend those principles.

At the beginning of September of 1975, the Seventh Special Session of the General Assembly took place on the subject of economic development and global cooperation. The United States assumed a firm leadership role at this session. We made clear that economic pressures and attempts at economic blackmail would never succeed. Instead, if any nations, rich or poor, were going to achieve their objectives of progress and well-being, the only possible approach was realism and a cooperative attitude.

In this spirit, the United States offered a series of constructive and realistic proposals, in whose implementation the other nations would share a responsibility. Our proposals formed the basis of recommendations that were finally adopted at the end of that session by the world community. This was an extraordinary example of reasoned deliberation, consensus, and practical action.

There have been other encouraging developments. The U.N. Security Council recently renewed the mandate of the U.N. emergency force in the Sinai, with a minimum of debate and acrimony. This force is vital to the maintenance of peace and of our efforts for further diplomatic progress in that turbulent area of the world.

The original peacekeeping role of the U.N. is more important now than perhaps at any time in the history of the United Nations. That is why we are disturbed by signs of contrary trends and actions in that world body.

We have seen bloc voting and one-sided resolutions and violations of fair procedures and principles of the United Nations Charter. We have seen attempts to interfere, for example, in the affairs of Puerto Rico, flouting the clearly expressed will of the Puerto Rican people. And we have seen a committee of the United Nations vote to characterize Zionism as a form of racism.

The United States, through Secretary Kissinger and Ambassador Moynihan, has made it clear that this resolution undermines the United Nations' necessary and valuable campaign against racial discrimination and threatens the U.N.'s crucial role as a mediator in the Middle East. I take grave exception to any action that weakens the United Nations as an effective forum for peaceful settlement of disputes. The United States deplores this resolution in the strongest possible terms and will work for its defeat if it comes before the General Assembly.

The U.N. Charter sets a standard in the basic truth that diversity of principles and beliefs must be respected. We believe in this truth and will defend our values and our principles in the U.N. without any apology whatsoever. We will participate constructively in U.N. deliberations and actions, and we expect to be met in the very same spirit by others. That is my position, and I believe it represents the views and the attitudes of 214 million Americans.

In my Administration, America will hold its head high in the world. We are proud of the contribution this country has made for peace. And I promise you our efforts and our determination in this area will never, never falter.

Earlier this week I had several very important meetings with President Sadat of Egypt. His visit—the first time a President of Egypt has ever come to the United States—is one of the most significant new developments in international affairs.

American concern for the Middle East is not a matter of choice; it is a matter of vital necessity. It is a strategic part of the world and the source of a significant and growing portion of our energy resources and those of Western Europe and Japan. We want to maintain and encourage our friendly relations with the 150 million people of the Arab world. And we have a basic moral commitment to the survival and security—and I say this with emphasis—of the State of Israel.

In October of 1973 an oil embargo taught us that conflicts in the Middle East can quickly spread and cause international repercussions. Therefore, our success in beginning the process of negotiations toward peace serves the vital interest of this country while contributing to the well-being of the people of the Middle East and peace of the world as a whole.

The recent Sinai agreement between Egypt on the one hand and Israel on the other will maintain the momentum of this peacemaking process. There is a long, long, hard road ahead, with many pitfalls, but I intend to continue what may prove to be one of the most important achievements of American foreign policy in a generation. We Americans—and I mean all inclusively—are writing a page of world history that we can all be proud of.

And as I look around the world, I see our alliances with the Atlantic Community and Japan in better shape than at any time in the last decade. And I thank all of you in this great Bay Area for the hospitality and thoughtfulness you showed to our distinguished guests, the Emperor and the Empress of Japan. Our cooperation on defense matters in these areas—the Atlantic Community and Japan—our cooperation is sound, effective, and constantly being improved.

But Allied cooperation goes far beyond national security and defense. It reaches out to include new areas of energy cooperation and now intensive consultation to expedite our economic recovery.

In 2 weeks I will meet in Paris with the leaders of the large industrial nations of the free world in an economic summit. If we all coordinate our strategies for economic recovery, it is obvious that our joint efforts will reinforce one another and benefit the peoples of all free nations.

The strength and solidarity of the free world, in my view, is the only basis for seeking a reduction of tensions with our Communist adversaries. It is not we who want



Milwaukee, Wisconsin

The President's Remarks at a Republican Fundraising Dinner. October 30, 1975

Distinguished guests, ladies and gentlemen:

What a wonderful group of people, what a wonderful occasion, and I thank Fran and all who have put it together. Obviously, I thank each and every one of you who have been here, contributed, participated. I am most grateful not only for what you contributed but your warm welcome.

You know, it is kind of good to be back in Wisconsin again. I have a bit of nostalgia. In late 1965, after having been elected minority leader of the House of Representatives, I came here in this same facility to a tremendous Republican fundraising affair. And it was an occasion, as Ody Fish and George Parker were telling me as we came in from the airport. It was unbelievable, and those memories have been expanded and solidified by what I have heard and what I see here tonight.

But, you know, I have been around Wisconsin quite a bit for a Michigander. If I miss a community, I apologize, but there have been so many. I have been to Madison, to Milwaukee, Oshkosh, to Jamesville, to Green Bay, to Wausau, Lacrosse, and I love every community and I love every good Badger. [Laughter]

You know, it is great to be here with Bill Messinger, your outstanding State finance chairman. I am told as a result of your efforts, your contributions, everything you have done, the Republican Party of Wisconsin for the first time—as Fran told me, in 40 years or thereabouts—the Republican Party in Wisconsin is going to be virtually debt free, and that is progress.

I think we better get Bill and a few more Badgers to come down to Washington and help us out. [Laughter] When it comes to digging in, and taking hold, under the most difficult circumstances, I don't know of anyone who deserves more credit, more praise, than Bill Messinger. So, Bill, will you stand up and let us give you a great hand.

I am most regretful that I couldn't be here to attend your dinner. I was in a great State, California, last night—Los Angeles—and they had a fabulous fundraising dinner. And then we had a superb luncheon in San Francisco. And we left as quickly as we could to come to this great affair here tonight.

Your good cheer, your enthusiasm, I think is best exemplified by the person who is the chairman of this occasion, and I am deeply grateful for his overly kind and most generous introduction. But without Fran Ferguson, it wouldn't be done either, so Fran, won't you stand up.

Over the years, probably my closest friends in the Congress were those that I served with from the State of Wisconsin. I won't list their names. You know most of them. I wish my old buddy and golfing partner Mel Laird was

...ations. And I have made it clear that my Administration will maintain a national defense security budget and I will defend the defense budget against all threats and ill-considered attacks or criticisms. May I parenthetically, I will resist just as strongly those who want to dismantle our intelligence-gathering community which is a bulwark of America's strength. And in dealing with any or all nations, I have made it clear that when the United States are challenged, we will respond with resolution.

We have a stable relationship of mutual respect with the People's Republic of China. My visit there this year a few weeks will be an undeniable demonstration of the continuity of our new relationship, on the basis of the principles of the Shanghai communique.

With the Soviet Union, we will pursue practical agreements where it serves our mutual interests as a two-way street. In SALT, the strategic arms limitation area, we will negotiate a balanced and reliable agreement limiting strategic arms on both sides. It will follow the principles of equality. I want a good agreement. If it takes a little more time to negotiate a good agreement, I will spend that time. I will not be rushed by any artificial deadlines.

Earlier this month the United States and the Soviet Union signed a 5-year agreement for grain purchases. We had gone through previous years, 5 or 6 years, where we had had peaks and valleys. One year they would buy little, the next year they would buy much. It was not good for the farmer, it was not good for the consumer, it was not healthy for the Nation as a whole. But through some hard negotiations, we have achieved a 5-year agreement. This agreement now ensures that grain purchases by the Soviet Union will add roughly a billion dollars each year to the American economy over the next 5 years and without disrupting American markets or adding inflation to our country here at home. It will mean jobs for rail employees, longshoremen, port workers, and many, many others in our society. Twenty-five privately owned American ships that were laid up in port because of the recession are now taking on crews because of this grain agreement. Hundreds of seamen are going back to work as a result. American farmers, workers, consumers—all of us—are going to benefit.

In short, we have injected the American spirit of "can-do" in our policies at home as well as abroad. A strong surge of confidence, I detect as I travel around the country, is moving across the United States. It is a surge of self-confidence well-known to you here in the Bay Area. It is the spirit that rebuilt San Francisco 70 years ago. It is the spirit that will continue to build America in '75 and the years ahead.

Thank you very, very much.

The President spoke at 1:10 p.m. in the Grand Ballroom of the Francis Hotel.

