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#5  
12/2/74

PRESS CONFERENCE NO. 5

of the  
PRESIDENT OF THE UNITED STATES

7:31 P.M. EST  
December 2, 1974  
Monday

In Room 450  
At the Old Executive  
Office Building  
Washington, D.C.

THE PRESIDENT: Won't you sit down.

Good evening. Perhaps I can anticipate some of your questions by summarizing my recent visits to Japan, the Republic of Korea, and the Soviet Union.

In Japan, we succeeded in establishing a new era of relations between our two countries. We demonstrated our continuing commitment to the independence and to the security of South Korea.

At Vladivostok we put a firm ceiling on the strategic arms race, which heretofore has eluded us since the nuclear age began. I believe this is something for which future generations will thank us.

Finally, Secretary Kissinger's mission maintained the momentum in China with the People's Republic of China.

My meetings at Vladivostok with General Secretary Brezhnev were a valuable opportunity to review Soviet-American relations and chart their future course. Although this was our original purpose, Secretary Brezhnev and I found it possible to go beyond this get-acquainted stage.

Building on the achievements of the past three years, we agreed that the prospects were favorable for more substantial, and may I say, very intensive negotiations on the primary issue of a limitation of strategic arms.

In the end, we agreed on the general framework for a new agreement that will last through 1985. We agreed it is realistic to aim at completing this agreement next year. This is possible because we made major breakthroughs on two critical issues.

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(OVER)

Number one, we agreed to put a ceiling of 2400 each on a total number of intercontinental ballistic missiles, submarine-launched missiles and heavy bombers.

Two, we agreed to limit the number of missiles that can be armed with multiple warheads -- MIRVs. Of each side's total of 2400, 1320 can be so armed.

These ceilings are well below the force levels which would otherwise have been expected over the next ten years and very substantially below the forces which would result from an all-out arms race over that same period.

What we have done is to set firm and equal limits on the strategic forces of each side, thus preventing an arms race with all its terror, instability, war-breeding tension and economic waste.

We have, in addition, created the solid basis from which future arms reductions can be made, and hopefully will be negotiated.

It will take more detailed negotiations to convert this agreed framework into a comprehensive accord, but we have made a long step toward peace on the basis of equality, the only basis on which an agreement was possible.

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Beyond this, our improved relations with the other nations of Asia developed on this journey will continue to serve the interests of the United States and the cause of peace for months to come. Economy, energy, security and trade relations were discussed which will be of mutual benefit to us all.

I would like to repeat publicly my thanks and gratitude for the hospitality extended to me by all of my hosts, and through me to the American people.

Miss Thomas, I am glad to respond to your question.

QUESTION: Mr. President, this pact permits the nuclear build-up to go ahead. Since you want to cut government spending, how many billions of dollars will this cost the American people over the years and also, do you think that the Russians stalled last July because they knew that Mr. Nixon was doomed in the Presidency and preferred to deal with his successor?

THE PRESIDENT: I would like to correct, if I might, one impression. This does not permit an agreed build-up. It puts a cap on future build-ups and it actually reduces a part of the build-up at the present time.

It is important, I should say, however, in order for us to maintain equality, which is a keystone of this program, to have an adequate amount of military expenditures. But I can say this without hesitation or qualification: If we had not had this agreement, it would have required the United States to substantially increase its military expenditures in the strategic areas.

So, we put a cap on the arms race. We actually made some reductions below present programs. It is a good agreement and I think that the American people will buy it because it provides for equality and it provides for a negotiated reduction in several years ahead.

Mr. Cormier.

MORE

QUESTION: Mr. President, there are reports that you and Mr. Brezhnev made some progress in maybe fashioning a complementary approach to negotiations in the Middle East. More specifically, perhaps the Soviets would agree to try to persuade the PLO to acknowledge that Israel has a right to exist and we then might try to persuade Israel to talk to the PLO. Is there any truth to this?

THE PRESIDENT: Mr. Cormier, Mr. Brezhnev and I did discuss at some length our different views on the settlement of the Middle East. There are some differences but they are not as major as it would appear.

We indicated that in our judgment, it was important for continuous progress to be made, perhaps with negotiations between Israel and one or more of the other Arab nations.

We also agreed that at a certain point a Geneva Conference might be the final answer. So, as we discussed what appeared to be different views at the outset, I think we came to an agreement that it was in the interest of the nations in the Middle East, the interest of the world at large, that both parties make a maximum effort to keep negotiations going.

We think our step-by-step approach is the right one for the time being, but we don't preclude the possibility of a Geneva Conference.

Yes, sir?

QUESTION: You say that this is going to reduce a part of the build-up. Does that mean, then, that we are going to spend less on defense next year than we are spending this year?

THE PRESIDENT: It does not mean that, because only a part of our total defense program is related to strategic arms research development, deployment, and operations and maintenance. We do have an obligation within the limits of 2400 on delivery systems and 1320 on MIRVs to keep our forces up to that level.

And I think we can, with about the same expenditure level for the next fiscal year, as at the present.

But in the other programs, in our tactical forces and other military programs, there is an inflationary cost. The military has that inflation just like you and I do, so we will probably have to increase our military budget next year just to take care of the costs of inflation.

Yes?

MORE

QUESTION: Just to follow up, we are not quite to that ceiling yet, are we? Do you intend to stay below that ceiling or are you going to try to reach that ceiling?

THE PRESIDENT: I intend to stay below the ceiling. That is the agreement, but we do have an obligation to stay up to that ceiling, and the budget that I will recommend will keep our strategic forces either up to or aimed at that objective.

QUESTION: Mr. President, since it is widely believed the Soviet Union has larger rockets capable of carrying heavier payloads and being MIRVed, to a larger extent carrying more warheads, can you tell us what the relative position would be between the United States and the Soviet Union in terms of warheads if each side goes to the maximum number of 1320 on the MIRVed limit?

THE PRESIDENT: On delivery systems, we are equal. On the MIRVing, we are equal. I think the question you are asking is throw weight. It is recognized that the Soviet Union has a heavier throw weight, but the agreement does not preclude the United States from increasing its throw weight capability.

A number of years ago, our military decided that we wanted smaller missiles that were more accurate. That has been the decision of our military.

Now, if the military decides at the present time that they want to increase the throw weight, we have that right under the agreement, and I can tell you that we have the capability to do so.

So, if there is an inequality in throw weight, it can be remedied if our military recommended and the Congress appropriates the money.

QUESTION: Mr. President, if you find the Soviet Union leaning, then, toward getting the maximum throw weight or the maximum number of warheads on their MIRV missiles, would you then recommend that the United States accelerate and move from smaller missiles to larger ones?

THE PRESIDENT: The Soviet military guidelines were for heavier missiles, heavier throw weight. Our military took a different point of view some years ago. The Soviet Union is limited as to delivery systems and as to MIRVs within the delivery systems. They cannot go beyond those.

The agreement gives us the flexibility to move up in throw weight if we want to. It does not preclude the Soviets from increasing throw weight, but I think for good reasons they have no justification for doing so.

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QUESTION: Wouldn't your stated accomplishments in Russia have carried more long-range credibility if they had been put initially and then described later on in less sanguine and more modest terms?

THE PRESIDENT: Well, if I understand the question, when I came back a week ago yesterday, we did not have in writing what is called an aid memoir, which was the specific agreement in writing that General Secretary Brezhnev and I had agreed to verbally. That has now been received.

Until that had been received and we had checked it out, we felt it was wise to speak in generalities. I am giving to you and to the American people tonight the specific figures. They are, I think, constructive. It is a good agreement. It is an agreement -- if I might repeat -- that puts a cap on the arms race, it makes some reductions and it gives us an opportunity to negotiate.

So, I don't think a week's delay in the specifics has handicapped our presentation.

QUESTION: More specifically, what percentage of the state of progress in Russia was yours and how much was Mr. Nixon's?

THE PRESIDENT: Well, I don't really think I ought to get into an evaluation of that. The United States has been working on a strategic arms limitation agreement for three or four years. I think we made headway in SALT-I. I think we have made a real breakthrough in SALT-II.

QUESTION: Mr. President, I would like to get back to the cost of missiles for one moment, if we may.

I understand we are now spending about \$15 billion a year in strategic arms and there is an enormous amount of missile building to be done under this agreement over the next ten years, both in MIRVs and in throw weight.

Will our costs continue at about the level they are now for the next ten years or will it be more?

THE PRESIDENT: My best judgment is that our strategic arms cost will hold relatively the same. It will not be substantially expanded other than for any increase resulting from inflation.

Yes.

QUESTION: Mr. President, under the agreement the United States tactical nuclear weapons at the forward bases in Europe were not included. Do you expect that they will be reduced or eliminated under some future mutual balanced force reduction agreement with the Soviet Union?

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THE PRESIDENT: One of the very significant benefits of the agreement from Vladivostok was the fact we didn't have to include in the 2400 or the 1320 -- either the delivery systems or the MIRVs -- as far as the forward base systems were concerned.

I am sure you know we are involved in mutual balanced force reductions in Western Europe. When we get closer to an agreement there -- and I hope we will -- we are presently negotiating in Vienna in this area -- it is hopeful that we can make some reductions both in numbers of military personnel between ourselves and the allies on the one side and the Warsaw Pact nations and the Soviet Union on the other, as well as any arms reductions.

QUESTION: Beyond your hopes, is that a commitment that you made to the Soviet leaders in Vladivostok?

THE PRESIDENT: No, we made no agreement concerning the mutual balanced force reductions. We did agree to continue negotiations.

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QUESTION: Mr. President, are you satisfied that the Soviets are carrying out the spirit and the letter of the 1972 arms limitation agreements?

THE PRESIDENT: We know of no violations, either on the part of the Soviet Union or by ourselves. There have been some allegations that the Soviet Union has violated the SALT I agreement. We don't think they have.

There are, however, some ambiguities. When the SALT I agreement was agreed to, there was established a standing consultative commission made up of the Soviet Union and the United States. That commission can meet twice a year to analyze any allegations as to violations of SALT I. It is our intention to call for a meeting of that group -- I think in January of next year -- to analyze any of the ambiguities that have been alleged. We don't think there have been any violations but I have a responsibility to find out and we intend to follow through under the agreed procedure of the 1972 agreements.

QUESTION: Mr. President, since there is no limit in this agreement on throw weight and since there is no limit on multiple warheads, and since additional multiple warheads could be put on the bigger missiles, more or less ad infinitum, how can you say that this is a lid or cap on the arms race?

THE PRESIDENT: Well, it certainly, number one, puts a limit on the delivery systems-- 2400 -- and as I indicated at the outset, this does result in a cutback as far as the Soviet Union is concerned.

The 1320 limitation on MIRVs does put a lid on the planned or programmed program for ourselves as well as the Soviet Union.

Now, the throw weight problem is one that we can remedy if we want to. Our military took a different point of view some years ago when they designed our ballistic missiles, but we have that flexibility.

Now, if we decide to go to a heavier throw weight, we can add on a MIRVed missile a greater number of individual warheads. That is a choice of flexibility that we have and I think it is one of the benefits of this agreement.

QUESTION: You wouldn't describe that as an arms race?

THE PRESIDENT: Well, it is an attempt, if our military wanted to achieve an equality in this particular area. We have equality on delivery systems and the right to MIRV from those delivery systems. In the other, if it is our choice, we can go up in throw weight.

MORE

QUESTION: Mr. President, I want to ask you, what about conventional weapons? We have heard from Senator Goldwater and we have heard from Admiral Zumwalt that we are very weak on conventional weapons and we need more of those, rather than the kind that you have in your agreement.

THE PRESIDENT: Of course, this agreement, Sarah, was limited to strategic arms. We hope, as I indicated a moment ago, to continue our negotiations for the mutual balanced force reductions in Europe. That, of course, would have a limit on the conventional weapons.

In the meantime, I think it is of mandatory importance for the United States to maintain its conventional capability -- the Army, the Navy, the Air Force, the Marines -- because the United States, through a responsible military program, can maintain the peace.

If we cut back our defense in conventional weapons, I think we will have weakened our position for the maintenance of peace. I don't intend to propose a budget in that regard.

QUESTION: Mr. President, do you think that we can do both of these, then?

THE PRESIDENT: I think so.

QUESTION: To follow up on Frank Cormier's question, did you and Mr. Brezhnev discuss some kind of a trade-off whereby Israel would deal with the PLO and the PLO would recognize Israel's right to exist as a state?

THE PRESIDENT: We didn't get into that detail. Israel has indicated that it would not negotiate with the PLO. We have no way of forcing them to do so.

The discussion between Mr. Brezhnev and myself, as far as the Middle East was concerned, was to state our position and their position and as we discussed it, I think we came to a higher degree of agreement in that our position was understood by them and the prospects of a Geneva agreement was understood by us.

MORE

QUESTION: I understand you would like to devote about half of the news conference to domestic affairs, and I think we are about at the halfway point.

THE PRESIDENT: Thank you very much, Mr. Cormier.

I would be glad to talk about both of them a lot longer, but let me make a statement about the economy and then we will have questions on that.

Before turning to domestic questions, which I am sure will concentrate on our economic problems, I would like to say this: We are currently facing three serious challenges -- inflation, recession and energy.

Inflation, which is a deadly long-range enemy that cannot be ignored.

Recession, which is a serious threat that already has hurt many, many citizens and alarms many, many more. Hopefully, it is a shorter range evil, but neither can be ignored, nor will it be.

Assuring adequate energy will require our best efforts. The energy crisis also contributes both to inflation and to recessionary pressures.

Much of the program that I recommended to the Congress and the American people on October 8 is still pending before the Congress. It was designed to meet all three of these challenges. It was balanced to deal with an already rampaging inflation and already anticipated recessionary forces.

And make no mistake -- it is imperative that we fight both inflation and recession at the same time.

The question is one of balance and changing circumstances. At least four measures deserve special, and, I think, immediate attention by this Congress. They cannot wait until next March or April.

I have recommended a series of budget-reducing actions totaling \$4.6 billion so that the Federal Government can set an example of fiscal restraints.

Furthermore, I urge the Congress not to add any more spending. As you can see from this chart, the Congress has already added, or is about to add, over \$1 billion to this year's spending, and I add, with emphasis, against my recommendations.

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Anticipating rising unemployment two months ago, I asked for a National Employment Assistance Act to provide useful work for those who had exhausted their unemployment benefits and others not previously covered. Action on this is essential before the present Congress adjourns.

Action is needed on the Trade Reform Act. This can help immeasurably in fighting both recession and inflation by creating more jobs and providing more goods as well.

The tax reform bill reported by the Committee on Ways and Means of the House provides needed tax relief for low-income citizens while taxing windfall profits for certain oil companies.

I don't support every provision in this committee bill, but on balance it is a good bill and badly needed at this time.

Congress has not only ample time, but the clear obligation to complete action on several vital energy proposals before adjournment.

Times are nowhere near desperate enough to paraphrase President Franklin D. Roosevelt's great rallying cry that the only thing we have to fear is fear itself.

Still it is a good thing to remember, but I do want to say to my fellow Americans that our greatest danger today is to fall victim to the more exaggerated alarms that are being generated about the underlying health and strength of our economy.

We are going to take some lumps, and we are going to take some bumps, but with the help of the Congress and the American people, we are perfectly able to cope with our present and foreseeable economic problems.

But action is more helpful than criticism. And **every week** that the Congress delays, makes the prospects a little bleaker.

I will be glad to answer any questions.

QUESTION: Mr. President, many people feel that the country is ahead of the Government, that people are prepared to sacrifice if they know that everyone is going to be biting the same bullet at the same time. How does this jibe with your information?

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THE PRESIDENT: I think the American people are ready to make more sacrifices than maybe the Congress and even the Executive Branch, including the President, believe they will.

I have a great respect and admiration for the strength and the willingness to sacrifice of the American people. I have tried to give them a program that does require some sacrifice -- a 5 percent surtax on 28 percent of the taxpayers -- so we could alleviate the problems of the people in the lower-income brackets.

I have made some other suggestions, but I believe the Congress, along with myself, have to give some leadership to the American people, who I believe are willing to respond. And I have tried to present a program that would call for that response.

I hope the Congress responds, and if they don't like my program, will come up with one of their own, that will equally call upon the American people to make some sacrifices.

MORE

QUESTION: Mr. President, in the absence of an Arab oil embargo this winter, could you please give the American people some indication as to whether they can expect a gasoline shortage this winter, that is, long lines at gas stations comparable to last winter and also, your predecessor made a firm commitment to the effect that Americans would not, under his administration, have to pay one dollar a gallon for gasoline.

Can you make that same assurance over the next twelve months?

THE PRESIDENT: In 1974 at this point, the use of gasoline has been less than the anticipated growth. In other words, we are using less now than the experts forecast we would use when they were laying out the charts as to the anticipated demand.

The net result is that we have more gasoline in storage today than we had a year ago at this time.

Now that is not enough to carry us through in case there was an oil embargo, but we are in a healthier position today than we were a year ago.

Nevertheless, it is my judgment that we have to keep the pressure on the savings of energy, including a hold-down on gasoline consumption. We are trying to reduce our importation of oil from overseas by one million barrels per day. We are making headway in that regard.

We haven't achieved it, but the net result is we don't anticipate at this point from any foreseeable circumstances, any gas rationing, nor do we foresee any serious shortage.

Yes.

QUESTION: Mr. President, I don't believe you answered my question about can you make the same assurance that your predecessor did about gasoline not going to a dollar a gallon.

THE PRESIDENT: I don't foresee gasoline going to a dollar a gallon. It is what, 45 to 55 cents a gallon today, depending on where you buy it. I see no prospects of the cost of gasoline going up to a dollar a gallon.

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QUESTION: Mr. President, this question perhaps goes back to the earlier part of the news conference, but it has an economic impact. How much will it cost to reach the ceiling which you negotiated with Mr. Brezhnev and when do you expect that the United States will reach that ceiling?

THE PRESIDENT: As I indicated in answer to an earlier question, I think we must continue our present strategic research development, deployment, maintenance programs.

We are going to move into the present program some additional new weapons systems -- the B-1 aircraft, the Trident submarine. The net result is that costs will probably go up as we phase out some and phase in some and phase out others.

Now, the total annual cost will be relatively the same plus the cost of inflation.

QUESTION: Is it \$18 billion?

THE PRESIDENT: It is in that ball park.

QUESTION: For how many years do you expect this to continue, Mr. President?

THE PRESIDENT: Until we are able to negotiate a reduction below the 2400 delivery systems and the 1320 MIRV systems. Yes, Frank.

QUESTION: Although you have repeatedly said you will not recommend a gasoline tax increase, your advisers on energy seem to be lobbying for this as if we are going to be in a very bad economic situation, very bad in regard to the drain of our assets overseas. Now, will you reconsider your objection to this?

THE PRESIDENT: I have not been persuaded that a 20 cent increase in the gas tax is the right answer. I was interested in a poll that was published today which indicated that 81 percent of the American people agree with my position.

Well, if 81 percent of the American people agree with my position, I really don't think a 20 cent a gallon increase in the gasoline tax will go through the Congress, even if I recommended it.

So, it is my judgment that if we have to by taxation cut down on consumption, there must be a better way to do it rather than a 20 cent a gallon increase in the gas tax. If 81 percent of the American people agree with me and don't agree with the various people who are advocating this, I think I am on pretty solid ground.

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QUESTION: The American Conference of Mayors has put as their number one priority the renewal and continuance of the revenue sharing program. Do you plan, in your State of the Union Message to Congress, to ask for a renewal of that program on its present basis?

THE PRESIDENT: I have indicated while I was Vice President, since I have been President, that I think the general revenue sharing program has been a good one. It is now provided from the Federal Treasury around \$16 billion to State and local units of government. I had an hour-plus meeting with the Domestic Council and others several days ago and we analyzed the program. I think it ought to be extended.

I think it has produced a great deal of good at the local level as well as at the State level. Now, we are in the process of analyzing any internal changes, but overall, I think the program is good and I want to work with the Mayors and the Governors and the county commissioners to make sure that the Congress extends this sound program.

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QUESTION: Mr. President, does the Justice Department suit to break up AT&T have your full approval, and are you satisfied as to the impact that such break-up would have on the efficiency and cost of telephone service in the United States?

THE PRESIDENT: I was kept informed, but I don't think I should pass judgment on every anti-trust suit that is contemplated by the Department of Justice.

If they think they have a case, I think they ought to take the initiative within broad guidelines that I firmly believe in personally.

Now in this case, as I understand it, it is not a suit aimed at AT&T simply because of its size. It is aimed at AT&T because of its alleged activities that result in non-competition.

Now the Anti-Trust Act says, in effect, that the elimination of competition is grounds for anti-trust action by the Department of Justice. If that is the basis -- and I understand it is -- then in my opinion the Department of Justice was acting properly.

QUESTION: Mr. President, would you continue to favor your National Employment Assistance Act even if Congress did not pass a tax program to raise the revenue necessary to pay for it?

THE PRESIDENT: I would hope the Congress would be responsible and pass legislation that would provide the revenue to pay for the Unemployment Act extension that I recommended and the public service employment program that I recommended.

I think this was a sound balance we proposed, or I recommended, that we ought to tax the wealthier people, the top 28 percent of the American people, to spread the difficulties of a recession and inflation.

I think it would be irresponsible for the Congress to add expenditures and not provide any additional revenues.

QUESTION: Mr. President, a follow-up, please. If you can get the one without the other, would you take it?

THE PRESIDENT: Well, I will pass judgment on that when that alternative is on my desk.

QUESTION: Mr. President?

THE PRESIDENT: Yes.

QUESTION: Mr. President, is it wise, is it fair to concentrate much of your budget cutting recommendations on health, education and welfare and veterans, what we might call the human friends suffering from inflation most, while not recommending at all any increased stringency in military weapons?

THE PRESIDENT: I don't think that is a fair challenge to my program. What I did at the time I looked at the budget was to take into consideration the reductions that the Congress had made in the defense budget and the Congress had already cut the defense budget \$2.6 billion. I recommended an additional \$400 to \$500 million cut, making it roughly a \$3 billion total cut in the proposed expenditures of the Department of Defense.

Now, since the Defense Department had already had a sizeable reduction by the Congress, I felt we had to go across the rest of the spectrum of the Federal Government to find additional reductions.

Now, what we have done was to require certain individuals, for example, who wanted food stamps to pay slightly more in order to qualify for food stamps. We called upon the Congress to slow down, in some instances, public works projects.

We tried in the \$4.6 billion reduction to spread the reductions across the board, and I think if you look at what the Congress did in the first place and what we have proposed in the second, it is a fairly well balanced program.

Yes.

MORE

QUESTION: To follow up the question that is reaching but is still in the economic ball park, if the ceiling works, will there ever be a saving, an actual saving, in expenditure for strategic weapons?

THE PRESIDENT: Very, very definitely, and that is the fundamental question that we have answered. If there had been no ceiling of 2400 on launchers and 1320 on MIRVs, we would have had an arms race. The Soviet Union had plans and programs, we believe, to substantially increase the number of launchers and to substantially go beyond 1320 on the MIRVs.

And we have the capability and, I think, if there had been an arms race with the Soviet Union going higher and higher and higher, we, as a Nation, for our own security, would have been forced to do precisely the same.

So, Mr. Brezhnev and I agreed that we first had to cap the arms race, both in launchers and in MIRVs. We have done that, and I wish to compliment Mr. Brezhnev because his opening statement, if I can paraphrase it, was that he and I, his country and ours, had an obligation to not indulge in an arms race, to put a cap on the proposed expenditures in both categories.

It was a statesmanlike approach at the outset, and because he believed that, and because I believe it, I think we made substantial progress, and I strongly defend what we did.

THE PRESS: Thank you, Mr. President.

END (AT 8:10 P.M. EST)

#6  
1/21/75

GERALD R. FORD LIBRARY

PRESS CONFERENCE NO. 6

of the

PRESIDENT OF THE UNITED STATES

2:04 P.M. EST  
January 21, 1975  
Tuesday

In Room 450  
Old Executive Office Building  
Washington, D. C.

THE PRESIDENT: How do you do. Sit down, please.

Before getting into questions, I would like to take a few moments to briefly review with you several critical energy issues.

The energy decisions which I announced as a part of my State of the Union address resulted from the most comprehensive review this Nation has ever had of our energy problems. This study demonstrated that there are only three basic alternatives, the first to continue doing what we have been doing.

I have rejected this because if we do continue, we will be importing 25 percent more oil by 1977. By 1985 we will be dependent on foreign sources for more than half of our oil. This would subject the economy of the United States to very serious disruption if these supplies were once again curtailed.

The embargo of 1973 occurred during a period when a little more than one-third of oil came from foreign sources. The disruptions we suffered then were just a small taste of what would likely happen in the event of a future embargo when we would be far more vulnerable.

Some have suggested rationing as the second alternative. I can understand why many in Congress and elsewhere are attempting to find a solution which does not entail sacrifice and hardship, but there is no easy solution, and I never promised one.

I believe that those who propose rationing do not have a clear understanding of what their plan would entail for the American people. Many of us, of course, remember rationing during World War II.

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I have no doubt that this Nation is capable of sustaining a rationing program during a short emergency. However, to really curb demand, we would have to embark on a long-range rationing program of more than five years.

Those favoring rationing must be thinking of a short-term program, not a serious long-term effort to end energy dependency.

Further, there is no simple way to reach our goals by rationing. Rationing provides no stimulus to increase domestic petroleum supply or accelerate alternative energy sources. By concentrating exclusively on gasoline rationing, many other areas for energy conservation are overlooked.

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In addition to being ineffective, gas rationing is inequitable. Even a rationing system that is designed with the best motives in mind and implemented by the most conscientious administrators would not be fair.

If you were to go around the country and ask individuals what they should get under a fair rationing system, you would find that there would be simply not enough gasoline to go around. In fact, to reach our 1975 goal of reducing foreign oil imports by one million barrels per day, a gas rationing system would limit each driver to less than nine gallons a week.

Inequities would be everywhere. How would people in remote areas of the country get enough gas to drive into town? How would farmers get enough gas to harvest their crops? What would happen to people who must drive a long way to work each day and who would make those decisions?

It is essential that we recognize the size of the problem which we are attempting to solve. As a consequence, we must evaluate each energy program to see whether in fact it actually confronts and solves the problem. It does us little good to impose rationing or a gasoline tax or simply shut down gasoline stations on Sunday. These will not give us energy independence.

The alternative I have chosen relies on freedom of individual choice -- giving people and businesses an incentive to save energy. This is the only way to achieve our energy goals.

A need for action is obvious. Therefore, later this week, I will sign a Presidential Proclamation which will set in motion the most important and far-reaching energy conservation program in our Nation's history. It is the first step toward regaining our energy freedom. We must reverse our increasing dependency on imported oil. It seriously threatens our national security and the very existence of our freedom and leadership in the free world.

The Proclamation is designed to impose higher fees on imported oil which are equitable and fair. For example, it will contain special provisions to avoid undue hardships on certain regions of the country, such as the Northeast, which are heavily dependent upon high cost foreign oil.

On Thursday, I will meet with the Governors of the Northeast States on their special problems. It is absolutely critical that Congress act quickly on my energy proposals. The increased revenues which the Government will collect from energy taxes must be returned to consumers and businesses through my proposed tax cut. To insure speedy enactment of the program, I will, of course, work with the Congress. I will not sit by and watch the Nation continue to talk about an energy crisis and do nothing about it. Nor will I take halfway measures which fail to change the direction that has put our Nation in this position.

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We have the resources in this country, the technological capability and the spirit to regain our energy independence. I will, of course, use all of my powers as President to make certain that we succeed.

Mr. Cormier, please.

QUESTION: Mr. President, you just said that you are willing to work with the Congress on this package. How flexible are you in compromising with those Democrats who argue that your tax plan plus the higher gas, crude oil levies bear most heavily on the poor?

THE PRESIDENT: Well, we have submitted a tax rebate program that is aimed at getting money back into the hands of individuals to the extent of \$12 billion-plus as quickly as possible, with a cap on the 12 percent rebate. The cap being a \$1,000. We think this is fair and equitable, particularly, when you combine it with the method of returning the \$19 billion to individual taxpayers under the energy program.

The two, in my judgment, do provide equity in that we increase the low income allowance, and we try to equalize the burden on the less well off. At the same time, giving the people in the middle income brackets a fair share. Now, that is our proposal.

Of course, the Congress will have witnesses; they will act independently, but I think, if they take a good look at our program, they will see that it is well-balanced, giving the poor a fair break, giving the people in the middle income a fair opportunity to get their funds. And I hope the Congress won't make too many changes in it.

Miss Thomas.

QUESTION: On recent occasions, several times you have warned of the serious possibility of another war in the Middle East. Why, then, is the United States contributing so heavily to the military build-up there, and I have a follow-up?

THE PRESIDENT: The United States does feel that the danger of war in the Middle East is very serious. I have said it repeatedly, and I say it again here today. But in order to avoid that, we are maximizing our diplomatic efforts with Israel as well as with several Arab states.

In order to maintain the internal security of the various countries, in order to maintain equilibrium in arms capability, one nation against the other, we are supplying some arms to various states in that region. I think, while we negotiate, or while we expand our diplomatic efforts, it is important to maintain a certain degree of military capability on all sides.

MORE

QUESTION: Mr. President, both you and Secretary Kissinger have said that in case of strangulation of the West by the oil producers you would use military force, and you were hypothetically speaking. I think on that same basis the American people would like to know whether you would require a Congressional declaration of war or whether you would bypass that Constitutional process, as some of your predecessors have done?

THE PRESIDENT: I can assure you that on any occasion where there was any commitment of U.S. military personnel to any engagement we would use the complete Constitutional process that is required of the President.

QUESTION: Mr. President, I believe I have detected the subtle thunder of politics interwoven among the bid by Washington officials to come up with a program for the Nation's energy and the economy. My question goes to you, sir.

Do you feel that your political future is tied directly to turning the economy around and, more specifically, can a man be elected to your office when polls show that a large majority of the public does not have confidence in his handling of the economy?

THE PRESIDENT: I think any President or any candidate for the Presidency is affected by the status of the economy. In my judgment, the program I have submitted both to answer the energy problem and to meet the difficulties we are having in the economy today will be reflected in a definite improvement in our economy in the months ahead.

The plan for energy, if approved by the Congress, will get us on the road to meet our difficulties in the field of energy. It will make us less vulnerable to outside or foreign sources.

I am convinced both programs are sound. We may be at a low point now, but I am convinced that the months ahead will prove that we were right and that political prospects, if they are affected by that, will likewise be improved.

QUESTION: Mr. President, are there circumstances in which the U.S. might actively re-enter the Vietnam war?

THE PRESIDENT: I cannot foresee any at the moment.

MORE

QUESTION: Are you ruling out the possibility of bombing, U.S. bombing over there, or naval action?

THE PRESIDENT: I don't think it is appropriate for me to forecast any specific actions that might be taken. I would simply say that any military actions, if taken, would be only taken following the actions under our Constitutional and legal procedures.

QUESTION: Mr. President, some critics of your energy and tax proposals say that it looks like a "made in Detroit" plan, and that it is more an effort to rescue or revive the auto industry in that it does not attack the horsepower and weight of automobiles and the gas-guzzling machines.

I would like to ask you whether you considered these options and if so, why you rejected them.

THE PRESIDENT: I can assure you, Mr. Lisagor, we considered every option, including the options that some are talking about, gas rationing, closing gas stations on Sunday and things of that nature, but we did not think any of those proposals were the right solution.

Let me just take one that you mentioned -- a tax on new automobiles, I assume, that had a high horsepower.

I really do not think that is any solution because automobiles in that category are not the ones that are bought by most people. So, the impact really would be minimal.

All of these little pieces that people talk about are not a part of a comprehensive plan, the kind of a program that I have submitted to the Congress and to the American people.

Until someone comes up with a total plan, such as we have come up with, I think it is unfortunate to have this rather limited criticism.

MORE

QUESTION: Would your plan come apart if any piece of it were not approved by the Congress?

THE PRESIDENT: I think it is so comprehensive that one piece not being implemented would not bring about its downfall. But I can assure you that it is so well integrated that every piece is essential if we are to achieve the maximum results, which is no vulnerability against foreign sources of energy after 1985.

QUESTION: Mr. President, in recent days the Democratic Caucus seems to have emerged as the power up in the House. How can you, as a President, deal with the Caucus instead of the more traditional power base such as Speaker, Minority Leader, committee chairmen?

THE PRESIDENT: I know and have worked with many of the new forces that have emerged in the House of Representatives on the Democratic side. I will, of course, concentrate my working relationship with the Speaker and with the Majority Leader and the other elected leaders, but I will also, of course, be required to work with the committee chairmen, whoever they may be. We will have to be very pragmatic as we try to get our legislation through and that means working with the Majority from the top to the most junior Member.

QUESTION: Mr. President, I would like to follow up on Helen Thomas's question. There has been considerable discussion, as you know, about this question of military intervention in the Middle East and you and others have said it might be considered if the West's economies were strangled. Mr. President, as you know, the charter of the United Nations says that all members shall refrain in their international relations from the threat of the use of force against a territorial integrity or political independence of any state.

Now, Mr. President, I would like to know whether this section of the charter of the United Nations was considered, taken under consideration before these statements were made by members of the Administration and, if not, why not?

THE PRESIDENT: Well, the hypothetical question which was put to Secretary Kissinger, a hypothetical question of the most extreme kind, I think called for the answer that the Secretary gave and I fully endorse that answer.

I can't tell you whether Secretary Kissinger considered that part of the United Nations' charter at the time he made that comment, but if a country is being strangled, and I use "strangled" in the sense of the hypothetical question, that, in effect, means that a country has the right to protect itself against death.

MORE

QUESTION: Mr. President, would a new oil embargo be considered strangulation?

THE PRESIDENT: Certainly none comparable to the one in 1973.

QUESTION: Mr. President, your fiscal austerity program, because of that, will you have to abandon plans for national health insurance?

THE PRESIDENT: Unfortunately, the "no new program guideline" that I laid down does mean the deferral of any recommendation by me of a national health insurance program.

Yes?

QUESTION: Mr. President, when you were Minority Leader of the House, would you not have been horrified by a President who proposed -- who predicted a \$30 billion deficit and then proposed a big tax cut on top of it?

THE PRESIDENT: Well, I am horrified as President (Laughter). But unfortunately, because of the economic problems we have, the recession, our revenues have dropped very substantially and because of the recession, we have had to pay out substantially more in unemployment compensation and for the Public Service Employment Act, and the net result is that we were looking at a \$30 billion-plus deficit, whether we did anything.

And in order to stimulate the economy and to provide jobs and to get money back into the hands of the American people, I felt that in these extenuating circumstances that a tax reduction or rebate was absolutely essential and I believe that it is the right medicine for our current illness. And I think if we had done nothing, the patient would have been in much worse condition.

MORE

QUESTION: Mr. President, does the state of the American economy permit additional military and economic aid to Vietnam or Cambodia?

THE PRESIDENT: I believe it does. When the budget was submitted for fiscal 1975, in January of 1974, the request was for \$1.4 billion for military assistance. The Congress cut that to \$700 million.

The request that I will submit for military assistance in a supplemental will be \$300 million. I think it is a proper action by us to help a nation and a people prevent aggression in violation of the Paris accord.

QUESTION: The deadline for draft deserters and draft dodgers is about to run out to apply for your amnesty program. I was just wondering, are you considering extending that deadline or will it die?

THE PRESIDENT: I am in the process right now of analyzing whether there should be an extension of the amnesty program beyond the January 31 deadline. I have not made a final decision on that at this point.

QUESTION: Could you bring us up-to-date with an evaluation of the state of detente with the Soviet Union in the light of what happened to the trade agreement?

THE PRESIDENT: It is my judgment that the detente with the Soviet Union will be continued, broadened, expanded. I think that is in our interest, and I think it is in the interest of the Soviet Union.

I, of course, was disappointed that the trade agreement was canceled, but it is my judgment that we can continue to work with the Soviet Union to expand trade regardless. And I would hope that we could work with the Congress to eliminate any of the problems in the trade bill that might have precipitated the action by the Soviet Union.

QUESTION: Mr. President, would you consider gasoline rationing if that was the choice you were given by Congress and they rejected your plan for increased taxes?

THE PRESIDENT: I think it is the obligation of the Congress, if they favor gas rationing, to make it mandatory. I do not approve of it because I think it is the wrong solution to the problem.

MORE

Gas rationing, as I indicated, does not provide any stimulant whatsoever for alternative sources of energy. It would not provide us any of the wherewithal to find new sources of energy, whether it is solar, geothermal -- it would not provide us any capability of further exploration of crude oil.

I think gas rationing would provide many inequities. As I illustrated in my opening statement, in my judgment, gas rationing would provide an inflexible answer to a problem that has to be solved by some new initiatives, and a five year to ten year gas rationing program, which is what it would have to be, would hamstring rather than help our solution.

QUESTION: If requested by Congress, would you consider postponing, for a time -- 90 days perhaps -- your plan to increase the tariff on imported oil?

THE PRESIDENT: I think it is important for the Congress to understand, in the solution of the energy program, that we should move forward and not take a backward step.

If we were to postpone the imposition of the \$1 extra per barrel on imported oil, it would start the momentum going against the cutback of one million barrels per day in foreign oil imports, and the sooner we start that, the better it will be in the conservation of energy, which is essential to our present and future well-being.

MORE

QUESTION: Mr. President, a two-part, follow-up on Vietnam.

What is your assessment of the military situation there, and are you considering any additional measures beyond a supplemental of assistance to the South Vietnamese government.

THE PRESIDENT: The North Vietnamese have infiltrated with substantial military personnel and many, many weapons in violation of the Paris accords. They are attacking in many instances major metropolitan areas and province capitals.

The South Vietnamese are fighting as skillfully and with firmness against this attack by the North Vietnamese. I think it is essential for their morale as well as for their security that we proceed with the supplemental that I am recommending, which will be submitted either this week or next week.

Now, I am not anticipating any further action beyond that supplemental at this time.

QUESTION: Mr. President, you have painted a pretty bleak picture of the economy. Just what can the American people expect in the months ahead, how high will unemployment go and how soon will your medicine start taking hold?

THE PRESIDENT: You can get a variety of answers as to how high unemployment will go, but you can take one figure of 7.5 percent, some say over 8 percent. Either figure is too high and my program, if implemented by the Congress, will remedy the situation.

Now, it seems to me that by the late summer we ought to see a turnaround both as to economic activity, and I hope a betterment in the unemployment figures.

QUESTION: Mr. President, in your State of the Union Message, you urged Congress not to restrict your ability to conduct foreign policy. Did you have in mind Senator Jackson's amendment on the emigration of Soviet Jews, and do you consider this to be an example of meddling by Congress in foreign policy?

THE PRESIDENT: I don't wish to get in any dispute with Members of Congress. I think that such restrictive amendments as the one that was imposed on the trade bill and the Ex-Im bank legislation and the limitation that was imposed on several pieces of legislation involving the continuation of military aid to Turkey, those kinds of limitations, in my judgment, are harmful to a President in the execution and implementation of foreign policy?

MORE



I don't think that I should speculate as to what actually precipitated the action of the Soviet Union in the cancellation of the trade agreement.

QUESTION: Mr. President, in an earlier Vietnam question you left open the option for yourself of possibly asking Congress for the authority to engage in bombing or naval action in the future.

In light of the lengthy involvement by the United States in Vietnam and the pains that created, can you say now whether or not there are any circumstances under which you might foresee yourself doing that, or would you care to rule out that possibility?

THE PRESIDENT: I don't think it is appropriate for me to speculate on a matter of that kind.

QUESTION: Mr. President, you have proposed a 5 percent ceiling on the automatic cost of living increase attached to Social Security and your Administration has, in addition, proposed an increase in the amount of money that the elderly poor must pay for food stamps.

Do you stick by both of those conditions? What do you say to those who argue that the elderly poor are being asked to assume an unfair burden of the hardships and sacrifices?

THE PRESIDENT: I think it is proper to indicate that I am not requesting Congress to keep the Social Security payments at the present level. I am saying that in order to have a total effort in this country, to combat inflation and to help the economy, that there should be a 5 percent increase, but no more.

I think that is a fair recommendation under the circumstances, and I would say that the requirement -- that requires that people who want food stamps pay 30 percent of their income -- is also a proper requirement.

MORE

QUESTION: Mr. President, in view of the rapport you seem to have established with Mr. Brezhnev in Vladivostok, can you shed any light on the conflicting reports about his current political and personal health?

Specifically, have you had any direct contact with him since your trip?

THE PRESIDENT: I have not had any direct contact. We have communicated on several occasions but we have had no personal or direct contact.

QUESTION: Mr. President, can we assume by your comments here, an objection to gas rationing, that you would veto a gas rationing program if it were to come to the White House for you to sign?

THE PRESIDENT: I have said that I would not hesitate to veto any additional spending programs or new programs that would cause new spending. I have pretty well outlined the objections which I think are valid against any gas rationing program.

Now, if the Congress wants to require mandatory gas rationing, that is a judgment they can make, as bad as I think it would be, and a program of that kind that was a superficial answer, in my judgment, I would veto.

QUESTION: Mr. President, as we all know, the State of the Union says that the price of fuel oil in this country is so great now that people cannot pay it. They are telling their Congressmen this. You propose to put an additional price on that on February 1st and then give them back, as an offset, a rebate in tax in May and September. How are the people going to pay these fuel bills in the meantime?

THE PRESIDENT: I think you have not analyzed the energy tax reduction in full. The money that would go back to individuals -- \$19 billion -- because of added energy costs, would go back to them through the change in the withholding tax, and to the poorest, an \$80 payment per person, any individual who was an adult.

So, I think the payback or the reduction in taxes would coincide with any added energy payments they would have to make.

QUESTION: Mr. President, the figures show that last year the United States had an inflation of 12.2 percent -- the highest in peacetime history. You have expressed in the State of the Union, and elsewhere, your fear that your programs for stimulating the economy may bring back a new surge of inflation in future months. Under those circumstances, don't you think it would be prudent to ask Congress for standby authority for wage and price controls and some restraint on profit margins if this happens?

MORE

THE PRESIDENT: I do not believe in the economic environment we are in today that standby price and wage controls are the right remedy. I do not think that any profit control is a proper remedy, either.

The free economy over the years has proven to be the best answer and our experiences in the last several years with wage and price control has been not a very good one. So, I personally think, in the current circumstances, that we should not have standby or mandatory price and wage controls.

QUESTION: In that event, Mr. President, have you and your advisers been concerned, or had any anxiety that this cycle of inflation and recession -- inflation and recession -- this dreary cycle really, will just continue year after year and at some point one or the other of them will get completely out of control.

THE PRESIDENT: My economic program is aimed at stimulating the economy sufficiently to get us over the immediate recession we are in at the present time. And I believe if the Congress will take the actions that I have recommended to slow down the growth of spending and at the same time, pass the energy program that I have recommended, we can continue to make headway against inflation and at the same time, get over the hump of our current recession.

MORE

QUESTION: Mr. President, you are now approaching six months in office. Could you tell us a little bit about how you like the job, about your personal philosophy towards it?

THE PRESIDENT: I think I have said several times that I enjoy the challenge of the job. It is not an easy one, but I enjoy the day-to-day responsibilities, challenges. I work hard at it. I try to have an open door policy to Members of Congress, to the public and to the Administration members individually, as well as collectively.

I feel we are making headway and we can and will make more headway if the Congress will work with me on some of these problems.

QUESTION: Mr. President, I would like to ask you, please, in view of the lack of confidence which has been expressed in the economy to date, what makes you think that your proposal for tax rebates would provide any real stimulus to buying power so the public would spend its way out of a recession?

What makes you think it won't all be eaten up in higher fuel taxes and the rest will be put in the bank for lack of public confidence?

THE PRESIDENT: The \$12 billion tax rebate predicated on 1974 income taxes, if the Congress acts promptly so we can make the first payment in May, will provide a stimulant and the tax refunds, or tax reductions that will be predicated on the energy package, will also, in my opinion, be helpful as far as the economy is concerned.

Now, I can't tell you how people are going to either spend or save the money that they will get in the rebate, but, if they spend it, that is good. If they save it, that might be helpful, too, because it will go into a bank or savings and loan and it will provide funds for the housing market, for the sale of automobiles.

In either case, I think there will be benefits and advantages to the rebate.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much. It is nice to be here. We will do it more often now.

END (AT 2:42 P.M. EST)



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FOR IMMEDIATE RELEASE

FEBRUARY 4, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY  
(Atlanta, Georgia)

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THE WHITE HOUSE

QUESTION AND ANSWER SESSION  
BY THE PRESIDENT

HYATT REGENCY HOTEL

PHOENIX ROOM

2:35 P.M. EST

THE PRESIDENT: Please sit down.

It is a privilege and a pleasure to be in Atlanta. I have enjoyed the stay, and am looking forward to this press conference.

Mr. Cutts of the Atlanta paper.

QUESTION: In the last 24 hours you have spoken at length about domestic concerns. I would like to ask you what options you will have to help maintain a non-Communist government in Vietnam if the Congress does not go along with your supplemental appropriation request as well as this fiscal year 1976 request for Vietnam?

THE PRESIDENT: If the Congress does not respond to the requested additional military assistance for the current fiscal year in an amount which the Congress last year previously authorized, it will certainly complicate the military situation from the point of view of the South Vietnamese.

The South Vietnamese on their own, with our financial assistance, our military aid, have done very well, but the Congress did not fully fund the requested military assistance that was requested. I believe that if the Congress funds the additional money, that I have proposed for this fiscal year and continues the money that I have recommended for next fiscal year, the South Vietnamese can and will be able to defend themselves against the aggressors from the North.

QUESTION: The question is, if the Congress fails to do that, what options will you have then?

MORE

THE PRESIDENT: I do not think that the time for me to answer that question is at the present. In the first place, I believe the Congress will fund the money that I have requested and, if they do, then I have no need to look at any other options because they will be capable of defending themselves.

The good judgment of the Congress will fund the South Vietnamese, will defend themselves, and I do not think there will be any other needed options.

QUESTION: Mr. President, when you were a Congressman and called for the impeachment of Justice Douglas, did you have access or were you slipped any secret FBI data?

THE PRESIDENT: I do not know what the source was of information that was given to me, but I was given information by a high-ranking official of the Department of Justice. I do not know what the source of that information was.

QUESTION: Was it Attorney General Mitchell, then Attorney General Mitchell?

THE PRESIDENT: It was not then Attorney General John Mitchell.

QUESTION: Was it FBI Director J. Edgar Hoover?

THE PRESIDENT: It was not.

Two times and you are out, Helen. (Laughter)

QUESTION: Mr. President, we have a story that Senator Howard Baker from up here in Tennessee is seriously considering seeking the Republican nomination in view of a late poll which gives you a rating of 60 percent negative with the American people.

In view of your findings, sir, what is your feeling about any chance or any opportunity you will seek a full term as President?

THE PRESIDENT: I have indicated that it is my intention to be a candidate in 1976 and, of course, in our system, anybody can if they so desire, qualify to be a candidate in any primary. I can only indicate what my intention might be, and I pass no judgment on what anybody else might do.

MORE

QUESTION: Do you think the economic situation, though, that you will be able to lick it, of course, increasing your chances?

THE PRESIDENT: I believe that the economic situation in 1976 will be an improving economic picture. It won't perhaps be as good as we would like it, but I believe that unemployment will be going down and employment will be going up, and we will be doing a considerable amount better in the battle against inflation than we did in the last 12 months.

So, with the optimism that I think will come from more employment, less unemployment, and a better battle against inflation, I think the economic circumstances will be good enough to justify at least my seeking re-election.

QUESTION: Mr. President, when you left Vladivostok in November, we were led to understand that General Secretary Brezhnev would be in Washington in May or June. The time is running short, a lot has happened in American-Soviet relations since then.

Do you still look forward to welcoming Mr. Brezhnev just three or four months from now.

THE PRESIDENT: Mr. Cormier, I look forward to having the General Secretary in the United States in the summer of 1975. The negotiations which we concluded in Vladivostok are moving along in the negotiations that are necessary to put the final draft. These negotiations are taking place in Geneva.

I see no reason why we cannot reconcile any of the relatively minor differences. The basic agreement is still in effect, and I am confident that we can welcome the General Secretary to the United States in the summer of 1976, and I look forward to it.

MORE



QUESTION: Mr. President, I am Alva Haywood, President of Georgia Press Association.

Your program for the solution of the problems of energy and the economic situation is submitted to Congress as a package, and you are asking Congress to approach this as a package. The concern, sir is that Congress will lift out points of your program, substitute points of their program and leave some areas lacking. Would you comment on the possibilities of such a situation?

THE PRESIDENT: It is true, as you have stated, that I submitted to the Congress a comprehensive plan, or program, to solve our energy problem. As a matter of fact, the bill that we sent to the Congress is about 196 pages, and that did not include the tax proposals because a President does not submit in writing tax proposals. He submits the ideas, and it did not include the proposal I am submitting for the strip mining bill of 1975. But this is a comprehensive interrelated program to solve our energy problem by reducing consumption and stimulating additional production.

The Congress, I hope, will consider it as a package. Now, if they do not agree with the package, I think the Congress has an obligation to come up with their package. I do not believe they can pick and choose with press release answers. They have to have something solid.

Now, if they want to change, in a minor way, a part of my package, I will understand it, but they cannot come up with a part of an answer because the problem is altogether too broad and sweeping, and it affects us in industry, in our homes, in our driving, et cetera. I just hope the Congress understands the need for a comprehensive plan and will act accordingly.

QUESTION: Mr. President, recently in Washington, the big city mayors expressed concern over the high unemployment rate, particularly, in the cities where it runs, as you know, much ahead of the national unemployment rate. Considering that your budget men predict we may have high unemployment for up to another year to 18 months, have your advisers given you any forecast on the possible effect in terms of the concern of the mayors, which was a return to urban violence, the possible effect of continued high unemployment for such a prolonged period of time?

THE PRESIDENT: I did notice the request of the mayors for an additional \$15 billion over and above what I have recommended in helping the cities through general revenue sharing, through the community development program, through the emergency unemployment program. I believe that the combination of recommendations I have made in those, and those I have mentioned and some others, will meet the problems in our major metropolitan cities, and I do not believe that we should go beyond those in meeting the particular problems in those communities.

MORE

QUESTION: With your austerity program, will they be able to get that \$15 billion they requested?

THE PRESIDENT: I must respectfully disagree with the way you labeled my program as an "austerity program." It is not an austerity program, when you submit a budget for \$349 billion, \$36 billion more than the budget for the current fiscal year and a budget that provides for \$15 billion more in income transfer payments, so it is not an austerity budget. It is a very expensive budget. Because we have good programs to help the unemployed, to train those people who are unemployed, to help people on Social Security and other retirement programs, I do not believe we need the extra \$15 billion recommended by the various mayors.

QUESTION: Mr. President, Ron Wilson, Georgia Network.

Would you comment, please, on Senator Jackson's assessment of the 49th Congress? He said "it could possibly be the most dangerous in history in terms of the willingness on the part of some Congressmen to relax our defense posture."

THE PRESIDENT: I had not seen Senator Jackson's description of the potentials of the 49th Congress. I hope that that description is not an accurate one, and I am going to wait and see whether they do take the kind of action that might destroy our military capability. I usually agree with Senator Jackson on national defense appropriations, policies, et cetera. If this Congress does slash, without rhyme or reason, the military budget that I have submitted, it could jeopardize our national security. I think it is premature to say they will. I certainly hope they don't. But I can say, without any hesitation, that I will vigorously oppose any attempt to slash without rhyme or reason, our military strength as represented in the budget that I have submitted.

MORE

QUESTION: Mr. President, some people believe that your economic advisers -- particularly Mr. Greenspan and Secretary Simon -- would like to have this recession get somewhat deeper so that it will take a bigger bite out of inflation. Is that a correct assessment?

THE PRESIDENT: I have spent a good many hours with Alan Greenspan, as we went over the various options in our economic and energy program. I can say most strongly that Alan Greenspan does not want us to have more adverse economic conditions than we have today.

He has joined with me in supporting the program that I submitted, a \$16 billion dollar tax reduction or rebate, and he has also joined with me in recommending a \$17 billion curtailment of certain Federal budgetary expenses.

It seems to me that this is a well-balanced program. It is not aimed at trying to make our economic circumstances worse. It is aimed at trying to balance our economy, so that we recover from the recession as quickly as possible and, at the same time, avoid the potential dangers of a rekindling of double-digit inflation.

I think the Congress is cognizant of the problem. I hope the Congress acts responsibly, and I am an optimist enough to believe that they will.

QUESTION: If that is the case, Mr. President, why is it that the deficits you proposed for fiscal 1975 and fiscal 1976 amount to only a little more than 2 percent of the Gross National Product in 1975, and a little over 3 percent of the Gross National Product in 1976?

How can you turn around a trillion and one half dollar economy with net stimulants that are that small?

THE PRESIDENT: I looked at a chart the other day that shows the deficits in our Federal Government for the last ten or 15 years and the deficit that we will have in 1976 is higher as a percentage of GNP than any deficit in the last ten or 15 years, as I recollect.

The deficit in 1975, which is \$35 billion, is among the top ranking deficits as a percentage of GNP, so two of those back to back, in my opinion, are potentially dangerous from the point of view of rekindling inflation, and they are sufficiently stimulative to, I think, take us out of the current recession.

MORE

QUESTION: I am Sally Lofton, Southeast Newspapers. Forty million dollars, which have been intended for highway construction in Georgia, was included in the Highway Trust Fund impounded by President Nixon, and I was wondering if you plan to release any of these funds?

THE PRESIDENT: Last evening I met with a number of the Governors from the Southern and Southeastern States. They did raise that question, urging that I release some of the deferrals or rescissions in the Highway Trust Fund. I mean deferrals, not rescissions.

I have promised them that I will take a look at their recommendation. Some of them said their States were ready to go. They could let bids within 30 days and get construction underway very quickly.

I will talk to the Federal Highway Commissioner, former Governor Tiemann of Nebraska, and will let the Governors know whether we think this is something that ought to be done promptly.

QUESTION: Was Governor Busbee one of the ones who said he was ready to go?

THE PRESIDENT: As I recall, he and several others, including Governor Askew of Florida.

QUESTION: Mr. President, Bob Schieffer. I would like to follow up on Helen's question. You told us the two officials who did not give you that information. Would you tell us who did, and beyond that, can you tell us what sort of information it was and beyond that, what did you do with it?

THE PRESIDENT: The information that was given to me was to a substantial degree included in the speech that I made on the floor of the House, which is a printed document and has been widely distributed. The information was given to me by Mr. Will Wilson, who was then one of the Assistant Attorney Generals.

QUESTION: Mr. President, I am Bobby Branch, and I publish a country newspaper in Perry, Georgia.

THE PRESIDENT: Do we have segregation here between the Washington press corps and the local press corps? (Laughter)

QUESTION: Yes, sir. In view of the recent Arab oil interest investments in America, and even here in Georgia -- the State government is actively seeking Arab investments -- I was wondering what your opinion was on the trends in this direction.

MORE

THE PRESIDENT: There have been some recent news stories to the effect that the Iranian government, for example, wanted to invest in Pan Am. They were thinking of buying six TWA jets that were not being used, and there is a story about one of the Arab countries buying a substantial interest in one of our largest banks in the State of Michigan.

The Department of State, the National Security Council, are looking into this question. It is a matter, I think, that will require our best analysis and probably a final decision by myself. But we are not in the position where I can give you a categorical answer at this point.

QUESTION: Mr. President, I would like to return, if I could please, sir, to your answer to a question which was asked a little earlier in which you expressed optimism that the economy would improve next year over its present situation and that would help your chances for re-election.

By your own statistics, sir, unemployment will be 7.9 percent next year, and that is higher than it is now. The Gross National Product will drop, I believe, 33 percent now, which would be a bigger drop than last year, and we will continue to have double-digit inflation.

With that grim economic outlook, sir, on what do you base your hope for re-election inasmuch as your own statistics make the outlook worse next year than it presently is?

THE PRESIDENT: Let's trace the history of inflation from December 1973 to December 1974. The cost of living went up 12.2 percent. From December 1974 to December 1975 we expect the cost of living to go up 9 percent. Between December of 1975 to December of 1976 we expect the cost of living to go up 7 percent, so that is a very significant improvement, and it is not double-digit inflation.

It is almost cutting in half the inflation that we had from December 1973 to December of 1974. From the point of view of unemployment, it is true that we expect in 1975 inflation (unemployment) to average over, I think it is 8.4 or 8.5 percent.

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We do expect, however, by the second and third quarter of 1975 to have a switch that will be on the plus side. It will be a switch that will probably mean a 5 percent increase in the GNP. It will undoubtedly mean an increase of about two million in those employed.

So, the trend will be good, with higher employment and improvement in the Gross National Product and a slight downtrend in unemployment figures. They will get better the further we go into 1976, so I am not as pessimistic as you appear to be and I am not as pessimistic when you look at the trends, not the averages, as some of the computer read-outs tend to lead you to believe.

QUESTION: Mr. President, Peter Bannon with WAGA Television, Atlanta. We are told the confidence of the businessman and the consumer is essential to economic recovery. Two questions, sir.

First, what is your estimation of this confidence, and second, is there a possibility that as a lot of people who have not been badly hurt by your economic program become increasingly bored with this talk of economic uncertainty is there a possibility of a spontaneous recovery of confidence, regardless of what is done in Washington.

THE PRESIDENT: I happen to subscribe to the idea that the actions of the American people are often times infinitely more important than what the Congress or the President do in Washington, D.C. If we get a restoration of public confidence, which has been falling rapidly and has been a major contributing factor to our economic problems, if we get a restoration of that -- and there is some evidence that that is taking place -- then in my judgment we will get a faster recovery than what some of the experts are forecasting.

There has been in the last several weeks a very interesting development, and the changes in our economy in the last two or three months have shown certain sudden actions that most people did not forecast or anticipate.

We have had a tremendous inventory sell-out, much more rapidly than anybody forecast. This means that in a relatively short period of time -- much more quickly than anyone expected a couple of months ago -- that as you bottom out and you get a reasonable balance between inventory and production, that the recovery will come more quickly than some of the experts have forecasted or anticipated.

This development, plus what I think is a restoration of public confidence, gives to me the feeling that we are going to do better at the end of this year than what some of the experts are saying.

QUESTION: Could you suggest a guideline, or something, we look for in the next few months that might act as a guidepost to help restore this confidence? Any specific objective in the next couple of months that would relate to the American people and their confidence in whether or not to spend their dollars?

THE PRESIDENT: The unusual and, I think, successful marketing techniques shown by the automotive industry in the last month and the announcement that some of the appliance manufacturers are going to use the same marketing techniques -- good, old American free enterprise -- I think this approach will be a very good stimulant, not only to the facts of the economy, but to public confidence. So, if they keep up this good, hard marketing practice, in my judgment, that is the best guideline that I can think of.

QUESTION: Mr. President, I am Dennis Farney, with the Wall Street Journal.

The House Ways and Means Committee has rejected your tax rebate formula in favor of one that would provide more help to low and middle income people. At the same time, the Committee seems inclined to perhaps continue some of its tax cuts indefinitely, instead of ending them after one year as you have proposed. Could you live with these changes?

THE PRESIDENT: Well, of course, the House Committee on Ways and Means is only tentative action. Their procedure is to make tentative decisions and then go act in the final analysis and either agree with or change what they have made as they have gone along. This is only the first of four major steps, maybe five. The House has to approve it. The Senate Committee on Finance has to act -- the Senate and then in conference. So, I think it is premature for me to make any categorical judgment as to whether I would accept what the tentative agreements are in a House Committee on Ways and Means. I think I had better wait and pass judgment on what looks like might be the final version.

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QUESTION: Mr. President, John Pruitt, WSB television. You call for relaxing of pollution controls because of the energy crisis and some have accused you of abandoning the environmental movement.

I would like to know what you think is going to happen to the environmental movement and the strides that have been made in the past few years as a result of your proposals?

THE PRESIDENT: I do not think that I have recommended any major shift away from our environmental goals. Let me take one that I am very familiar with.

Under existing law, within the next two years the automobile manufacturers would have to go to a substantially higher emission standard and the automobile manufacturers are testifying right now that if they are forced to go to that very, very high standard, there will be an added cost to every automobile that is produced and there will be no improvement and probably a decrease in the efficiency of automobiles, which means that cars sold in the next three or four years will guzzle more gasoline, not less gasoline.

With the effort that I think is reasonable, we can increase automobile efficiency by 40 percent and still achieve an increase in environmental emission standards, and here is what I have recommended: That the Congress change the law to improve the environmental emission standards from the present law to the California standards, and in return, for that change of the law, the automotive manufacturers have agreed with me in writing to increase automotive efficiency 40 percent in the next five years, which means we will get 40 percent more miles per gallon and still have a higher emission standard than we have today in our automobiles that are sold throughout the country.

In the case of the Clean Air Act, that would permit the utilities that are now using oil to go to coal. We have asked for some postponement. We have not abandoned the goal, but in order to cut down our importation of foreign oil, we have asked the Congress and the head of EPA, Russell Train, has agreed that this is a reasonable request.

I think under the crisis we face, a short stretch of this is understandable and desirable in this area, so I have not abandoned any improvement in our clean air efforts.

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I have simply, in the one case, moved up to the California standards, and in the other stretched out the situation to some extent. This, in my opinion, is a realistic approach, a proper balancing of environmental needs and energy demands.

I can assure you that in our judgment it is a reasonable position and it is wholly agreed to by Mr. Train, the head of the Environmental Protection Agency.

QUESTION: Thank you.

QUESTION: Mr. President, Philip O'Rourke, New York Times. Sir, your economic policy apparently would allow a high rate of unemployment for years to come in order to prevent a new round of inflation. Sir, isn't there some approach you could take other than this that would avoid this human suffering?

THE PRESIDENT: The proposal that I have submitted to the Congress provides for a very substantial stimulant to get us out of the current recession. I hope the Congress will act quickly, and the quicker the better. That will be the best demonstration of what the President and the Congress can do to turn the direction of our economy from a recession to an improvement.

It is my judgment that any additional stimulant at this time could lead to the kind of inflation that we fought so hard to overcome for the last 12 months. If we were to substantially increase -- I emphasize substantially increase -- the deficit of \$52 billion, it could provide a tremendous stimulant, but what would that do?

It would probably dry up our financial markets, with Uncle Sam going in to borrow \$60 to \$70 billion dollars in 12 months, \$30-some billion in this fiscal year.

It would probably force interest rates high again instead of the trend we are on now with lower interest rates. It undoubtedly, with high interest rates, hard to get credit and higher and higher inflation, would start us right down the road we have just avoided, and I think multiply, not help our present economic circumstances.

QUESTION: Sir, to follow up, some economists and some Democrats have proposed --

THE PRESIDENT: I am glad you say Democrats are not economists, or vice versa. (Laughter)

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QUESTION: Sir, there is a proposal that a larger degree of stimulation combined with wage and price controls would solve the problem of the recession, while preventing another round of inflation. Do you, sir, regard wage and price controls worse than an 8 percent unemployment rate for the next two years?

THE PRESIDENT: I don't think, when you are faced with the kind of adverse economic circumstances we have today, a recession which we are trying to get out of, that wage and price control medicine is the answer to the economic problem, and I believe that the stimulant I have proposed with the tax reduction, with the responsible expenditure limitations, is a very fine line that will permit us to get out of recession and avoid double-digit inflation. And, to put on top of this kind of an economy wage and price controls would be the worst kind of medicine that I can foresee.

QUESTION: Mr. President, I am Selby McCash, with Macon Telegraph and News.

The Georgia General Assembly is in session at the moment, and many State legislatures are. What advice could you give the State law makers to augment and supplement your programs on economy and energy? Quite simply, is there anything these gentlemen on the State level can do?

THE PRESIDENT: I believe that State legislatures have an obligation, such as we have in the Federal Government, to try and handle their fiscal affairs in a responsible way. I do not think the State legislatures or municipal governments should act irresponsibly and then come to the Federal Government for more funds over and above what has been recommended in the budget that I have submitted to the Congress.

If they have financial problems, I think they have to face up to them. I believe that they will have to tighten their belts in some cases on the expenditure side and they may have to increase taxes as Governor Carey of New York has proposed. But, anyhow, they should not act irresponsibly and then come to the Federal Government and expect us, under our circumstances, to bail them out.

QUESTION: Mr. President, you have asked the country to sacrifice to help us out in this time of trouble, but your own budget shows that the Executive Office of the President has outlays of 65 percent more in fiscal year 1975 over fiscal year 1974. Furthermore, we look at the kind of habits in the Administration -- not many days ago, Secretary Kissinger had a speech in Los Angeles, and to make one speech, he takes two planes, two very, large planes and spends tens of thousands of dollars of the taxpayers' money. Don't you think it is time for the White House to tighten its belt and other members of the Administration to do the same thing?

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THE PRESIDENT: I can assure you, since I took over, that we have thoroughly looked into the personnel of the White House and if my memory is correct, we have cut back about 10 percent in personnel. The increases that have come -- again, if my memory is correct -- is that the White House is now being charged rent by GSA just as GSA charges every other Federal department for Federally owned office buildings that are occupied by a department.

There has been an increase in compensation for Federal employees, which I happen to oppose, and asked to be deferred. So, when you add up the items that I have indicated, plus the 10 percent reduction in personnel, at least as far as we are concerned, it is my judgment that we have been cutting back rather than adding to.

In the case of Secretary Kissinger; Secretary Kissinger is a very important person in this government at this time, and it would be tragic if anything happened to him as a result of not taking necessary precautions.

I, for one, do not want any lack of precaution to result in anything that would hurt, in my opinion, the carrying out of our foreign policy, which is a success.

I happen to think the protection of his life, which is important to the foreign policy of this country, is worth the expenditure that you indicated.

QUESTION: As a follow-up, Mr. President, you say you have to pay rent now on the White House. What happens if you cannot pay your bills? Do they throw you out?

THE PRESIDENT: You ask Mr. Sampson. I think they will take it out of our appropriations bill. (Laughter)

THE PRESS: Thank you, Mr. President.

END (AT 3:10 P.M. EST)

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PRESS CONFERENCE NO. 8

of the

PRESIDENT OF THE UNITED STATES

7:03 P.M. CST  
February 11, 1975  
Tuesday

Ballroom  
Ramada Inn  
Topeka, Kansas

THE PRESIDENT: Won't you please sit down, and before responding to the first question, I do wish to thank Governor Bennett and the other Governors who were here with me in Topeka. I wish to thank the people of the State of Kansas and, particularly, the people in the Topeka area, for the very wonderful and very warm reception. It has been a very good day.

Mr. Morgan.

QUESTION: Mr. President, your energy and economic concerns will go down the drain for naught if we have war in the Middle East, could you please give us your latest information on Dr. Kissinger's negotiations in the Middle East and whether or not you think there is the possibility of a quick settlement in the wake of those negotiations?

THE PRESIDENT: Mr. Morgan, the Secretary of State left Sunday night for a most important mission in the Middle East. He will be gone approximately 10 days, visiting a number of Arab, as well as Israeli -- and he will be more or less on an exploratory mission. We believe that the possibility exists for a step-by-step progress in the Middle East, but no one can be certain in that very volatile and very difficult area.

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The Secretary of State will come back, hopefully, with some encouraging news, and then, if the news is encouraging, he will probably go back shortly thereafter for what we would hope would be a settlement on a step-by-step basis.

It is my judgment that unless progress is made there is a very serious prospect of another war in the Middle East, which, if it did occur, of course, raises the possibility of another oil embargo.

I would hope that by the Secretary of State's efforts that we can make this progress, avoiding another conflict and avoiding the prospects of another oil embargo.

The Secretary of State has my full backing. I think we are fortunate to have a person with that knowledge, that dedication and that record of success. So, I am an optimist, but it is a difficult assignment, and I think he deserves the full support of the American people and the Congress because it is in our benefit and the world as a whole.

QUESTION: Mr. President, a number of Republicans, as well as Democrats, Arthur Burns, for one, have raised serious questions about your energy program. I wonder if you, at any point, ever have any second thoughts yourself about it?

THE PRESIDENT: Mr. Cormier, I don't have any second thoughts about it. I concede that in putting this program together -- and here is a copy of the bill, a 167 pages -- that I had to make some very difficult decisions. All of the decisions were not easy; there were some gray areas, but at least it is a program. And it is my strong feeling that if there is a better program, Congress should come up with it. So far, they have come up with no program.

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So, as long as I have something that is affirmative, that I think meets the problem head on, I have no regrets about proposing it to the Congress and to the American people. I welcome any suggestions that are constructive. I welcome an alternative program or plan, if one can be put together by the Congress, but I will not tolerate delay. I will not tolerate inaction. It is my judgment that the crisis is far too serious, and therefore, I intend to continue trying to give some leadership for a solution to our vulnerability to foreign oil cartels.

Yes, sir.

QUESTION: Mr. President, without diminishing your attempt to do that, is there an inconsistency, do you think, in your proposal to conserve energy by increasing, in effect, its price, presumably for gasoline as well and, at the same time, releasing two billion in highway funds today to build more highways so we can drive more?

THE PRESIDENT: I think that is a good question, but I think there is a good answer. The reason I released \$2 billion to the States for the construction of additional highways was because over the last ten days or two weeks I have met with a number of Governors, Democrat and Republican, and all, more or less, assured me of the following:

Number one, that in most cases they had State funds that could be used right away and they -- or most of them -- have promised me that if I did release this \$2 billion for highway construction that they could get bids and have the contracted work under way within a few months.

We all know that the highway construction industry is depressed. We know that unemployment in the highway construction industry is very high. We know that better highways save lives. We know that highway construction jobs are meaningful employment. We think that this program, when it gets under way, will provide roughly, both direct and indirect, about 140,000 more jobs. We think that the promotion of safety, employment, the utilization of State matching funds and the opportunity to get action justifies what I have done.

And it seems to me that there is no inconsistency in doing this at the same time we are trying to conserve fuel, because better highways save fuel and furthermore, it could have a favorable impact in giving to States as well as to local communities the right to use some of the money, some of the money for mass transit, which is an energy saver, a fuel saver.

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QUESTION: Mr. President, your Press Secretary says that you are considering new emergency measures if the recession worsens.

What are these new measures and what would trigger the new initiative; what developments? Specifically, how high would unemployment have to go?

THE PRESIDENT: Congratulations on your new success in joining the Gridiron Club. (Laughter)

QUESTION: Answer the question.

THE PRESIDENT: You made it unanimously, too.

Well, to answer your question, the action that I took today, I think, is constructive. It is an effort at the request of a number of Governors to move in an area where they think some beneficial results will accrue. It is a response to a particular situation.

I think it is important to maintain basically my deep concern about an acceleration of federal expenditures at the present time, but at the same time being cognizant of unique circumstances, which I think this was, and if and when other such circumstances arise, I will be willing to take a look at them and make an honest judgment as to whether they are helpful or harmful.

QUESTION: Well, Mr. President, may I ask you: Mr. Meany says unemployment could go as high as ten percent. Is that true and, if not, what assurances can you give that it will not?

THE PRESIDENT: Well, I watched my good friend, George Meany, on Sunday when he pulled that figure out of the air. I think Mr. Meany, I might say parenthetically, will approve of my release of \$2 billion in highway construction funds because he has repeatedly said that these people have a high unemployment rate, these people are skilled craftsmen, and such a program would help get some of them back to work.

But, we don't foresee a figure as high as that forecast by Mr. Meany. As a matter of fact, we are convinced with the tax reductions that we have proposed -- and I think the Congress will approve -- we believe with the other actions that we are taking, unemployment, the rate of unemployment will gradually go down at the end of 1975 and be improved in 1976.

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QUESTION: Mr. President, in view of your answer to Mr. Cormier, in your talks at Houston and here today, did you hear any convincing arguments that might make you modify your energy proposals, and if so, which and how.

THE PRESIDENT: There was one question raised by individuals, both in and out of government, both in Houston as well as in Topeka, about one provision, and that is whether or not, as a part of the windfall profits tax, there ought to be a provision for a plowback, which means that if a company derives revenue from their oil and gas developments, could they plow those revenues back into further exploration and development and thereby avoid a tax on those revenues or those profits.

This was a very close call at the time I made the decision when we put this program together. The Congress is in the process -- or I hope it will soon be in the process -- of taking up my energy program. There ought to be ample opportunity for the proponents and the opponents to state their views and convince the Congress one way or another.

I can understand some justification for the plowback provision. I don't think it is a serious change in my proposal, but I will point out to the Congress that if they incorporate the plowback provision, it will probably mean a loss of about \$3- to \$4 billion annually in tax revenues to the Federal Government and, if so, there will be less money to return to energy users than the figure that I have recommended.

But there is, on the other hand, a good argument that a plowback provision might stimulate more production. So, it is a very close call and although I favor what I have recommended, I can understand the reasons for the plowback provision.

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QUESTION: Mr. President, voluntary conservation still seems to be a weak hope in the program and to some of us more skeptical, does it still rate a high priority with the Administration, and if it does, do you see the need for anymore restrictive plan?

THE PRESIDENT: I think you have to have voluntary cooperation from 213 million Americans. I think their affirmative participation is very vital. On the other hand, it seems to me that we need stronger action, and that is why I have recommended to the Congress this comprehensive program and this, I think, very fair and equitable effort to get some action.

This program has four basic foundations: number one, conservation by the price mechanism, number two, added supply by stimulating exploration and development, number three, equity in the return of tax money to people, to business, to states and, number four, security. This program gets America going in making us invulnerable against foreign oil cartels, and, yet, we do need voluntary cooperation at the same time.

QUESTION: Mr. President, you tried to set in writing, standards of ethics for members of your Administration. I want to ask you about your meeting last night in Houston with former Texas Governor John Connally, who, as you know, is under indictment -- on second thought, do you think there might be anything improper for the Nation's chief legal officer to meet with a man who is under indictment? We know that you did not discuss that indictment with him; we were assured of that by your Press Secretary.

THE PRESIDENT: Let me say, very categorically, I have known former Governor Connally for a great many years. He was appointed Secretary of the Navy by former President Kennedy. He was elected Governor of Texas on three occasions and served six years. He was Secretary of the Treasury under Mr. Nixon. He is a very knowledgeable public servant. It seems to me that with a man of that vast governmental experience, at the state as well as at the Federal level, the things that I discussed with him could be very helpful to me.

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I see no conflict whatsoever. Mr. Connally has been indicted; he will get a fair trial, and I shouldn't comment on the outcome. But until he has been convicted, I think it is very appropriate for me to meet with him to discuss matters involving the Federal Government, both domestic and foreign policy.

QUESTION: Sir, may I follow that up? Would you have any objection if members of your Justice Department were to meet privately with persons who were under indictment in cases being prosecuted by the Justice Department?

THE PRESIDENT: I don't think that people in the Department of Justice, who have the responsibility of actually carrying out their responsibilities as prosecutors -- I think there is quite a difference. They make the judgments as to prosecution. My position is not exactly that, and my reason for meeting with former Governor Connally, former Secretary of the Treasury, was to discuss none, or no matters, involving his present legal difficulties.

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QUESTION: Mr. President, I would like to turn to the timing of your farming programs for just a moment. The farmers here in Kansas say they are suffering now from increased operations costs and also from a depressed market that they blame on export controls.

Some Western Kansans are even considering abandoning their crops that are in the ground now. So, if your plan doesn't take effect until the first of the fiscal year, do you have some emergency alternatives to help Kansas farmers?

THE PRESIDENT: Well, I think the thing that might be helpful is the decision that has been made to, in effect, eliminate any monitoring of foreign sales of American agricultural commodities.

I did impose a monitoring system, not export controls, on the sale of American agricultural commodities, about four months ago when there were these several unexpected, very sizeable sales to the Soviet Union.

But we have found that our agricultural reserves are fully adequate. We have found that the crop forecasts, particularly in winter wheat, are very encouraging, and therefore I have, in effect, removed the monitoring system.

It seems to me that the American farmers are the kind of good Americans that will produce because I happen to think they will not only have a good market, which they have today, but they also are good Americans in that they know what they produce will help us in our balance of payments and our humanitarian efforts on a worldwide basis.

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QUESTION: If I could follow up on that just a second, there is still going to be a time lag, though, on the increased operation cost. Is there something you are going to do to help out on that?

THE PRESIDENT: Yes, we discussed that with several of the Governors, both in Houston as well as here today, and Mr. Frank Zarb, the head of the Federal Energy Administration, has promised that there will be some beneficial relief given to American agriculture under my energy proposals.

QUESTION: Mr. President, I am Dennis Farney with the Wall Street Journal.

You have been talking in terms of wanting to compromise with the Democratic Congress and yet your major proposals have been quite provocative. You want to increase Pentagon spending and cut back on spending for some popular domestic programs which is about the opposite of what the Democrats want to do.

Aren't you really picking a fight with Congress and preparing the way for a possible fight with the Democrats in 1976?

THE PRESIDENT: I can't believe that the majority of Democrats in the House and Senate are going to weaken our national defense program by gutting the requested appropriations for the Army, Navy, Air Force and Marines.

The Democrats that I know in the Congress are just as dedicated to a strong national security program as I am, so I don't think this Democratic Congress will undercut our national security effort. They will make some changes, but I don't think -- I certainly hope they won't -- gut the Defense Department.

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Now, I have made some recommendations to cap, not to cut back programs aimed at helping people. As a matter of fact, in the budget that I submitted, the Defense Department gets only 27 percent. The domestic programs that you mention get about 44 or 45 percent of the total expenditures out of the Federal Government.

So, I think we have come to a pretty good balance and I think the Democrats, when they look at the budget for fiscal 1976, will realize that there is a good balance and I think they will go along to a far greater degree than what might appear to be the case at the present time.

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QUESTION: Mr. President, I understand that your advance planning schedule shows a tentative visit by President Thieu to this country in late April. Can you tell us if you are seriously considering such an invitation and why?

THE PRESIDENT: Well, Mr. Beckman, I am not familiar with any invitation. I am not familiar with any prospective visit.

QUESTION: Would you consider inviting Mr. Thieu to this country?

THE PRESIDENT: I really had not thought of it and I know of no prospective visit.

QUESTION: Since Kansas is traditionally Republican, would you please assess the health of the Republican Party?

THE PRESIDENT: Would you repeat that, please?

QUESTION: Since Kansas is traditionally Republican, I am sure many of our citizens would like you to assess the health of the party, sir.

THE PRESIDENT: Well, I, as a Republican President, can't help but be impressed by the success here in Kansas. You have a fine governor. You have got the Legislature in the control of the Republican Party here. You have got low unemployment in Kansas. You have got good economic conditions. I think this is a good achievement record for the Republican Party in Kansas as well as a whole, so I just hope we can spread this good progress through 49 other States.

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QUESTION: Mr. President, just how much headway do you consider you have made for your energy proposals with the governors in the three regional meetings you have had with them so far?

THE PRESIDENT: Well, there is some good news and some bad news. I think we have made more headway than if I had stayed in Washington and written them letters. I think they now understand the program, which was a major reason for my meeting with them individually in three and four hour sessions.

I think they have a better understanding of the program and there is more support now than there was before.

I don't hear many governors calling for gas rationing, which shows very good sense. I don't hear many governors calling for arbitrary allocation because they realize, as I do, that arbitrary allocation or quotas -- they would be the most harmful method of achieving conservation and would have a particularly depressing impact on our economy.

So they understand the program, therefore, I think they are more supportive, although some of them have some reservations about a part here and a part there.

I must say that I did not hear a single governor in all the ones I met with, who endorsed what the Congress is trying to force on me. The governors understand you have to make progress and they know that this bill that the Congress is working on is a bill that is a backward step. So, even though they may have some reservations about a part here and a part there in my program, I think they are more for this than they are for what the Congress is alledgedly working on.

Yes.

MORE

QUESTION: Mr. President, there has been a lot of speculation recently about former President Nixon's future. You talked with your predecessor by phone last weekend. Can you tell us if Mr. Nixon is considering a return to the national scene? Would you welcome that?

And would you perhaps consider appointing Mr. Nixon to an influential diplomatic post such as Ambassador to China?

THE PRESIDENT: Mr. Nixon called me last Saturday. The content of that conversation, since he initiated it, I think should come from Mr. Nixon himself.

Mr. Nixon is recovering from a very, very serious illness. I see no prospect for any appointment because of his health and any other comments concerning the conversation, I think, should come from him.

QUESTION: Mr. President, are you and Dr. Kissinger still insisting on increased aid to Vietnam, South Vietnam? And if so, why?

THE PRESIDENT: Well, the United States made a very significant contribution in Southeast Asia. Unfortunately and tragically we lost some 55,000 American lives, spent literally billions.

The South Vietnamese are now trying to carry on on their own. We have no U.S. military forces there. We are living up to the Paris Accords. The last Congress authorized \$300 million more in military assistance for South Vietnam on the basis that that would give them sufficient military assistance so that they could fight aggression by North Vietnam.

I am convinced that that \$300 million would give to the South Vietnamese an opportunity to defend themselves against aggression. I strongly believe that it is a proper recommendation to the Congress. I hope that the Congress will respond.

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QUESTION: But would you accept some sort of compromise proposal from those members of Congress who don't think the way you do?

THE PRESIDENT: Well, I think \$300 million in further military assistance is the right answer to give the South Vietnamese the necessary military hardware to defend themselves. Anything less than that makes their defense of their country less effective and I think they ought to be given enough to defend themselves. And \$300 million, according to my advisers, is the minimum for that purpose.

QUESTION: Mr. President, Peter Kumpa of the Baltimore Sun.

President Truman is one of your heroes and you share some things in common with him -- a Mid-western background, succession from the Vice Presidency, and a so-called do-nothing Congress. But Mr. Truman was a Democrat and a champion of the little guy. He was a spender for social causes.

Now, you are not a spender. You are a Republican and a champion of free enterprise. Where did your admiration for Mr. Truman begin? How do you feel you are like him and how do you feel you are different?

THE PRESIDENT: Well, I never alledged that I was like him. I simply have a great admiration for him. I admire him because he was forthright. He believed in certain things, whether I did or not, and he was willing to go out and fight for them. I think that is a very admirable trait.

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Mr. Truman deeply believed in maintaining a strong U. S., both militarily and economically. I share that view.

I believe that we insure the peace by being strong and Mr. Truman, by his various actions, felt the same way, and Mr. Truman wanted a strong domestic economy. I admired that. I believe in it.

For those traits and those basic views, whether we agreed on every detail, I admire him tremendously.

QUESTION: As I recall, Grand Rapids was one of the very first stops on Mr. Truman's whistle-stop campaign. He was there on Monday morning in the rain and 25,000 people showed up. Were you there to see him that time when you were running for Congress and, is that the kind of road you would like to emulate in 1976?

THE PRESIDENT: Well, I am not sure I was there. That was my first campaign and I was probably out talking to some of my good agricultural constituents or making speeches elsewhere, but I was glad he came to Grand Rapids. I got a taste of the kind of campaign that he initiated, carried out, and was successful.

I think you have to be aggressive, I think you have to be forthright, I think you have to be candid, and Mr. Truman was all of those put together. It was a successful campaign. It might be necessary to do it in 1976.

QUESTION: Mr. President, what was the main thrust of objections by Governors, particularly Democratic Governors, not only to your energy policies, but your economic policies?

THE PRESIDENT: There was very little objection to my proposal for a tax reduction. I can't say they agreed with every detail, but they agreed that a tax reduction was necessary as a stimulant.

They did raise some objection about some of the capping that we recommended for Federal Government pay, for some of the retirement programs where there is an escalation, as you, I am sure, know. We didn't cut back those programs. We said they should be limited to a five percent increase. I suspect that they felt that there should have been an increase permitted to the maximum.

MORE

On the other hand, they were generally fearful of the additional \$17 billion deficit over the \$52 billion because they know that a deficit of \$69 billion will have an adverse impact on their financing efforts.

So, I would say they had mixed emotions about the economic plan but basically they supported it.

On the energy program, there was no major criticism. We simply tried to explain it. There were some suggestions, but I repeat what I said a moment ago; I think they respected this program, which is an answer; whether they liked every part of it, they preferred this program to a four-page step backward.

MORE

QUESTION: Mr. President, I would like to follow up on Helen's earlier question. Your Press Secretary said, last week, that Mr. Greenspan and, I presume, you, as well, are sticking to the prediction that unemployment will peak at 8.5 percent and that that figure of 8.5 percent will probably be reached about midsummer. In view of the new unemployment figures which came out last week, I am wondering whether you think these figures might be a little unrealistic now?

THE PRESIDENT: My own personal feeling is that there may be some increases, but I think the hump will have been reached sooner than some of the experts are forecasting and that the trend will start in the other direction, particularly, if the Congress moves in getting the tax reductions that I recommended January 15th enacted into law and providing they do some of the other things that are necessary to stimulate the economy.

I don't want to get in a numbers' game about what the unemployment figure might be at a certain date. I am more interested in trying to get Congress to act on the programs that will get us moving forward both in energy as well as the economy.

MORE

QUESTION: Mr. President, Kansas has about 20,000 low producing oil and gas wells. Do you have any incentives in your program to stimulate low producers and, if not, why not?

THE PRESIDENT: Well, in the overall energy program that I have recommended, we call for the decontrol of all domestic oil and gas production. We think permitting all domestic oil and gas production to go up in price with windfall profits tax, or a plowback provision will provide an incentive to some of the older domestic oil wells in the State of Kansas as well as elsewhere, particularly the plowback provision will stimulate additional production in these wells as well as further exploration and development.

I think there is more hope -- let me put it this way, if I might. If the Congress is so unwise to impose mandatorily gas rationing, or quotas or allocations, there is no incentive, none whatsoever for greater domestic production, including greater domestic production in Kansas out of the 20, or 30, or 40,000 oil wells in Kansas.

So my program does recommend an incentive, a stimulant to greater production.

What I hear some people are advocating, there is no chance of any stimulation to greater production.

MORE

QUESTION: Mr. President, Leonard Woodcock of the UAW is talking about organizing 250,000 unemployed labor members to come to Washington to march on the Capitol this summer to demand action of the government.

Would you view such marches, which you hear increasingly talked about in labor circles also, would you consider them a serious threat to domestic tranquility?

THE PRESIDENT: I certainly respect the rights of any individuals or group to come to the Congress or the President and petition where they have a grievance that they feel ought to be so presented to the Executive or Legislative Branches of the Federal Government.

I hope that we can show there will be an improvement in the economy so that a march or such marchers in the summer will not be necessary. But I would be the last person to say that an individual or a group doesn't have the right to so take such action.

Now, I think it is just a great deal better from the point of view of domestic tranquility for all of us to concentrate on achieving an answer on our domestic problems, action by the Congress, administrative decisions by me. This, I think, is more productive than something that could upset some of the people in Washington and elsewhere.

THE PRESS: Thank you.

END

AT 7:36 P.M. (CST)



#9

2/26/75



PRESS CONFERENCE NO. 9

of the  
PRESIDENT OF THE UNITED STATES

11:05 A.M. EDT  
February 26, 1975  
Wednesday

In the Convention Hall  
At the Diplomat Hotel  
Hollywood, Florida

THE PRESIDENT: Good morning. Will you please sit down.

First, let me express my appreciation to the people of Florida for their hospitality. It has been a pleasure being here, and I look forward to the rest of the day.

Before answering questions, I have a short prepared statement that I would like to make at the outset. It reads as follows:

"There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

"There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

"Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States."

Mr. McDermott.

QUESTION: Mr. President, what was behind Dr. Kissinger's recent observation that some day we might have to go in and destroy the oil wells of the Middle East? Do you envision such a possibility ever happening?

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THE PRESIDENT: I do not recollect the precise statement that is attributed to the Secretary. I suspect you are referring to the oft quoted statement about strangulation.

I have answered that question, as has the Secretary, on a number of occasions. To be repetitive at this point I think might only increase speculation. The facts are that there was an answer to a very hypothetical question of the most extreme circumstances, and both the Secretary and I have indicated our views on the subject.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, is what you call our moral commitment to arm South Vietnam and Cambodia open-ended, and what are you doing specifically to bring the warring parties to the peace table?

THE PRESIDENT: The commitment that we have to the South Vietnamese and the commitment that we have to some extent in Cambodia is one that we, as the United States, agreed at the Paris Peace accords, that we would withdraw our forces and that hopefully peace would be established in Indochina.

Part of our commitment was that we would, in the process or as the result of the withdrawal of our own military personnel, we would continue to supply arms on a replacement basis, and that commitment was predicated on the willingness of the South Vietnamese to fight aggression from North Vietnam.

The South Vietnamese are fighting, are trying to protect their country, and are seeking to defend their country from invasion. It seems to me that as we look back at our participation in the Paris accords, and the promises that were made, as long as they were willing to fight against aggression and invasion, that we had an obligation to help them with military equipment on a replacement basis.

The situation there is one that I am willing to negotiate with the Congress. I indicated that if the Congress would join with me, we would make a firm and final decision on a three-year basis to permit South Vietnam to get over the current crisis that they face.

I think that would be a reasonable solution. I am told that the South Vietnamese in a three-year period, with our military and economic aid, would be able to handle the situation.

MORE

QUESTION: What about Cambodia?

THE PRESIDENT: Cambodia, the problem there is extremely critical. Unless there is additional U. S. military aid, as I have recommended, the Cambodians will run out of ammunition in a relatively short period of time. I think that that would be most unfortunate because if they are able -- between now and the end of the dry season -- to maintain their national integrity -- the present government -- there is a possibility of negotiations that might end the war in Cambodia.

QUESTION: Mr. President with reference to your energy-economic program, Congress is going off in one direction. You have suggested another direction. You have also suggested that you are willing to compromise. I wonder if you might specify some of those areas of compromise?

THE PRESIDENT: I wish there was a single plan proposed by the majority party in the Congress. It is a slight exaggeration, but there are many, many plans that have been discussed by the majority party. I can think of three in particular, the plan that is proposed by Senator Pastore, the plan that is proposed by Congressman Jim Wright of Texas and the plan that has been proposed by Chairman Al Ullman of the House Committee on Ways and Means.

And I understand there are many more. What we need is a plan that the Democrats can agree on, if they can, and then we can sit down and, hopefully, negotiate. I am willing to cooperate, but we have to have something to cooperate with, and so far, they have not come up with anything where they are in agreement, so until they do, we are going to pursue our plan, which I think is fair and equitable and a solution to the energy problem.

QUESTION: Are you saying, a single package plan from the Democrats before you will negotiate?

THE PRESIDENT: I think that is a fair statement, and I think it is a fair proposition. We have to sit around a table with a group or somebody, where they say, "Here is our plan and here is my plan," and then we can try to integrate them. But until they have some consensus on their side, we are in the position where there is no real viable plan for us to take a look at.

Now, I intend to keep the pressure on. The pressure that I have used in legal and legitimate ways has precipitated more response in the Congress than any time in the last three years. We still have some time, and when I get back to Washington, if they have got a plan where they agree, then we can sit down and negotiate.

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QUESTION: Mr. President, some of the news executives who had breakfast with you this morning report that you talked about Congress not acting on an anti-recession tax cut until June. Are you really that pessimistic about the outlook?

THE PRESIDENT: I certainly hope that Congress acts before then, but I submitted my economic plan for the stimulation of our economy, so we could reduce unemployment, so we could increase employment, in January -- I think it was January 15th of this year.

And our proposal was very simple and hopefully it would result in Congress acting very quickly. It is almost five weeks now, and the House of Representatives has not yet acted. I hope they act this week. Hearings probably will start in the Senate Committee on Finance next week, and then it has to go to the Senate. And then, if there are differences between the Senate plan and the House plan, it will have to go to conference. That could conceivably take until June.

I think that is very ill-advised and extremely serious. We had hoped that Congress would act by the middle of March at the latest, and they could have, if they had taken the simple specific tax reductions that I recommended.

Unfortunately, the parliamentary process has been slowed down in the Congress, and the country has been the loser. We need a stimulant now, and I hope the Congress will realize the urgency of the need for action. And I trust that now that they have been reminded of their slowness, that they will expedite the process.

QUESTION: Good morning, Mr. President. I am Dick Powers from the Fort Lauderdale Sun-Sentinel.

Last week, here, in South Florida, George Meany proposed the nationalization as an ultimate solution of the oil industry. Heretofore, there have been proposals from Congress for the nationalization of health insurance and for utilities and for the railroads. Do you see these proposals as reluctance on the part of the American people to tough out our economic woes and accelerate a drift into socialism, sir?

THE PRESIDENT: I do not think the nationalization of any industry in the United States is in our best interest. Nor do I think a government monopoly in any industry is a good answer. Without being critical of individual employees of the Postal Service, I think the Postal Service has not been as good an answer as we would like to the delivery of mail. We are trying to improve it, but it does seem to me that there is a better answer to the energy problem than the nationalization of the oil industry.

We do have to stimulate production. We do have to, through the windfall profits tax that I have proposed, keep profits at a reasonable level. We do have to make sure that we get away from foreign oil imports, but I honestly do not believe nationalization is the best answer.

QUESTION: Mr. President, on oil -- with your favoring of a minimum price level and oil deregulation -- won't you be guaranteeing to the oil companies a revenue bonanza that is based solely on the arbitrarily high price levels that have been set in the past year or so by the OPEC countries?

THE PRESIDENT: My energy program does not guarantee any specific price except that we have been negotiating with other consuming nations for what is a minimum price or a floor price.

A minimum price at a reasonable level is a way in which we can continue to stimulate domestic production of additional oil, additional natural gas, and other energy sources such as solar, geothermal, et cetera.

We are not guaranteeing oil companies any particular price, and if there is a windfall profit, then the Congress has an obligation to enact my windfall profits tax so that there will not be inequitable benefits from the energy crisis by the oil companies.

QUESTION: Bill Groves from Jacksonville.

Mr. President, is it true that either rationing or allocation would be less inflationary than the package you have proposed, and would be less burdensome on those least able to pay?

THE PRESIDENT: I do not think that is the fundamental issue that is involved. Rationing, gasoline rationing, for example, would be very inequitable, and it would not provide any stimulant for new sources of energy, either oil, natural gas or any of the others.

Allocations--import allocations I assume you are referring to--according to the experts that have looked at it, that I have listened to, tell me that would probably be more injurious to our economy than any other procedure that was used. You would have government officials making arbitrary decisions as to how much oil could go to one industry or to another and that would inevitably be discriminatory.

I happen to think that the price mechanism procedure which I have proposed is a better plan because it gives flexibility to users to make those basic decisions.

The plan that I recommended has, according to the experts that we have talked with and I have listened to, would have a one-shot increase in cost. On the other hand, through the tax rebate program that I have recommended, the added energy cost to individuals, to business, to government, would be returned to those people who have had an added cost.

So, it would be fruitful as far as the users are concerned, and it would stimulate production, which is what we really want.

MORE

QUESTION: Mr. President, now that unemployment has reached a very high point and it seems likely to go even higher, is there anything that you can do as President to alleviate the situation without going to Congress, and if there is, what is it and do you intend to do it and if so, when?

THE PRESIDENT: Number one, we submitted an economic plan to the Congress, a tax reduction proposal that would have returned to taxpayers or resulted in a reduction in taxes of some \$16.5 billion. That proposal is on the agenda of the Congress.

I wish they would act more quickly, and some of our problems might be alleviated. Other than that, I think we have to seek to restore public confidence in the system and in the prospects for economic revival.

There is some evidence that the public now believes, as most experts agree, that we are bottoming out, so to speak, and the prospects for an increase in employment and a decrease in unemployment will come sometime in the third or fourth quarter of 1975.

QUESTION: What you are saying then is there is really nothing more that you as President can do.

THE PRESIDENT: I do not believe so. On the other hand, if there is anything, instead of increasing expenditures, as some have suggested, I would favor a larger tax decrease, but at the present moment I do not think we have reached that point.

I simply would hope that the Congress would act so we could find out whether that is enough stimulant, but other than that, I know of no other proposal.

QUESTION: Mr. President, your Hispanic adviser, Fernando DeBaca, told the Miami News yesterday that you have never formally re-evaluated U.S. foreign policy toward Cuba since you became the President. Are you in the process of re-evaluating the government's position, and do you foresee any lifting of economic and diplomatic sanctions toward Cuba in the immediate future?

THE PRESIDENT: Very frequently in my daily meetings with Secretary of State Kissinger we discuss Latin American policy, including our policy toward Cuba. The policy today is the same as it has been, which is that if Cuba will re-evaluate and give us some indication of a change of its policy toward the United States, then we certainly would take another look, but thus far there is no sign of Mr. Castro's change of heart, and so we think it is in our best interest to continue the policies that are in effect at the present time.

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QUESTION: Mr. President, a number of responsible Americans, including Senator Mansfield, have expressed concern that we are selling more arms than ever to more nations. We now sell to Pakistan as well as India, to Arab countries as well as Israel.

What is your credo in regard to arms sales? Is it influenced by the state of the economy, and what do you say to those who say that such sales are immoral?

THE PRESIDENT: First, let me be very specific. The sales of U.S. military equipment to any country is not predicated on trying to help the U.S. economy. We do have a policy of selling arms to other nations if that country feels it has an internal security problem; and number two, if it is necessary for one or any of the countries to maintain their national integrity or security.

We believe that in many areas of the world a proper military balance is essential for internal as well as external security of various countries. And where other nations, such as the Soviet Union, does sell or give arms to one country or another, if another country feels that for its own security it needs additional military equipment and has the cash, then we feel that it is proper to make a sale from the United States to that country.

QUESTION: Mr. President, South Florida has a disproportionate number of elderly persons, thousands of poor and elderly who are finding it hard to even have one hot meal a day. How can we justify Federal programs that would reduce or take away what little assistance they are getting now, particularly when we continue to pump billions of dollars in foreign aid overseas?

The question they are asking is, when does charity begin at home?

THE PRESIDENT: Let's take the food for the elderly program. In this current fiscal year the Federal Government is spending \$202.5 million for that program under the older citizens legislation, which is six times what it was four years ago.

We will continue to monitor the situation, and if that is inadequate, we will do our utmost to find additional funding.

But I think it has to be put in perspective that \$202 million plus is not an inconsequential amount just for that one program, plus the other programs that are aimed at helping our older citizens.

I feel very strongly that they should be given adequate aid and assistance, plus Social Security, and I should say that I have not recommended a reduction in Social Security, but have recommended a 5 percent increase in Social Security benefits, along with other programs.



QUESTION: Mr. President, good morning. I wonder now that the sentences have been handed down in the Watergate case against the former top Administration figures how you would feel on the issue of pardon for those men, especially in the light of their contention that they have done nothing that is any more wrong than the President under whom they served.

THE PRESIDENT: It seems to me, number one, since they are appealing their sentencing, that it would be inappropriate for me to make any comment one way or another. And number two, if and when the time comes, the proper thing for them to do would be to apply in the regular procedure or process, which is through the pardon attorney in the Department of Justice.

QUESTION: Without getting into specific cases on the general premise, would you be sympathetic more in these particular cases toward a pardon because of the circumstances?

THE PRESIDENT: I don't think it would be appropriate to make a comment in that regard because they are limited in number, and I would not want to prejudice their current appeal by any comment that I might make.

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QUESTION: Mr. President, as you know, Florida boasts some of the highest electrical power bills in the Nation. Won't the people who pay those bills be hurt substantially by your foreign oil import program, since most, if not all, of the oil that Florida power companies burn comes from Venezuela?

THE PRESIDENT: The energy program that I have recommended would not result in Florida paying a disproportionate share of any cost increase. As a matter of fact, under the administrative action that I have taken, we have, under the first dollar, exempted heating oil as far as Florida is concerned, as far as New England is concerned, as far as Hawaii, the areas that are, as you indicate, in the same circumstances as Florida.

And under the permanent program that I have recommended, the added energy cost to a family, or to business, or to government, would be rebated to the individual, to the business and to the governments, so there would be a neutral impact. Therefore, it seems to me that my proposal is extremely equitable and would not result in any disproportionate burden being placed on Florida or any State in a comparable situation.

QUESTION: Mr. President, your opening statement seemed to imply that the United States was planning some sort of action against the Arab nations that have embargoed Jewish-owned banks. Could you be more specific? What sort of things might we do in this case, if the embargoes continue?

THE PRESIDENT: All we have so far are some allegations. I have asked the Departments of Justice, Commerce and State to investigate any allegations. The actual action that would be taken will be forthcoming from recommendations by those departments. They have not been placed on my desk at the present time.

QUESTION: Mr. President, you have referred to the question of aid to Cambodia as a moral one relating to the credibility of the United States. But is the issue of credibility really at stake when so many of those with whom we would want to maintain it criticized our involvement in that area to begin with and long urged us to get out before we did?

THE PRESIDENT: Are you referring to other nations?

QUESTION: Other nations, yes.

THE PRESIDENT: I do not think we can conduct American foreign policy on the basis of what other nations think is in our best interest. The United States has to predicate its foreign policy on what it thinks is in America's best interest.

Now, we respect the right of other nations to be critical of what we do, but it is my responsibility and, I think, the responsibility of people in authority in the United States to make decisions that are based on what we think is good for America, and that is the way it will be decided as long as I am President.

QUESTION: Mr. President, there has been a new crop of reports in recent days about the possibility of Secretary Kissinger leaving office this year to be succeeded by Ambassador Elliot Richardson. Could you comment on these reports, and specifically, do you expect Dr. Kissinger to remain in office at least until November of next year?

THE PRESIDENT: I happen to feel very strongly that Secretary Henry Kissinger is an outstanding Secretary of State, and he and I have never discussed any change in his responsibilities. I know of no plans of any kind whatsoever on my part, or his part, to change the responsibilities -- the very heavy and important responsibilities that he has.

On the other hand, I recently submitted the name of Elliot Richardson to be Ambassador to Great Britain. I picked him because I think he will do a first class job there, and he has been recently confirmed. And I am confident, when he goes to London, he will carry out those responsibilities in that job in a very exemplary way.

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QUESTION: Mr. President, it is estimated by immigration officials here in South Florida that there are up to 90,000 illegal aliens gainfully employed in Southeast Florida alone. It is also estimated that our unemployment figure runs close to that amount. What is your office doing to address itself to this particular problem?

THE PRESIDENT: We have been trying to strengthen the arm of the Immigration and Naturalization Service, the Department of Justice, in order to handle in an appropriate way the illegal alien problem.

Florida has a serious problem. California has an equally serious problem. We are trying to work with the Mexican government, for example, primarily out in the Western states. We are fully cognizant of the adverse impact that illegal aliens have on employment opportunities of American citizens, but we are trying to stop the flow in. We are seeking to send back illegal aliens as quickly as possible under the laws of the United States.

QUESTION: Mr. President, Senator Pastore is proposing that there be a special election anytime an appointed Vice President succeeds to the Presidency; that is, if there is more than one year of the term remaining.

Since you are the only such person, what is your feeling about it? Would you recommend or endorse a change in the Twenty-fifth Amendment?

THE PRESIDENT: I am not sure that I ought to pass judgment on the validity of the Twenty-fifth Amendment. I guess I could say it worked pretty well this time. (Laughter)

But I think it is appropriate that the Congress take another look at the Twenty-fifth Amendment. It was passed, as I think most of us know, not to meet the unique circumstances that developed in 1973 and 1974.

Perhaps this experience does require the Congress to take a look, to see whether there is a better way or a different way where a Vice President might be selected.

QUESTION: Do you feel any handicap for not having won a Presidential election, and still holding the office?

THE PRESIDENT: The answer is no.

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QUESTION: Mr. President, Jim Reynolds, WIOD News, Miami.

You stated that the Congress has been slow to act on two of the Nation's major issues -- energy and the tax cut. As a former Congressman, can you give us any insight into why you feel the Congress is having this difficulty?

THE PRESIDENT: In the failure of the Congress to act quickly enough in reducing taxes, as I recommended, I am really perplexed because we recommended a very simple method of returning \$16.5 billion to the American people and to American business.

That should have been quickly considered, acted on very rapidly, and I do not understand why there has been the kind of delay that has taken place.

In the case of the energy problem, that is more understandable. Even though I don't like it, it is a very comprehensive program that involves 170 pages in one bill that I recommended and that will require hearings and action.

But what disappoints me -- and this I do not understand -- is why there have not been hearings before the proper committees in the House and the Senate on either my plan or the thoughts that the Democratic Members in the Congress have on their plans.

But that is why I have the pressure on with the import levy. I think they are now beginning to focus on the need and the necessity. Up until recently, they just hoped the problem would go away. Now they are beginning to realize it is serious, and hopefully there will be some affirmative action.

QUESTION: Mr. President, in answering an earlier question about Cambodia, you used the phrase "the commitment that we have to some extent to Cambodia," to distinguish it from Vietnam. Just what is our commitment to Cambodia when at the time the American troops went in there in 1970, people were told there was not going to be any long-term commitment? Could you explain that, sir?

THE PRESIDENT: Cambodia is in a somewhat different situation from Vietnam. Vietnam is involved in the Paris accords. Cambodia was not in an official way. So, our obligation, which I think is important, is that they want to maintain their national integrity, and their security of their country against outside forces.

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The policy of this country is to help those nations with military hardware, not U.S. military personnel, where the government and the people of a country want to protect their country from foreign aggression or foreign invasion.

This is, to a substantial degree, in post-World War II the tradition of the United States, and I think if people in a country want to fight for freedom for their country, to the degree that we can, I think we ought to expand freedom around the world.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much.

END (AT 11:35 A.M. EDT)