

PRESS CONFERENCE NO. 9

of the

PRESIDENT OF THE UNITED STATES

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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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(OVER)

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.

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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.

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)